

# **NATIONAL ECONOMIC AND SOCIAL COUNCIL**

*Universality and Selectivity: Social Services  
in Ireland*

**NATIONAL ECONOMIC AND SOCIAL COUNCIL  
CONSTITUTION AND TERMS OF REFERENCE**

1. The main task of the National Economic and Social Council shall be to provide a forum for discussion of the principles relating to the efficient development of the national economy and the achievement of social justice, and to advise the Government, through the Minister for Finance,\* on their application. The Council shall have regard, *inter alia*, to:

- (i) the realisation of the highest possible levels of employment at adequate reward.
- (ii) the attainment of the highest sustainable rate of economic growth,
- (iii) the fair and equitable distribution of the income and wealth of the nation,
- (iv) reasonable price stability and long-term equilibrium in the balance of payments,
- (v) the balanced development of all regions in the country, and
- (vi) the social implications of economic growth, including the need to protect the environment.

2. The Council may consider such matters either on its own initiative or at the request of the Government.

3. Members of the Government shall be entitled to attend the Council's meetings. The Council may at any time present its views to the Government, on matters within its terms of reference. Any reports which the Council may produce shall be submitted to the Government and, together with any comments which the Government may then make thereon, shall be laid before each House of the Oireachtas and published.

4. The membership of the Council shall comprise a Chairman appointed by the Government in consultation with the interests represented on the Council,

*Ten* persons nominated by agricultural organisations,

*Ten* persons nominated by the Confederation of Irish Industry and the Irish Employers' Confederation,

*Ten* persons nominated by the Irish Congress of Trade Unions,

*Ten* other persons appointed by the Government, and

*Six* persons representing Government Departments comprising one representative each from the Departments of Finance, Agriculture and Fisheries, Industry and Commerce, Labour, and Local Government and one person representing the Departments of Health and Social Welfare.

Any other Government Department shall have the right of audience at Council meetings if warranted by the Council's agenda, subject to the right of the Chairman to regulate the numbers attending.

5. The term of office of members shall be for three years renewable. Casual vacancies shall be filled by the Government or by the nominating body as appropriate. Members filling casual vacancies may hold office until the expiry of the other members' current term of office and their membership shall then be renewable on the same basis as that of other members.

6. The Council shall have its own Secretariat, subject to the approval of the Minister for Finance\* in regard to numbers, remuneration and conditions of service.

7. The Council shall regulate its own procedure.

\* On 15 September 1977, the Government announced its decision that the functions relating to the Council would be the responsibility of the Minister for Economic Planning and Development.

# NATIONAL ECONOMIC AND SOCIAL COUNCIL

## *Universality and Selectivity: Social Services in Ireland*

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**NATIONAL ECONOMIC AND SOCIAL COUNCIL  
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**PART I**  
**THE COUNCIL'S COMMENTS**

## THE COUNCIL'S COMMENTS<sup>1</sup>

1. According to its constitution and Terms of Reference, the Council has as its main task the provision of "a forum for discussion of the principles relating to the efficient development of the national economy and the achievement of social justice" and to advise the Government on their application. The Council must have regard, *inter alia*, to:

The fair and equitable distribution of the income and wealth of the nation.

2. In order to fulfil these obligations, the Council established a Social Policy Committee, whose main concern is with the social rather than the economic or regional matters which fall within its terms of reference. As a result of the work of this Committee, the Council has published a number of reports, dealing with a wide range of aspects of social policy.

3. In its work, the Council has stressed on a number of occasions that social policy cannot be considered in isolation from economic and regional policy. The Council has stated elsewhere<sup>2</sup> that virtually all policies implemented by Government have social implications "to the extent that they influence the distribution of resources and opportunities between different groups and categories of people."

4. However, the life chances and everyday wellbeing of individuals and groups are not influenced only by the distribution of income,

<sup>1</sup>Following discussions by the Social Policy Committee, and by the Council at its meeting on 17 November 1977, a draft of these comments was proposed by Catherine Keehan in the Council's Secretariat.

<sup>2</sup>NESC, No. 8: An Approach to Social Policy.

wealth, social status, nor by their ability to influence the environments in which they live and work. Individuals and groups are influenced also by how they are regarded and treated by others (particularly by organised institutions) and by how "new forms of property" are distributed. These new forms of "property", which are often allocated or regulated by Governments, include the right to a pension, a hospital bed, a university education, or a local authority house, rights to practise a trade or profession, and rights to farm land, to build on it, or secure subsidies for these purposes. Access to the labour market and to housing, education and medical care, and security of income in retirement, widowhood, unemployment or sickness, depend on these forms of property as well as on the ownership of traditional forms of property.

5. The Council has prepared a number of reports on the extent to which particular policies have influenced the distribution of resources and opportunities between different groups and categories of people.<sup>3</sup>

6. The relationship between social and other policies became especially clear during 1976, when, in two reports, the Council discussed the role and significance of public expenditure and some of the consequences of its level and rate of growth.<sup>4</sup> When drafts of these reports were being considered, the possibility of containing the growth in social expenditures by greater selectivity in the provision of social services was briefly discussed. For example:—

... given the importance of curbing the growth in overall public spending, the objective should be to ensure that the net benefit flowing from public expenditure is concentrated, to the maximum extent possible, on those most in need.<sup>5</sup>

<sup>3</sup>See: Income Distribution: A Preliminary Report, NESC, No. 11, September 1975. Educational Expenditure in Ireland, NESC, No. 12, January 1976. Some Aspects of Finance for Owner-Occupied Housing, NESC, No. 16, June 1976. Rural Areas: Social Planning Problems, NESC, No. 19, July 1976. Report on Housing Subsidies, NESC, No. 23, February 1977. Towards a Social Report, NESC, No. 25, March 1977. Some Major Issues in Health Policy, NESC, No. 29, July 1977.

<sup>4</sup>See: Report on Public Expenditure, NESC, No. 21, July 1976. Prelude to Planning, NESC, No. 26, October 1976.

<sup>5</sup>NESC, No. 21, paragraph 5.24, page 46.

7. During these discussions, it became clear that the terms "universality" and "selectivity", though widely used, had not been clearly defined, and that their use tended to confuse rather than clarify the issues involved. The term "universal" is usually associated with benefits payable without a means test to anyone falling within a given category (for example, the retired, the widowed, the sick, or children in their entitlement to primary education); the term "selective" is usually applied to benefits restricted to particular groups, who are generally identified by reference to their financial circumstances.

8. Moreover, the Social Policy Committee felt that this dichotomy between "universality" and "selectivity" might be too superficial to be useful as a guide to policy. It seemed generally to concentrate on the availability and distribution of services, and thus ignored other equally important aspects such as take-up, methods of finance (including the question of who ultimately paid for them), and the problems and costs associated with the manner in which they were provided.

9. Because of their diversity and complexity, the Council felt that the issues involved merited further study. Mr. Mike Reddin, lecturer in social administration at the London School of Economics and Political Science, was therefore commissioned to prepare a background study of the issues involved. This study has been published as Report No. 36.<sup>6</sup>

10. At the same time, the Council asked Ms Eithne Fitzgerald of the Council's Secretariat to examine the "universal" and "selective" aspects of Irish social services. Her study is published in Part II of this report.

11. Ms Fitzgerald's study clearly shows the difficulty of attempting to classify any social service as "universal" or "selective", particularly when all aspects of the services are examined. It illustrates the relevance in the Irish context of Mr. Reddin's argument that the designation of any policy or strategy as "universal" or "selective" is useful only if it summarises both the systems of finance and the patterns and duration of use of the benefits and services.

<sup>6</sup>Universality and Selectivity: Strategies in Social Policy, NESC, Report No. 36.

12. Mr. Reddin's study was essentially a "pre-policy" exercise, which came to the conclusion that:—

At the end of the day, the concepts of universal and selective can only be usefully used in multi-dimensional ways, acknowledging their financial base, their utilisation and duration as the combining determinants of their redistributive effects. Used as glib pieces of shorthand . . . they merely pre-empt if not pervert the course of any creative policy debate.

13. Ms Fitzgerald's study takes the debate a step further by describing in detail Irish social services. Particular attention is paid to take-up rates, selection procedures and the problems and costs of providing the various services. No attempt is made to draw policy conclusions or to make recommendations.

14. It is the Council's intention to publish a third report on universality and selectivity. This final report will draw together Mr. Reddin's and Ms Fitzgerald's studies, and will set out the Council's conclusions and recommendations.

## **PART II**

### **UNIVERSALITY AND SELECTIVITY: SOCIAL SERVICES IN IRELAND**

**by**

**Eithne Fitzgerald**

## ACKNOWLEDGMENTS

I wish to thank all the individuals and organisations who helped with the preparation of this report and who commented on it in draft form. In particular, I want to thank the Government Departments involved—principally the Departments of Education, the Environment, Health and Social Welfare; NESC Council Members, and in particular members of the Social Policy Committee; Claire Carney, John Curry, Jim Murray, and Mike Reddin; and Catherine Keehan and Patricia Walbridge of the NESC Secretariat, who gave invaluable help in getting the document into shape. The responsibility for the opinions expressed remains my own.

*EITHNE FITZGERALD*  
December 1977

## CHAPTER ONE

### INTRODUCTION

1.1. At Ireland's present stage of economic development, resources for social services are necessarily limited. Social service expenditure must compete with the aim of keeping taxation low, and with government spending plans in other areas such as economic development or security. The resources given to social services are rationed in a number of different ways—by limiting eligibility for services, either by means-testing or some other method; by limiting the range or scale of benefits offered; and by directing resources more in one direction, e.g., income maintenance, than in another, e.g., dental care.

1.2. Because of the variety of rationing devices, explicit or implicit, which may be adopted, it is not very easy or productive to attempt to characterise services in a simple way as being either "selective" or "universal". In Report No. 36 for the Council, Mike Reddin has argued that universal and selective are not particularly useful terms in the policy debate.<sup>1</sup> There are services for which there are means tests, services provided for a restricted group, but without a means test, and services which are generally available to all. There are services for which there is a charge at the point of use, for which there are charges in the form of weekly insurance contributions, and services for which there is no direct charge. There are services which are nationally financed and administered, services which are nationally financed and locally administered, and services which are completely local. Services can differ in the pattern of use and the degree to which the target group avail of them. The generosity of a service, whether it offers a benefit worth 10p or £100, and over what period—a once-off

<sup>1</sup>See *Universality and Selectivity: Strategies in Social Policy*, Chapter 1.



payment or a continuing weekly benefit—is also a significant dimension. The interaction of all these elements together determine the character of a service rather than a simple universal/selective classification.

1.3. Nevertheless, given the multiplicity of Irish social services, it may be useful to present some groupings of services here, and to try and discern some common features and common rationale for why particular groups of services are provided in a certain way.

#### **Services for All**

1.4. The services which are provided for all, free of charge, are relatively few in number. The main services are primary and post-primary education; children's allowances; child health services; certain preventive and public health services; health services for people with certain long term illnesses and disabilities; and free travel for people aged over 66. It can be seen that these services, the traditional "universal" services, fall into distinct patterns.

1.5. First, there are services in respect of children. They spread some of the cost of bringing up the children of the nation over the community as a whole, and help equalise the financial burden on parents and non-parents. Moreover, they form an investment in the next generation, which may be better educated and healthier than it might have been if the provision of such services had been left to market supply and effective parental demand.

1.6. Second, there are services of a public health kind, such as immunisation, and the treatment of certain infectious diseases. Here it is obvious that if these services are to have maximum impact in preventing and controlling infection, they should cover the whole population. Third, there are preventive health services, such as free immunisation and vaccination, free health examinations for children, and free health screening tests such as cervical smears. The provision of these without means tests or direct charges emphasises the present commitment to preventive health care, and recognises the high costs, in every sense, of treatment as against prevention.

1.7. Finally, there are services where a means test would exclude relatively few people from benefit. Examples are free travel for people over 66, and the free services for people with certain long-term illnesses or disabilities.

#### **Means-tested Services**

1.8. The principal means-tested services are the social assistance income maintenance services; medical cards and (for certain non-manual workers) hospital services; local authority house purchase loans; rent subsidies to local authority tenants; and higher education grants. For some services, no formal means test operates, but the services are limited to "necessitous" groups, or those unable to provide for themselves "without undue hardship." Such services include free footwear, free school books, free school meals, home help, and local authority housing.

1.9. Means-testing, formal or informal, is the most widely used method of rationing the provision of social services. A social service system like the Irish one, which perceives its client group primarily in terms of "need", generally interprets such need in income terms, measured by a means test. Means-testing has been regarded by policy makers as an objective and fair way of limiting the numbers who will benefit from a service, and as providing fixed standards of eligibility.

1.10. Not all means-tested services, however, use means or income as the sole definition of need. The social assistance income maintenance services also use other measures and attributes, such as age, unemployment, desertion, some of which, as shown in Part III, have a particularly specialised interpretation.

1.11. The practical operation of means-testing is discussed at length in Chapter 3. Non-means selection criteria are discussed in Chapter 4.

#### **Services where Need is not Identified by a Means Test**

1.12. There are a number of other services which are "selective" in intent, but are not means-tested as such, where proxy measures such as unemployment, old age, living alone, etc. are used to identify people

in need. Such services include the social insurance income maintenance schemes, hospital services for manual workers, and services like free electricity and cheap fuel.

1.13. There are advantages, for the recipients, in such services, in that entitlement to the service may be much clearer than where there is a means test, and they do not have the same aura of "charity" as a means-tested benefit. Equally, they may be simpler and cheaper to administer without an apparatus of means tests. The target group reached may be virtually identical to that which would be eligible for the benefit if it were means-tested. For example, contributory old age and widows' pensions are paid to people, many of whom would qualify for a means-tested payment if the contributory scheme were not in operation.

#### **Financing of Services**

1.14. Of their nature, very few social services have a direct charge at the point of use, and such a charge, where we regard the service as a social one, is usually subsidised. Examples of direct charges are rents for local authority housing, university fees, hospital bills paid by non-eligible patients, and the nominal payments made by certain recipients of cheap fuel and footwear.

#### **Insurance contributions**

1.15. About four-fifths of the cost of social insurance services is provided by the social insurance contribution paid by employers and employees. The weekly health contribution, however, provides only a small proportion of the cost of hospital services. It is payable by persons with limited eligibility for health services, or in the case of employees with medical cards, by the employer.

#### **Central and Local Administration**

1.16. The main services administered centrally to national standards are education, social welfare income maintenance services, and housing grants and loans. Health boards provide health services, community welfare services, and certain income maintenance services on a local basis. These services are now almost all centrally financed.

National standards of provision and of eligibility operate in a number of these services—the rates of payment for income maintenance services, the income guidelines for medical cards—but there are other areas where there is a wide degree of local discretion. Local authority housing is locally administered, with the bulk of the finance coming from central government, and with a national differential rent scheme, but with local control on the building of dwellings and the allocation of lettings.

#### **Layout of Report**

1.17. The remainder of Part II goes on to examine Irish social services as a group. Chapters 2, 3 and 4 examine eligibility for services, covering the principles involved, means-testing, and eligibility tests other than means tests. Chapter 5 examines the utilisation of services, Chapter 6, their finance and Chapter 7, various aspects of administration.

1.18. In Part III, the social services are examined one by one, with factual information and comment. The analysis in this part has formed the basis of much of the discussion in Part I. Chapter 8 deals with income maintenance services, Chapter 9 with health and community welfare services, Chapter 10 with housing, Chapter 11 with education, and Chapter 12 with a miscellaneous group of social services not coming under any other convenient heading.

1.19. Finally, Chapter 13 presents some conclusions. No recommendations are made in the present report. Any recommendations which might arise from the material presented in this report will be incorporated in a third report, which will draw together the theoretical work done in Report No. 36 "Universality and Selectivity: Strategies in Social Policy," and work in the present report on the practical operation of Irish social services, and which will give the Council's conclusions and recommendations.

## CHAPTER TWO

### ELIGIBILITY FOR SERVICES

2.1. In examining selectivity in Irish social services, the question of who is eligible for services, and how is such eligibility determined, is clearly a central one. The present chapter tries to examine the principles which ideally should inform the design and implementation of the procedures to select who may avail of a social service, whether such a service is means-tested in the traditional way, or provided to people belonging to particular categories, such as widows, children under 16, or small farmers.

2.2. It is not always possible to reconcile the different desirable qualities in setting eligibility conditions for a service. There can be inherent conflict between conditions which are sufficiently simple to be readily understood and remembered, and conditions which are sufficiently complex to cover the variety of circumstances in which people may need a service. There can be conflict between the need for officials to be accountable for public money, and the need for flexibility to cover unusual circumstances. The use of means tests which are absolutely fair can prove unacceptable in terms of administration costs. Nevertheless, despite the difficulties of trying to satisfy all the ideal requirements at one time, it seems useful to try and set out what these requirements may be, and to use them as a mental checklist in examining individual services, or services in combination.

#### Information

2.3. The prospective applicant should be able to determine in advance what services are available to meet his needs, and whether, and under what conditions, he is eligible to avail of them. Otherwise, he may not claim at all; or he may be reluctant to claim because of the risk of

refusal. This requires that the schemes be publicised in a way that is relevant to the potential clients. (This is dealt with further in Ch. 7.)

#### Clear and Explicit Conditions

2.4. Conditions of eligibility for any scheme should be clear and explicit and capable of comprehension by the potential applicants. The conditions for eligibility for a number of services seem to be over complicated and difficult to follow. Examples of such services are limited eligibility for health services (see Ch. 9.) and some schemes of letting priorities for local authority housing (see Ch. 10.). The contribution conditions<sup>1</sup> for a number of social insurance services, notably old age and widows' pensions, are difficult to follow, although where an applicant has been in continuous insured employment, they are reasonably straightforward. While the actual means *limits* used for means-tested income maintenance services are fairly straightforward, the way the means figure is arrived at is not (see Ch. 3). Entitlement to school transport is difficult to work out, with bus quotas, and different schools as reference points, and "borderline" families unsure which side of the distance limit they live on.

2.5. One striking feature about the social services discussed in Part II is the number of "hidden" rules about eligibility, and standard interpretations of the law, which may not appear either in the relevant legislation, or statutory instruments, nor in the standard information literature. Indeed, in a number of instances, where a standard, non-discretionary, procedure was operated, details of the procedure were not made available.

2.6. Examples of such hidden interpretation are the valuation of an owner-occupied house for social welfare means tests as the rateable valuation, less the ground rent; the valuation of the benefit of free

<sup>1</sup>See Summary of Social Insurance and Assistance Services. The second contribution conditions for a number of services, which refer to the average insurance record over a number of years, are quite complicated to work out. This applies particularly where a non-manual worker has been in and out of insurance because of the income limit. The relevant information will, however, be given to an insured person who contacts the Department's Record Section.

board and lodgings for unemployment assistance, and the interpretation of the £3,000 limit for limited eligibility.

### **Certainty**

2.7. It is important that access to social services should be certain, that people should be able to know in advance whether or not an application for a service will succeed. The public importance attached to this principle can be seen in the development and extension of social insurance, where benefit is given as of right, and where in practice there are few abortive claims.

2.8. A number of applicants may find the process of making an application for a service a distressing experience, whether from a distrust of official procedures or because the application recalls such matters as recent desertion or bereavement. Such people would be less likely to apply for a service if they were uncertain as to the outcome, however unlikely in practice a refusal might be. They might be unwilling to risk any feelings of disappointment or humiliation which a refusal might bring. It is important therefore that an applicant should have a clear idea of the likelihood of success and that the rules on which applications are decided should be unambiguous and generally known.

2.9. Uncertainty as to the outcome of an application may arise because the applicant does not know or fully understand the conditions governing a service; because the rules governing eligibility are not fixed but change from time-to-time as determined by the body administering the service; or because of the degree of individual judgment or discretion allowed to officers administering the service.

2.10. Generally speaking, the rules governing centrally administered services are fixed and definite. A fairly uniform interpretation of these rules is ensured by the fact that applicants may appeal decisions or may ask to have their cases reconsidered. The major area where there is a significant number of abortive claims is in social assistance, where applicants may be unsure as to how their means will be assessed, although the rules governing means assessment for social assistance are extremely complex and detailed, and except for farm income assessment, should leave little room for individual judgment.

2.11. Applicants for locally administered services may be less certain as to the outcome. The level of provision of some services, and the rules for eligibility, may be at the discretion of individual health boards or local authorities, and may vary with the local financial situation. Examples are home help services, and free milk for mothers and children. The rules for eligibility may not be specified to the last detail, and can allow room for local judgment in the treatment of special cases. An example would be the means-testing of services like disabled person's maintenance allowance. Or there may be a wide degree of discretion exercised at the level of the individual administrator. Examples would be the deciding of eligibility for free school meals or school books, and the use of supplementary welfare allowance to supplement other income and cater for special needs.

2.12. In recent years there have been moves to make access to some services more certain, and to reduce the amount of discretion allowed to individual bodies and officials. Medical cards are now awarded on the basis of standard national guidelines. A number of other health board services now follow from the possession of a medical card. Local discretion as to the basic rate of home assistance, now supplementary welfare allowance, has been eliminated, and there are now standard rates of payment to which a person satisfying the means test is legally entitled as of right.

### **Flexibility**

2.13. While certainty as to the outcome of an application is very important, it is also valuable that social services should show a degree of flexibility in dealing with hard cases or unusual circumstances. When the ultimate purpose of a service is to give help to people in need, that need should not be defined in so inflexible a manner that cases of genuine hardship are excluded. It is hard to see how the wide variety of human circumstances can be completely covered by fixed rules and regulations, and some flexibility will always be necessary.

2.14. Generally speaking, locally provided services are more flexible than central ones. For example, there is provision for hardship cases in awarding medical cards above the standard income guidelines.

There is some flexibility in the assessment of means, and the calculation of net means, for local income maintenance services like DPMA, while for the central social welfare services, the rules for means assessment are usually specified to the last detail, and there is no room for cases not adequately covered by such rules. In the assessment of means for local authority house purchase loans, local authorities can be flexible in deciding to disregard exceptional earnings as a result of special efforts to raise a housing deposit.

2.15. Most centrally run services lack flexibility to deal with special cases. In some cases, for example, social welfare, eligibility conditions are laid down in legislation, and clearly must be adhered to to the letter. In other cases, for example, the two and three mile limits for school transport services, an absolute adherence to the rules may be necessary in order to avoid a flood of cases from just over the borderline, and the effective erosion of the limit.

#### **Flexibility versus Absolute Rules**

2.16. The balance between adequate flexibility and undue discretion is difficult to strike. There is the important factor that officials administering public money must be accountable for what they spend. Such accountability can be achieved when payments are made according to the rule book, less easily when individual officials have to rely on their own discretion.

2.17 The exercise of flexibility is a delicate task, and one which must be seen to be free from bias of any kind. In particular it is important that it should be seen to be free from party political pressure. Such bias and pressure can best be avoided if flexible and discretionary measures are seen to operate only in a tiny minority of unusual cases for which it would be impossible to legislate, leaving the majority of foreseeable circumstances to be covered by laws, rules or standard practices.

2.18. Where a scheme at present is unduly inflexible, the answer may be to modify the scheme as such, rather than introduce or extend the degree of flexibility. For example, the cheap fuel scheme has been considered inflexible, in that local authorities may supply only turf or

wood. The solution may be to amend the law to provide for other types of fuel. The income limits for some services are absolute, with no allowance for the person barely above the income limit, or with heavy expenses. The answer may be to taper the amount of benefit, so that there is not just one absolute cut-off point, or to allow a deduction for expenses. In some services, there may be a number of people who are ineligible but are nevertheless in hardship, or unable to obtain an alternative from their own resources. In such cases the problem may not be inflexibility in administration, but simply that for lack of resources or whatever, the scheme is underfinanced or the eligibility limits are set too low.

2.19. It is important too that there should be some sort of fall-back procedure to deal with urgent need not covered by standard schemes because of technicalities, or unusual circumstances. Such is the purpose of an income maintenance service like supplementary welfare allowance.

2.20. The reconciliation of the need for fixed standards of eligibility with the need for flexibility may best be achieved by following the example of the medical card scheme, where fixed standards of eligibility apply in the overwhelming majority of cases, but where there is provision for those with incomes above the standard guidelines in genuinely exceptional circumstances.

#### **Manner of Administration**

2.21. The administration of selective social services should be humane and sympathetic and respect the dignity of the applicant. It can happen that officials faced with the problem of trying to provide a service from an inadequate budget give the impression that their only concern is protecting the public purse, not also the provision of the service to people in need. A begrudging attitude on the part of officials, where it exists, can cause great distress to applicants.

2.22. Means-testing has traditionally been resented as a way of qualifying for a service, while the same resentment has not been felt when application for a service, such as house purchase loans, simply

involved forwarding a recent tax certificate. One important difference between the traditional method and the simple income declaration is the detailed personal investigation involved in the former—value of property, bank book, home produce consumed, etc., often carried out by staff who have no formal training about the human problems involved in conducting such an inquiry. The investigation of means and personal circumstances in the case of a recently bereaved widow, or the investigation of a broken marriage, calls for particular sympathy and tact. While some people may always resent means-testing as a particular invasion of privacy, the importance of the personal qualities of the investigating officer in easing any fears or distress must be acknowledged.

2.23. The application procedure can be important. There can be a world of difference between filling in a form in the privacy of one's own home, and making public application at the employment exchange, or in the supplementary welfare allowance queue. The same applies to the method of payment. Recipients of unemployment benefit and assistance queue up at the dole counter in the employment exchanges. Generally, recipients of supplementary welfare allowance must collect their benefit in person at the clinic, despite the fact that there is now provision for payment by cheque. Old age pensioners, widows, and recipients of social assistance allowance cash their orders at the post office on the relevant day.

2.24. The physical separateness of facilities selectively provided, and facilities for the rest of the public, can mark off recipients of social services from the rest of the community. The choice of doctor scheme has almost completely eliminated this in general practitioner services. The physical distinctiveness of most local authority housing, except the most recent, the small average size and the location, clearly mark off the tenants from occupiers of private housing. The public hospital patient, in a ward of perhaps twenty beds in one of the less modern hospitals, has a visible reminder of his status *vis-à-vis* semi-private or private patients. The operation of the school meals and school books services, which are at the discretion of the principal teacher, can be tactfully handled in some cases, in others can lead to some pupils

appearing conspicuous among their fellows. The free transport scheme now applies to all citizens over pension age, not simply pensioners. The production of a travel card therefore simply testifies to one's age, and not, as formerly, to one's economic status.

### Equity

2.25. Differences in eligibility for social services should be fair. At the most simple level, eligibility for a service should not in practice depend on the whim or prejudice of an individual. Flexibility should be matched by reasonable guidelines, and there should be a right, formal or informal, to appeal. On another level, the conditions governing a scheme should, where practicable, aim to give similar treatment to people in like actual circumstances. The common justification for "selective" social services, that resources are concentrated on those in greatest need, is undermined if assessed "need", without justification, is different in urban and rural areas,<sup>2</sup> between men and women, between employees and self-employed, between tenants and owner-occupiers.

### Variations and Anomalies

2.26. There are a number of anomalies and differences in treatment between different groups and between one service and another which are shown in more detail in later chapters. In some cases, these differences arise because of genuine differences in the group receiving a service, or in the type of service being offered. For example, in the absence of regular farm accounts, factual farm income assessment is not usually practical for a once-off benefit, while factual income assessment is used, say by checking an income tax return, for other income earners. In another example, it would not usually be assumed that ability to pay one's family doctor's bills would imply ability to pay for third level education for one's children; it would be reasonable to expect a different means test for medical cards and for higher education grants. But in many other cases, the differences in treatment do not

<sup>2</sup>See, for example, Table 3.4, which shows that farm valuation limits for eligibility of services are more generous than corresponding income limits for non-farmers.

seem relevant in present circumstances. They reflect the historical evolution of schemes in the light of past conditions and social concerns. They reflect also the piecemeal development of services, where individual services in different departments and government agencies were added on at different times, without necessarily being examined to see how consistent they were with the whole social service structure.

2.27. The persistence of anomalies and inequities can arise because there is public pressure not to disentitle existing recipients, while at the same time the elimination of inequities by extending the numbers who may avail of a service is not possible because of financial constraints. A classic example here is limited eligibility for hospital services, where no income limit applies to manual workers, while a limit applies to non-manual workers. Most people would agree that this is anomalous and inequitable, but despite such consensus it has not yet been possible to remedy the situation.

#### **Some Examples of Inequities**

2.28. Historical factors have led to the separate development of a number of the income maintenance services now administered by the Department of Social Welfare. Different methods of means-testing were employed, in some cases special provisions were introduced to meet particular hard cases, budget monies were directed one year to old age pensioners, another year to widows. The result is a series of different ways of treating people in the same objective financial circumstances, according to the category of benefit which they are receiving.

2.29. Another important inequity is in the treatment of housing expenses, particularly for social assistance. Here an owner-occupied house is considered to confer a nil or negligible financial benefit whereas no corresponding deduction is allowed for those who must pay rent or mortgage interest. Yet the level of weekly payments would rarely be sufficient to meet the needs of a person paying rent to a private landlord, or of a recent purchaser paying a mortgage on a modest house.

#### **Farm Income**

2.30. The notional assessment of farm income by reference to rateable valuation can be inequitable in that rateable valuation is an unreliable indicator of actual farm income. The multiplier for farm income used varies from one service to another and for many services, the treatment of farm income is substantially more generous than the treatment of earnings from employment. In a number of services, the ordinary income and the farm valuation limits remained at the same level over a number of years. While the income limits for non-farmers became eroded with inflation, the valuation limits for farmers, which related to an absolute standard, did not.<sup>3</sup> The result was that these services became effectively available principally only to farm families.

#### **Administration Costs**

2.31. The administrative cost of selection procedures to determine entitlement to social services should not be excessive. This may mean using a summary measure such as rateable valuation instead of investigating actual farm income, although RV is a crude test of actual financial circumstances. It may mean using categorisations such as ill, unemployed, or widowed as a proxy for low income. It may mean providing a service for all where the cost of operating a selection procedure would outweigh the cost of extending the service to the few it was intended to exclude.

2.32. It was possible in only a minority of cases to get figures for the cost of administration of individual services. This is mainly because services are not administered individually but in groups, for example, local officers of health boards deal with a wide range of services from medical cards to disabled person's maintenance allowance, and the cost of administering any one service is not easily obtainable. Similarly, overall figures were supplied on the administration cost of total social insurance, and total social assistance services, but details for individual schemes were not obtainable. In no case was it possible to obtain

<sup>3</sup>For example, the income limit of £2,350 for local authority house purchase loans up to 1977 applied to fewer and fewer people as incomes increased, while the corresponding farm valuation limit of £60 covered a constant group of farmers

information on the cost of administering a means test, nor was it possible to make a comparison between the costs of administering similar means-tested and non-means-tested services.

2.33. Figures on the cost of administration, in particular on the cost of operating a selection procedure, would appear to be basic management information required by organisers of the services, in order to monitor the effectiveness or appropriateness of the selection procedure. The lack of such information is somewhat disturbing.

#### **Multiple Applications and the "Passport Principle"**

2.34. Where the same person is likely to qualify, for example, on income grounds, for a wide range of benefits, it is important that there be some co-ordination in the provision of these services so that the applicant is spared the need to undergo a whole series of separate applications and tests of eligibility. Applicants may be understandably confused and annoyed if they have to attend a series of separate offices and fill in repetitive application forms, or if today they are means-tested by the man from Social Welfare, and tomorrow by the man from the health board. The "passport principle", whereby title to one benefit automatically confers title to a range of others, is already widely used here. Medical card holders can qualify for a range of community welfare services aside from the general medical service. Certain social welfare recipients qualify without further means test for a number of other benefits—cheap fuel, free school books for their children, in many cases, free electricity (depending on household composition) and medical cards, and they usually pay nominal—5p a week—local authority rents. However, normally a pensioner or medical card holder has to make special application for these other services, they are not given automatically.

2.35. There are, however, drawbacks in the use of the "passport principle". These are discussed at greater length in the NESC Report No. 36, pp. 89-92. Briefly, if a number of benefits are contingent on the receipt of a particular one, for example, a medical card, the person who fails to apply for the first benefit may lose out on a whole range of benefits. More important in practical terms may be that a person whose income increases above the limit for one benefit can lose entitlement to

such a range of benefits that he is worse off than before the income increase. There may also be justifiable differences in the means tests for different services, which may be lost in a common means test or a "passport" system. For example, while at present medical cards are normally awarded on the basis of a standard means test, legally the provision of medical cards is related to inability to pay for general practitioner services, and this need not necessarily be related to ability to pay for other social services.

#### **Combined Effect of Services**

2.36. As this report shows, there are a very great number and variety of social services in Ireland. The recipients of these services overlap to a large degree as social welfare recipients, as medical card holders, as local authority tenants.

2.37. The overlap between recipients of one service and another can result in the different services becoming blurred in people's eyes. A bad experience with one application may deter people from applying for other services. One means test, or one stay in a public hospital ward, may not bother anybody, but a lifetime of means-testing, of proving one's low financial status, of accepting different facilities from the paying public, can leave its mark. The high degree of overlap between recipients of different services can accentuate class differences and foster class myths in the minds of those who have little contact with the services themselves. There seems to be little evidence that social services, and the criteria of eligibility, are thought out in terms of their combined effect on the eligible group.

#### **Appeals and Redress**

2.38. There should be provision for appeals by applicants whether such an appeal is a formal one, as in social welfare services, or an informal request to have the case reconsidered. It is important that those who are turned down for a service should be given a reason for the refusal, both as a matter of courtesy and to let applicants know whether an administrative error was likely, whether the case would be worth appealing, or whether on factual grounds they simply were not entitled to benefit. In the case of errors, it is important that they be



rectified promptly, particularly in the income maintenance services where people are waiting for the money for basic living expenses. The question of appeals is taken up in Ch. 7 below.

#### **Reappraisal of Existing Services**

2.39. In a number of cases, social services were developed in a hurry, under immediate pressures to have a scheme operative. Some were developed in a different society to that which exists today. Some have operated under such financial pressure that there has not been scope for a reappraisal. It is considered a useful exercise for policy makers to step back every so often from the day-to-day implementation of schemes, and to examine them again from first principles. It is hoped that the desirable attributes of a social service which were discussed here would prove useful in such a reappraisal.

## **CHAPTER THREE**

### **MEANS-TESTING**

3.1. Because the rationing of social services has concentrated on provision for the lowest income groups, means-testing is the most common and most important mechanism for regulating the selective provision of social services. Means tests are used to establish a need for income maintenance; and to establish ability or inability to pay for services for which there is mixed public and private provision, such as health or housing services. Because of the variety of purposes for which they are required, since, for example, the ability to pay for general practitioner services does not necessarily imply the ability to pay for university education, there are naturally a wide variety of levels of means test adopted. Due to historical circumstances, and to different degrees of adjustment of means tests for inflation, the variety of tests is somewhat wider than it need be. Again, historical developments, and the different bodies administering different social services, have meant that there is often a wide variation as to what constitutes means and as to how this means is calculated in practice.

3.2. Details of means are obtained in a number of ways. The two principal ways are direct investigation by social welfare officers, under the direction of the Department of Social Welfare, and direct investigation by community welfare officers working under the control of superintendent assistance officers of the health boards. *Social welfare* means tests are operated according to well defined statutory rules. The means limits, and the items reckonable as means, vary from service-to-service. For services administered by *health boards*, the means tests used are not generally rigidly set out in legislation—the phrases used are general ones such as "persons unable without undue hardship to

arrange services".<sup>1</sup> As the income assessment is normally done by the same local officer for all applicants for a wide variety of means-tested benefits in his area, the rules for assessing means are generally the same for all services, and any variation tends to be from area-to-area rather than from service-to-service. The actual means limits, as distinct from items reckonable as means, do vary from service-to-service. For services outside the health and social welfare group, income assessment is normally made by sending in an income tax statement, a certificate of rateable valuation, or a statement from the employer, with the application form.

3.3. Before going on to examine actual means limits, it is useful to examine the way in which means are assessed for different services. A statement that services are available to those with incomes under £20 a week may seem unambiguous. But is it gross income, or income after tax; this week's, or last year's average income; individual income, man and wife's income, or total household income? It is proposed to examine here the rules, statutory and customary, and the element of discretion, in arriving at a total of "means" or "income" to be used in a defined system of means limits.

#### **Unit of Assessment**

3.4. The assessment of means can be based on the income of individual, on the joint income of married couples, or on the total income of a household, including adult children who are earning.

3.5. Most means tests are based on the joint income of a married couple, or on the income of the individual unmarried person. Children usually qualify for benefits on an assessment of parental means. Means tests based on the individual include that for limited eligibility for health services for insured non-manual workers. Here, a working wife can qualify for limited eligibility in her own right, irrespective of her husband's income, although she cannot pass her entitlement on to her children. Services in respect of children, where the means assessed is that of the individual child, rather than the parent or guardian, are

<sup>1</sup>See, for example, S.45 (1)a of the 1970 Health Act, dealing with eligibility for medical cards.

the allowance to mothers of severely handicapped children, and the orphan's (non-contributory) allowance. For non-contributory old age pension, each of a married couple qualifies for a pension in his/her own right, and the means of each is taken as half of the joint means.

3.6. In effect, a household means test can operate for unemployment assistance, single woman's allowance and supplementary welfare allowance, since the value of board and lodging received free of charge is reckonable as means (see 3.23 below). A partial household means test applies in the differential rent scheme for local authority houses, where account is taken of that part of the income of subsidiary earners (e.g., adult children) between £10 and £17 a week, but the rent cannot rise by more than £1 a week for each such earner.

#### **Allowance for Dependants**

3.7. Most services allow an easing of the means test where there are dependants. The principal exceptions are the means test for limited eligibility, where no account is taken of dependants, and means are assessed on the earnings of individuals; and the means test for local authority house purchase loans where the limit, usually on the husband's income, is fixed irrespective of the number of dependants.

3.8. Generally speaking, for services administered by health boards, a child is treated as a dependant up to the age of 16, and thereafter as an independent adult, whose means are independent of those of his parents (except in cases where the value of board and lodging is factually assessed as means). For example, a person of 16 may qualify for disabled person's maintenance allowance, or for a medical card, in his own right, even when attending school or university. For social welfare services, a child is usually considered a dependant up to age 18, after which he can qualify for services such as unemployment assistance in his own right. In the case of widows' pensions, and other "single parent" type payments, a child is considered dependent up to age 21 if in full-time education, apprenticed or handicapped. For higher education grants, an applicant is usually considered to be dependent on his parents, whatever his age. However, an applicant may be assessed on his own income only, at the discretion of the Department, where he has not been living with or financially dependent on his parents for a number of years.

3.9. In family based income assessments, where the family is intact, the children are the husband's dependants, so that, for example, a working wife with limited eligibility for health services cannot pass this on to her children. A wife is usually considered to be her husband's dependant, although if she is working her income goes into the total of family income. For social welfare services, a husband is regarded as his wife's dependant, only if he is an invalid—a husband who is a student, or who chooses not to work in order to care for the children, is not considered a dependant.

3.10. The idea of "dependency" which operates in the social services, which centres around a family with a dependent wife and young children, does not generally cover such situations as parents with a mentally handicapped adult child, or single people maintaining elderly relatives. It is in fact interesting to note that if a pensioner is being cared for full-time by an adult relative, it is the adult relative who is regarded as the dependant.

#### **Treatment of Earnings from Employment**

##### **(a) Social Welfare Services**

3.11. In most income maintenance services, the inclusion of earnings in the means test arises only rarely, since someone who was earning would normally be above the means limit. However, there are some differences in the way in which earnings are calculated. Current earnings are disregarded completely in assessing means for qualification certificates for unemployment assistance, as by definition when unemployment occurs, such earnings will cease. In the case of blind person's pension an applicant can have the first £208 of yearly earnings disregarded, plus £156 for his wife, and £104 for each child dependant. In the case of non-contributory widow's pension, and social assistance allowances for deserted wives, prisoners' wives and unmarried mothers, applicants with dependent children can have up to £78 of yearly earnings disregarded in respect of each child. A non-contributory old age pensioner can have £39 of yearly earnings disregarded in respect of each child. The earnings disregarded on the blind person's pension allows this pension to operate to some extent as a

supplement to earnings from employment, since such earnings are generally much lower than those of sighted persons. The earnings disregard in the case of widows and other single parents was originally intended to allow for the expenses of child-minding, since only the earnings surplus to such expenses could be regarded as of real value. As such, the figure of £1.50 per child per week is extremely low. The earnings deduction of £39 per child for old age pensioners was the same as that for widow pensioners, when payments in respect of child dependants of old age pensioners were introduced, and has not been changed since—but the number of people involved must be very small.

##### **(b) Services Administered by Health Boards**

3.12. There are no formal rules for assessment of earnings for recipients of health board allowances. However, small earnings from sheltered employment for handicapped people are usually ignored. In the Eastern Health Board area, this disregard is usually £5 a week.

3.13. For medical cards, earnings are taken as current gross weekly earnings, but regard may be had to fluctuations over a period. Reasonable expenses in travelling to work will be allowed as a deduction.

3.14. For limited eligibility for health services, the earnings of non-manual employees are assessed on the basis of the current rate of earnings. An employee who earned at the rate of £2,500 for the first half of the year, and at £3,500 for the second half will have absolute entitlement while he remains at £2,500, and receive entitlement under the carryover clause from the point where his earnings rate reaches £3,000 or more. (The carryover period is the balance of the social welfare contribution per year, plus two further contribution years, plus an additional year if the increase was due solely to national pay agreements.) Normally then the use of rate of remuneration benefits the employee, in a period of rising money incomes. But a part-time employee, or someone with casual earnings is assessed at the *full-time equivalent* rate of earnings, even if such an earning rate was not obtainable and never attained. So a primary teacher working mornings during term time, is deemed to be working full time, and assessed on the actual salary rate, while a part-time office worker, doing mornings only, is deemed to be

receiving double salary, even if he/she would not be available for work at any other time, or if more work was not available. For self-employed and retired people, the income limit for limited eligibility is taken as gross taxable income in the last complete tax year. (Capital means may be calculated for this group in the same way as for non-contributory old age pensioners.)

#### (c) Differential Rents

3.15. The "assessable income"<sup>3</sup> for differential rent purposes of a tenant of local authority house, in so far as earnings are concerned, is taken as current earnings, less overtime, shift allowances, and bonus payments, and net of social insurance contributions, and tax on the basic income. This resulting income is then assessed in full for rent purposes. In the same way, income from certain short-term social welfare benefits is assessed in full, but only half the income from social welfare pensions and social assistance payments is assessed for rent purposes.

#### (d) Other Services

3.16. Gross taxable income in the previous tax year is the income measure used for qualifying for higher education grants. This is also the usual basis for assessing income for qualifying for local authority house purchase loans, but exceptional or windfall receipts are usually excluded, and a liberal interpretation is applied where a person may have worked an unusual amount of overtime in order to save the deposit for a house.

#### Allowances for Expenses

3.17. In comparing the living standards attainable by two different families, account should be taken of the different level of expenses necessarily incurred by the two families. It has already been noted that some means-tested benefits, most notably for the limited eligibility health scheme, do not take into account family numbers. Another factor already mentioned is the expense of child-minding. Other expenses

<sup>3</sup>Allowances in respect of the principal earner, and in respect of children, are deducted from "assessable" income, before calculating the rent fraction.

which show great variation, are rent and travel to work, and there are always a number of persons who have special expenses such as heating, medicines, or special diets.

3.18. Expenses are not allowable as a deduction from gross income in the means tests for social welfare benefits,<sup>4</sup> limited eligibility, higher education grants, and local authority house purchase loans. Expenditure on housing—rent, rates, or the interest element in mortgage repayments—in excess of £3·10\* a week is allowed as a deduction in the means test for medical cards. So also are reasonable travelling expenses to work. Income for differential rents is assessed net of tax<sup>4</sup> and social insurance contributions. While formal rules do not operate for health board allowances, normally allowance is made for rent, and any special expenses, in arriving at a means figure.

#### Housing Expenses

3.19. The cost of housing—rent, rates, mortgage repayments—is a particularly variable item, even for houses of exactly comparable standard. The cost can vary with the form of tenure, with the age of the house or length of occupation, and with the area of the country where the dwelling is situated. Generally speaking it is private tenants, particularly in the furnished sector, and recent purchasers on mortgage, who are paying most for their accommodation. Some idea of the range of variation in possible housing expenditure is given in the examples in Table 3.1 overleaf.

3.20. It is clearly inequitable to treat as similar the ability to pay for a service or to provide for their own needs of people in otherwise similar circumstances paying (through no fault of their own) £20 a week for basic family accommodation, and those paying as little as £2 for comparable housing. The "post-housing expenses" income is a fairer guide to true financial circumstances.

<sup>4</sup>Except in the case of an old age pensioner in employment, where his work-related expenses, including travel to work, are allowable.

<sup>4</sup>This is tax on basic income, before bonuses, overtime, etc.

\*£3·50 a week from January 1978.

TABLE 3.1

## Range of Possible Variation in Weekly Housing Expenditure

	Rent Repayments £ per week	Total housing expenditure* £ per week
Owned outright, urban area, 1975 (a) (average)	—	3.42
Owned on mortgage:		
All Urban areas, 1975 (a) (average)	4.94	8.95
1968 purchaser (b)	8.40	8.40 plus
1976 purchaser (c)	24.40	24.40 plus
Local authority tenants:		
All urban areas, 1975 (a) (average)	2.76	3.10
Old age pensioner (d)	5p	5p
Average earner, 2 children (e)	7.77	7.77 plus
Private tenants:		
All urban areas, 1975 (a) (average)	4.73	5.09
Unfurnished, 1971 (f) (average)	2.13	2.13 plus
Furnished house, Dublin 1977 (g)	20.00	20.00 plus
Bedsitter, Dublin 1977 (g)	8.00	8.00 plus

## Notes:

- (a) 1975 Urban Household Budget Survey, Table 16  
 (b) Purchaser on 80% mortgage at 11½% interest for 20 years of average price house in 1968, from QBHS  
 (c) As (b), for 1976  
 (d) Old age non-contributory pensioner on differential rent.  
 (e) Person with 2 children on average earnings of £73 a week. See Table 10.7  
 (f) Census of population. As most of these tenancies would be controlled at a fixed rent, the average 1971 figure is probably close to that which would hold today.  
 (g) These are typical examples of rent levels in Dublin at present.

\*Covers in addition items such as rates, ground rent, insurance and repairs.

## Social Welfare Recipients and Housing Outlay

3.21. It is of particular concern that no allowance is made for the housing expenses of social welfare recipients, especially when the level of payments seem geared only to outright owner-occupiers or people paying 5p rents.

3.22. The 1973 Household Budget Survey shows the proportion of Social Welfare recipients in private rented dwellings.

TABLE 3.2

Household Tenure	Pensioner Households		Other Social Welfare Recipients	
	Urban	Rural	Urban	Rural
Private rented accommodation	% 18.8	% 6.3	% 12.7	% 6.8

It is clear there is a substantial minority of social welfare recipients, particularly in urban areas, in the private rented sector, not all of which may be rent controlled, for whom the lack of either a disregard of means in respect of rent payments, or a rent supplement, would pose a serious problem. For example, a single man on unemployment assistance receives £10.70\* at nil assessed means. He could be paying up to £8 of that for a room. An unemployed married man with two children would receive a maximum of £25.05 a week in assistance. If he is a private tenant, he could be paying up to £15-£20 a week for family accommodation. This problem would be met in relatively few cases by supplementary welfare allowance, given the present organisation and take-up of that service. In theory, for social welfare services, the value of an owner-occupied house is assessed as means, and this justifies the corresponding lack of an allowance for rent. In practice, the annual value of a house is taken as the rateable valuation less the ground rent, which, for all owner-occupied houses in 1973, averaged 10p a week.<sup>1</sup> If the value of an owner-occupied house is thus in practice as good as ignored, in equity, a corresponding deduction for outgoings such as rent should be made.

<sup>1</sup>1973 Household Budget Survey.

\*At October 1977 rates.

### **Free Board and Lodgings**

3.23. This item is included in means assessment in certain income maintenance services only. The principal areas where it is assessed are unemployment assistance, supplementary welfare allowance and single women's allowance, where unlike other social welfare services, the value of any "benefit and privilege" i.e., free board and lodgings, is reckonable as means. In a less formal way, this item may be counted in the means assessment for health board allowances, and here there seems to be a lot of discretion as to how it operates. Free accommodation, but not free board, may be reckonable as means for old age and widow pensioners, but the value placed on these items is nominal—for example, for widows, the maximum is 5p a week—so that it is equivalent to disregarding the item. The result is that a widow or old age pensioner, say living with a married daughter, is treated as an individual in her own right and is not subject to a family means test based on the standard of living of her daughter's household. On the other hand, a young school-leaver applying for unemployment assistance, who is living with his parents, or an elderly single woman living with a brother, are subject to a household means test by virtue of the assessment as means of the value of the free board and lodging which they receive. The way this value is calculated is as follows: the total income coming into the household is counted, less deductions for rent, etc. and the balance divided among the adult members of the household. The notional share of the household income as thus calculated is the value of the free board and lodging received. The use of this household means test in practice seems to depend to some extent on the age or degree of kinship of the applicant to the household. An elderly single woman may be considered to share her brother's household, but not that of a niece or nephew. In the case of applicants for unemployment assistance they may be considered members of their parents' household, but not of that of their brothers or sisters. In the case of health board income maintenance services, where the valuation of free board and lodging is not so rigid as in the social welfare services, the age of the applicant seems to be taken into account. An applicant of 18 may be considered to receive the benefit of his parent's home; an applicant of 40 living with his parents is less likely to have the benefit of the family home calculated as means.

3.24. A side-effect of the assessment of free board and lodging as means, may be to make people more reluctant to take in relatives who are out of work, or to make the unemployed person more reluctant to impose on his family, particularly when his ability to contribute towards his keep is being reduced by the fact that he is receiving help from them.

### **Treatment of Capital**

3.25. For many services, means in the form of capital is examined only in terms of the income it brings in. These services include medical cards, limited eligibility for employees, and higher education grants. (Capital in the form of a farm is discussed below in Par. 3.35). For most services, capital means in the form of an owner-occupied house is ignored, either absolutely or in practice—the obvious exceptions being the new house grants scheme and the local authority house purchase loans scheme where ownership of a house already is a disqualification. But in the means-tested social assistance services, there are three separate ways of valuing capital. The method used for unemployment assistance recipients is broadly based on that for old age pensioners, but the disregard of an initial sum of assessed weekly means for old age pension purposes leads to differences in the effect of the method. The special treatment of widows was introduced as a concession in 1963.

3.26. "Capital" for the purpose of these special rules, is capital which is not being personally used or enjoyed, that is, it excludes items of capital like an owner-occupied house, or a farm being worked by the owner, and includes such items as cash in the bank, securities and investments, and houses or lands which are let. The actual income which is yielded is not taken as the means. Instead a notional value is placed on the capital, which depends on the benefit in question as follows: in the case of employment assistance and social assistance for single women, the yearly value is calculated by taking 5% of the first £400 and 10% of the balance. The yearly value, divided by 52, gives the weekly value which is taken as the means in these cases.

3.27. In the case of non-contributory old age and blind person's pensions, the yearly value is calculated by excluding the first £25, taking

5% of the next £375 and 10% of the balance. The yearly value thus arrived at is divided by 52 to arrive at the weekly value. If the weekly value is £1 or more, the weekly means are taken to be the weekly value plus £1.

3.28. In the case of non-contributory widow's pension, and social assistance allowances for deserted wives, prisoners' wives and unmarried mothers, the yearly value is calculated by excluding the first £100 and, if there are dependent children, a further £100 for each and taking 5% of the balance. The yearly value thus arrived at is divided by 52 to arrive at the weekly value. If the weekly value is £1 or more, the weekly means are taken to be the weekly value plus £1.

3.29. £1,000 cash would be valued as £1.54 weekly means for an unemployment assistance recipient, as £2.51 for a single old age pensioner, and as £0.87 weekly means for a widow with no children. £5,000 cash would be valued as £9.23 for the unemployed man, £10.21 for the pensioner, and £5.71 for a widow. The rules for assessing capital wealth may seem a bit clearer if the amount of cash in the bank a person with no other means may have and still qualify for a pension is examined. At £5,300 a widow can qualify for full pension of £12.35<sup>a</sup> a week; at £12,500, she would get a reduced pension of £8.60; at £14,660, she would get the minimum pension, 50p a week. An old age pensioner would qualify for maximum pension if he had less than £2,800; he would receive the minimum pension of £1.10 if he had investments of just under £7,500. These figures would be doubled in the case of a pensioner couple. A recipient of single woman's allowance would qualify for the maximum rate of £10.70 with investments of up to £720. A recipient of unemployment assistance, with no dependants, would only qualify for the maximum rate if he had no investments; a reduced rate would be payable where there were investments, for example, £6 a week, at an amount of £2,600, and the minimum 5p a week, at £5,470.

#### **Differences in Formulae for Capital Sums**

3.30. The principal difference between the three formulae used, and between the treatment of capital means, and means in other forms,

lies in the notional rate of return on capital, 5% for widows and 10% for unemployment assistance recipients and old age pensioners. It may seem strange that a widow's capital is treated twice as favourably as that of an old age pensioner—perhaps the logic is that she is equivalent to half of a pensioner couple.

3.31 Each separate formula for calculating weekly means from a capital sum uses a different method of dealing with initial small capital sums. In practice, these differences have little meaning, as when converted to a weekly sum they are negligible, and in any case for widows and old age pensioners are absorbed in the disregard of the first £6 of weekly means. These differences only serve to confuse, and a common method of dealing with the initial capital sum should be adopted.

3.32. It is generally acceptable that a pensioner be allowed to retain a nest egg of savings and still qualify for a pension, but the amount of capital which is formally disregarded is small. Instead, the way in which means in the form of capital as such, is disregarded is through the use, particularly in the case of widows, of a concessionary notional rate of return. It might be simpler and more equitable to disregard an initial, fairly generous, amount of capital means, and thereafter to use a more realistic rate of return on investments.

3.33. There are strong arguments for using a notional rate of return on capital rather than actual income in assessing means, particularly for old people. Keeping track of fluctuating interests and dividend income, possibly from a number of different sources, can be confusing and time consuming both for an old person and for officials checking on means. A potential recipient can be clear about his entitlement if he knows his investments or bank balance will be assessed at a straight 10%. There will obviously be from time-to-time some discrepancy between the notional rate of return used and the actual income, with means in the form of capital more or less favourably treated than means in the form of income as interest rates vary.<sup>7</sup>

<sup>7</sup>For a picture of the variation in interest rates between different financial institutions and over time, see, for example, Central Bank Annual Report 1976, Table 12.

<sup>a</sup>All October 1977 rates.

3.34. It is interesting to compare, however, the present position of a widow pensioner with capital invested in an annuity, and a widow whose sole means is in income form. A childless widow of 40 who has capital means of £5,200, has this sum assessed as £6 weekly means, and still qualifies for a maximum pension. Yet if this were invested in an annuity<sup>a</sup> it would bring in a weekly income, of £12.20. A widow of 65 would receive £14.40 a week if she purchased an annuity from this sum. Even for old age pensioners, where the treatment of capital means is much less generous, the weekly means figure of £6 at which maximum pension would be payable, is equivalent to an annuity of £8.52 a week for a 66 year old man, and more at higher ages of annuity purchase.

#### **The Assessment of Farm Income**

3.35. Means from the ownership and working of farm land is assessed in a variety of different ways. Normally, the capital value of the farm is ignored, unless it is not being worked, and the means assessment is intended to estimate the income yielded only. For income maintenance recipients generally (other than smallholder applicants for unemployment assistance in the specified Western counties) and for medical card holders, means from farming is factually assessed. For other means-tested services, the means assessment is based on land valuations, with the imputed income per £ land valuation varying greatly from one service to another.

3.36. Social welfare farm income assessments are carried out by social welfare officers, and those for medical cards and health allowances, by the health boards' assistance staff.

3.37. The social welfare assessment is intended to measure farm income in the previous year, but account is taken of fluctuations in agricultural prices and output over a period of years. Income is calculated

<sup>a</sup>Immediate life annuities, monthly in advance, as at 9 May 1977. Figures kindly supplied by New Ireland Assurance Company. The value of an annuity purchased at any stage depends on prevailing interest rates.

as cash income plus the value of home produce consumed, less the cost of farm inputs, payments to contractors, rates, etc.

3.38. Each local officer keeps a record of prices obtainable locally for farm produce of different quality, which is used to value farm output. The average value of output over a period of years, typically three to five years, is used—the period chosen being centrally decided, and not at the discretion of the individual local officer. In the case of old age and widows' pensions, the farm means assessment would generally not be reviewed for at least five years, but unemployment assistance recipients would be reviewed more frequently.

3.39. The principles used by health board officials to assess farm incomes are similar, but the practical results may differ, since farm income assessment is not an exact science. There is no official link between local health board officials and local social welfare officers assessing incomes from the same farms. The result is some duplication of effort, and in a minority of cases, such variation in individual income assessments that non-contributory pensioners have been refused medical cards.

#### **Notional Assessment of Farm Income**

##### **3.40. (i) *Smallholders receiving Unemployment Assistance***

For smallholder recipients of unemployment assistance in the specified western areas the yearly means from farm income is calculated as 20 times the net land valuation, up to a valuation of £15, and 30 times the valuation, for land valuations of over £15 and up to £20. (See p. 33.) Where the land valuation exceeds £20, means from farming is factually assessed. It is not quite fair to simply look at the low multiplier of £20 per £1 RV. Since 1976, the rates of payment to notionally assessed farmers with RV over £15 have been frozen at the October 1975 level, and since 1977, the rates of payment to notionally assessed farmers with RV of £10 to £15 have been frozen at the April 1976 level.\* The result is roughly equivalent to using a higher multiplier for these farmers, and one which varies both with his family status and his valuation, as shown below.

\*The 1978 Budget has granted a 10% increase in rates of benefit to small holders in the under £15 RV bracket, but no money increase to those in the £15 to £20 bracket.



**TABLE 3.3**

Farm RV	Farm income Multiplier	Effective multiplier at present rates*—single man	Effective multiplier at present rates*—married man, 2 children
<i>Western Area</i>			
0-10	20	20	20
11	}	28-27	39-38
12		27-58	37-77
13		27-00	36-40
14		26-50	35-23
15		26-07	34-21
16	}	38-29	49-50
17		37-80	48-35
18		37-37	47-33
19	}	36-98	46-42
20		36-63	45-60
All other Smallholders	Factual Assessment	Factual Assessment	Factual Assessment

\*As at October 1977.

(ii) *Limited Eligibility*

For limited eligibility for health services, there is a valuation limit of £60, with no variation for family size, and all farmers under this limit qualify (see Ch. 9). Compared with the income limit of £3,000 for non-insured people, and non-manual workers, it is equivalent to valuing farm income at £50 per £1 RV.

(iii) *House Purchase Loans and New House Grants*

For local authority house purchase loans, the valuation ceiling is also £60, and corresponds to an income ceiling of £3,500, or £58-33 per £1 RV. The valuation ceiling for new house grants, up to the introduction of the new scheme in July 1977, was also £60—it corresponded to an income limit of £2,350, or £39-17 per £1 RV.

(iv) *Higher Education Grants*

The valuation ceiling of £60 also applies to the scheme of higher education grants. Here it corresponds to an income ceiling of £4,200, giving £70 per £1 RV, and this overall limit applies to (farm or non-farm) families with six or more children. (See Par. 11.18) Unlike the other services where the £60 RV ceiling operates, in the higher education grants scheme, the ceiling is scaled down for smaller families, so that a student who is his parents only dependant will only qualify for a grant if their farm is under £47-50 RV, and will only receive a full grant if the farm is under £37-50 RV.

The Central Statistics Office had no statistics of the number of farmers under £60 RV, but the 1971 census<sup>9</sup> showed that 79% of farmers were under £50 RV.

**Notional Assessment and Actual Farm Incomes**

3.41. The unreliability of rateable valuation as an indicator of farm incomes has been discussed in a previous Council Report.<sup>10</sup> The use of rateable valuation to determine eligibility for social services is therefore inequitable as between farmers with similar incomes and farm land potential who have different rateable valuations. But on average, the use of rateable valuation as a measure, substantially favours farmers as against non-farmers, since the average farm income per £ valuation in 1976†, at £77-5, is greater than any of the different multipliers used above. Table 3.4 overleaf summarises the range of different multipliers in use.

**Means Disregard**

3.42 For social welfare old age and widows' pensions, and for social assistance allowances based on the widow's pension, the first £6 of assessed weekly means is disregarded in calculating payments. (Under the rule whereby the weekly means from capital is the weekly value plus £1 for these benefits, the effective disregard where there is significant means in the form of capital is £5 a week.) A

<sup>9</sup>Census of Population, Vol. V, Table 7.

<sup>10</sup>NESC No. 15, The Taxation of Farming Profits, p. 82-4.

†See Par. 9.81.

**TABLE 3.4**

	Multiplier per £ valuation	Date last revised
Actual average multiplier 1976	77.50	
Income tax	65*	1977 tax year
Higher education grants	70	June 1977
Limited eligibility for health services	50	July 1976
Local authority house purchase loans	58.33	July 1977
Unemployment assistance, Western smallholders:		
RV £0-15	20	1966
RV £15-20	30	April 1976
Effective multipliers—single man:		
RV £0-10	20	
RV £15	26.07	October 1977
RV £20	36.63	October 1977

\*The multiplier for income tax was set lower than the actual average multiplier to take account of the fact that wages, contractors' fees, and depreciation were not allowable as deductions. Farms under £75 RV. are usually exempt from tax and marginal relief applies to farms between £75 and £84 RV. From April 1978, the multiplier to be used is £90 and rates, contractors' fees and wages are allowable as a deduction; farms under £60 RV will be generally exempt from tax.

recipient of the single woman's allowance with means of less than £1 per week will have this disregarded. This disregard does not operate elsewhere in the income maintenance services, and can place welfare recipients other than old age and widow pensioners in a position of relative disadvantage. For example, (at October 1977 rates) an old age pensioner on the maximum rate may be receiving up to £18.35 a week, while a recipient of rural unemployment assistance would receive at most £10.30 per week, and someone receiving the single women's allowance would receive a maximum £10.70 a week. In fact however, over 80% of old age and widow pensioners prior to the introduction of the means disregard had less than £1 assessed weekly means, and now about 90% of pensioners are on the maximum rate, so that the relative disadvantage of other recipients in practice may not be as great in practice as it might be in theory.

#### Graduated Means Tests

3.43. Absolute cut-off points operate in a number of services—medical cards, limited eligibility, local authority house loans—and

those above the means limit receive no benefit whatsoever. In other services, the means test is graduated, with reduced rates of benefit payable to those with means above the limit for maximum benefit. This is the case with the higher education grants scheme, and with means tests for income maintenance services.

3.44. In the higher education grants scheme, the means test moves in steps of £175 per year (£3.36 per week). The maintenance element in the grant is reduced in steps of £70 outside university towns, and in steps of £28 in such towns.<sup>11</sup>

3.45. Broadly speaking, in means-tested income maintenance services, the amount of weekly benefit is abated by the amount of assessed weekly means. The exact way in which this is done varies from service to service—for example, unemployment assistance is reduced in steps of 5p, while old age and widows' pensions are reduced in steps of £1.25 a week for each complete £1 of assessed means, after the initial £6 disregard.

3.46. The differential rent system for local authority housing graduates the rent payment by reference to tenants' incomes, in a fairly complex way (see p. 224). Effectively, where the head of the household is working, the fraction of any increase in basic income which is taken in rent is 1/7th. Increases in income due to working overtime do not affect the rent payable. Where basic income increases, the treatment of tax in the differential rent formula means that where someone is paying tax at a marginal rate of 25%, the combined withdrawal from income through tax and increased rent is 36%. When the marginal tax rate is 35%, the combined withdrawal rate is 44%. In practice, such a high rate of withdrawal might not occur in many cases, because of the low level of maximum rents for houses built before 1967.

#### The "Poverty trap"

3.47. The concept of the "poverty trap", whereby someone at a low income level would lose so much by way of means-tested benefits if income increased, that they would effectively be worse off, is one

<sup>11</sup>With final steps of £140 and £56 respectively.

which has been widely discussed in the literature on social policy.<sup>13</sup> People may be "trapped" at a given level of income, because the range and value of benefits they would forfeit if their income increased make it not worth their while to seek such increases. Recipients of income maintenance benefits may find their state payment reduced in full by any sum which they may raise from their own efforts.

3.48. Much of the arguments about the "poverty trap" are arguments about incentives. But disincentives must be perceived in order to have an effect, and when a multiplicity of services, obscure and less obscure, are being lost through an increase in income, it is not always clear to the individual that he is losing out overall, nor by how much. Also, the disincentive effects of social services on work effort and on earnings (not always the same thing) apply only in those situations where the individual has any choice to exercise about how much he will earn. This choice applies, in most cases, to working overtime. A person who is not working may be able to choose to take a job, for example, a widow, or an unmarried mother. But many people, including a high proportion of social service recipients, can exercise little influence over the size of their incomes, either up or down.

3.49. Few means-tested services in Ireland apply to people at work—the exceptions being mainly house loans, higher education grants, differential rents, and medical care. House loans and higher education grants are special, once in a lifetime, benefits, from which relatively few people benefit at any one time. Differential rent procedures exclude overtime, the main type of income increase over which the individual can exercise control. And a relatively small proportion of people at work are subject to means tests for medical care.<sup>14</sup> The vast majority of recipients of means-tested benefits are social welfare recipients,

<sup>13</sup>See, for example, Means-Tested Benefits, National Consumer Council, London 1976, Page 22; and NESc No. 36, pages 39–41. For a discussion of the position in Ireland, see NESc No. 37: Integrated Approaches to Personal Income Taxes and Transfers (Forthcoming).

<sup>14</sup>In 1973, only 22½% of medical card holders were wage earners—the majority were welfare recipients (medical card survey Table 1A). And only non-manual workers or self-employed persons earning under £3,000 per annum (subject to the National Pay Agreement clause and the carryover period) receive free hospital treatment subject to a means limit on earnings.

most of whom by definition—through age, illness, involuntary unemployment—are unable to increase their incomes by taking a job.

#### Cellings on Total Income

3.50. The "poverty trap" idea is important, however, if the ceiling on total income allowed to an income maintenance recipient is examined. This is a real "trap" in that most such recipients are powerless to break-out of it, as noted above. Because of the abatement of benefit by the amount of assessed means, this ceiling is usually the maximum level of weekly payment, plus the amount of means disregarded, where relevant. The sharp rate of withdrawal of old age and widows' pensions as means rise results in fact in an old age pensioner with means of £15 a week receiving a *lower* total weekly income than a pensioner with means of £6 (assuming that income and means, for the sake of argument, may be taken as synonymous).

3.51. The table below shows the effective maximum income<sup>14</sup> attainable by different groups of income maintenance recipients.

TABLE 3.5

Benefit/Recipient	Own weekly means	Maximum total income £ per week
<b>Single person:</b>		
Rural unemployment assistance	Nil to £9·80	10·30
Single woman's allowance	Nil	10·70
Single woman's allowance	£0·90	11·60
Single woman's allowance	£8·10	8·10
Old age pensioner or widow	Nil	12·35
Old age pensioner or widow	£6·00	18·35
Old age pensioner or widow	£15·00	16·10
<b>Married couple:</b>		
Rural unemployment assistance	Nil to £17·90	17·90
Old age pensioner couple (each over 66 years)	Nil	24·70
Old age pensioner couple (each over 66 years)	£12·00	36·70
Old age pensioner couple (each over 66 years)	£30·00	32·20

<sup>14</sup>October 1977 rates of benefit.

### Value of Means-Tested Benefits to Recipients

3.52. To round off the question of "poverty traps", the table below presents the means limits for the principal benefits other than income maintenance, together with the estimated average cash value of the benefits concerned. The value of limited eligibility to the recipients is shown as the difference in cost to buy the nearest comparable health cover:

S = single person  
M+W = man and wife  
M+W+2 etc, = man, wife, and two children

**TABLE 3.6**

Benefit	Means limit (in annual terms)	Average net value to recipients 1976
Medical card:	S = £1,222 (a) (b) M + W = £1,768 (b) M + W + 2 = £2,090 (b)	£24.54 for GP services per person covered, plus hospital costs as below for limited eligibility.
Limited eligibility: non-insured and non-manual workers	£3,000	S = 51p (c) M + W + 2 = £39.05 (c)
Local authority house purchase loans:	£3,500	not applicable
Higher education grants:	M + W + 1 = £3,325 M + W + 6 = £4,200	£389 per student receiving a grant

Notes: (a) Single person living alone.

(b) The means limit may be extended by the amount of rent payments over £3.10 a week, and by the cost of transport to work.

(c) Cost of comparable VHI insurance cover less tax relief at 35% and health contribution otherwise payable. (See Table 9.11). The cover provided is less than that for limited eligibility, for example routine maternity treatment would not be covered.

### Conclusion

3.53. This examination of means-testing shows the variety of ways in which means are reckoned for different services. It demonstrates the complexity of the means test system, and how difficult it must be for many people to ascertain if they are above or below the means limits. It shows the differences in the treatment of income from different sources. The room for rationalisation is clear.

## CHAPTER FOUR

### OTHER SELECTION PROCESSES

4.1. While means-testing, formal or informal, is the principal method used to "selectivise" social services, this is supplemented and in certain cases replaced by the use of other criteria—age, illness, inadequate accommodation, and others. The impact of the services may be selective because of variations in the quality or level of service provided for different groups and different parts of the country. The pattern of use of services, as discussed in the next chapter, can also result in services having differing degrees of selective impact.

#### The Use of Different Categories In Income Maintenance

4.2. Social insurance benefits are payable to those who satisfy the relevant contribution conditions, and who come into one of the prescribed categories—over pension age, blind, widowed, unemployed, deserted, sick, or retired—which are usually associated with a reduction or absence of regular income. Social assistance and health board allowances use somewhat similar categories, in addition to means tests. The supplementary welfare allowance scheme is the only general one which caters for low income, irrespective of the cause, and it has a residual function in providing for people who do not qualify under any of the specific categories.

4.3. Most of the categories used are straightforward. The main problems experienced have been in the areas of unemployment and disability, and deserted wives. Establishing the facts on unemployment or inability to work because of illness is not as clearcut a matter as calculating the facts of old age or widowhood. Marital desertion is another area where there are problems in defining who should be

included—the present schemes (described at length later) do not cover all unsupported wives.

#### Variation in Rates of Benefit by Category

4.4 The table below shows the amount of weekly benefit payable to the main categories of income maintenance recipients. The variation in rates of payment from one category to another is very striking; particularly notable is the absence of payments in respect of dependants in the DPMA scheme. Some of this variation is readily justified—the higher rates of benefit in contributory insurance schemes,

**TABLE 4.1**  
**INCOME MAINTENANCE\*\***  
**Maximum Weekly Rates of Benefit**

	Personal Rate	Adult dependant Rate	Child dependants	
			1st and 2nd children	3rd and subsequent children
	£	£	£	£
Social insurance:				
Old age (con.) pension	14.60*	9.30 (under 66) 11.00 (66 or over)	3.75	3.70
Old age (con.) pension aged 80 or over	15.50			
Widow's (con.) pension	13.25*	—	4.45	4.45
Deserted wife's benefit				
Widow's (con.) pension	14.30			
Deserted wife's benefit aged 80 or over				
Unemployment benefit (flat-rate)	13.05	8.50	3.75	3.10
Disability benefit (flat rate)				
Invalidity pension				

\*In addition, £1 a week, is payable to a person 66 or over, living on his own.

\*\*October 1977 rates. The rates from April 1978 are shown in Appendix 8.2 — the new rates do not change the argument about the range of variation.

TABLE 4.1—(continued)

	Personal Rate	Adult dependant Rate	Child dependants	
			1st and 2nd children	3rd and subsequent children
	£	£	£	£
Non-contributory benefits:				
Old age (non-con.) pension	12.35*	6.15†	3.30	2.50
Old age (non-con.) pension aged 80 or over	13.30			
Widow's (non-con.) pension				
Deserted wife's allowance	12.35	—	4.10	4.10
Prisoner's wife's allowance				
Unmarried mother's allowance				
Unemployment assistance:				
urban	10.70	7.75	3.30	2.50
rural	10.30	7.60	3.30	2.50
Single woman's allowance	10.70			
Supplementary Welfare Allowance	10.20	7.60	3.30	2.50
Disabled Person's Maintenance Allowance	11.90	Nil	Nil	Nil
Infectious Diseases Maintenance Allowance	12.00	9.90	3.30	3.30

\*In addition, £1 a week, is payable to a person 65 or over, living on his own.

†Adult dependants aged under 66. Wives aged 66 or over qualify for pension in their own right.

the higher rates of payment to those over 80. Some of the variation is commonly defended on the grounds that the lower rates apply to short-term categories, and on grounds such as the need to keep unemployment payments at a level which does not constitute a disincentive to employment. The long term/short term distinction between the higher and lower benefit rates does not always hold. Recipients of single women's allowance, being aged 58 or over, are hardly

receiving a "short-term" benefit. Recipients of supplementary welfare allowance are a mixture of long-term and short-term cases. Recipients of unemployment assistance are again mostly long-term cases, some being transferred off unemployment benefit after a year or 15 months on that benefit, and with two thirds of recipients living in rural areas where the lack of jobs tends to be a long term problem. But overall, the range of variation in what is paid, according to the accident of one's low income category, seems too great.

4.5. The differences in rates of payment combine with differences in eligibility criteria to vary the actual amount received by people in the same objective financial circumstances who receive benefit under different headings.<sup>1</sup> Important factors here are the £6 means disregard, which applies to "long-term" social assistance payments only, and the assessment as means of the benefit of free board and lodging, applying to unemployment assistance, single women's allowance, and supplementary welfare allowance.

4.6. The historical trend in Ireland has been to develop income maintenance schemes based on particular categories, rather than relying on the single criterion of low income. Over the years, a process of setting up specific schemes to deal with particular groups who previously had to rely on home assistance has been carried out. Such schemes include disabled person's maintenance allowance, and social assistance allowances for deserted wives, unmarried mothers, prisoners' wives, and elderly single women. Nevertheless, there will always be a number of low income contingencies which are not specifically catered for, and which must rely on a residual income maintenance service. But as things stand at present, a person who does not come into one of the specific categories, either because of a technicality, or because it is an exceptional type of case not meriting a specific service, or simply because the specific service has not yet been provided, must be content with a lower rate of weekly payment, and a stricter means assessment, than someone in similar financial circumstances who belonged to an approved category.

<sup>1</sup>See Table 3.5.

### Women and the Income Maintenance Services<sup>2</sup>

4.7. The social welfare code contains a number of discriminations against women as such. Chief among these are the special requirements for women applicants for unemployment assistance (Ch. 8). Generally speaking, a woman must have at least one dependant before she can qualify for unemployment assistance, or alternatively, a widow or single woman may qualify if she has paid at least 26 weeks social insurance stamps in the preceding four years. No such conditions apply to men. Effectively then married women, childless separated wives, girl school leavers, and women who have not worked for a number of years, are precluded from receiving unemployment assistance. The number of women now granted unemployment assistance is one tenth what it would be if the male/female ratio current for unemployment benefit were to apply—not an accurate statistic, but an indicator that several times the present number might claim unemployment assistance in different circumstances. The Government are committed to end this particular discrimination against women.\* A married woman claiming unemployment or disability benefit, receives a flat-rate payment of £11.35 a week (at October 1977 rates) compared to £13.05 for a single man. Her unemployment benefit lasts a maximum of 26 weeks, compared to 65 weeks for a man or a single woman, and she is then, unlike a man, ineligible to transfer to unemployment assistance. Yet she pays the same social welfare contribution as a single woman, and this contribution is only 7p a week less than that of a man. This contribution incidentally almost certainly represents a higher proportion of her after tax income than that payable by a man, due both to the lower average earnings of women, and the structure of taxation for married women. On the other hand, the figures suggest a very high degree of use of both unemployment and disability benefit by married women, with on average one in four insured married women on UB, and one in two on DB.<sup>3</sup>

4.8. A married woman is generally regarded as her husband's depen-

<sup>2</sup>See Women's Representative Committee Progress report on the implementation of recommendations in the Report of the Commission on the Status of Women, 1976.

<sup>3</sup>Source: Department of Finance (See Ch. 8).

\*From October 1978 single and widowed women (but not married women or deserted wives) will qualify for unemployment assistance on the same basis as men.

dent. If she is separated, and he is contributing something towards her maintenance, she continues to be regarded as his dependant. However, a husband, even when financially dependent on his wife, is generally only so regarded if he is an invalid. Thus, a husband who is, say, a student, or engaged in home duties, or retired, is not considered to be his wife's dependant.

### Minimum Residence Requirements

4.9. A number of services operate a residence requirement, principally social assistance, and local authority housing. The residence conditions for social assistance are below:

TABLE 4.2

	Minimum residence period in State*
Unemployment assistance	6 months, continually at any stage
Widow's (non-contributory) pension	2 years, continually at any stage
Social assistance allowances	2 years, continually at any stage
Old age pension	15 years, five of them after reaching age 50
Blind pension	5 years since reaching age 10

For local authority housing, it is required in some areas that the applicant be resident in the authority's administrative areas for some minimum period, or that the applicant be a native of the area. This can cause problems for returned emigrants, or for people who have worked in different areas of the country for different periods. Problems can also arise because local council boundaries have generally been unchanged for many years. This is particularly important in Dublin, where people who have lived in the same general areas for a long period may find they have been on the wrong side of the relevant council boundary. It is, however, the policy of the Department of the Environment to encourage local authorities to abolish or modify residency requirements.

\*These conditions are being modified from April 1978, with the abolition of residence requirements, for widows', deserted wives', prisoners' wives', unmarried mothers' and single women's allowances, and the abolition of the 5 years after age 50 test for old age pensioners.

### Selectivity by Area of Residence

4.10. The benefits to which one is entitled, or the services which are available, can vary from one area to another. For example, the cheap fuel scheme applies only in 17 urban local authority areas along the East coast; free school meals apply only to "necessitous" urban children, and to children attending Gaeltacht schools. In rural areas, unemployment assistance is paid at a lower rate, the difference (in October 1977) being 40p a week for a single person. In certain Western counties, farmers may have their means for unemployment assistance assessed on a favourable notional basis.

4.11. Many community care services are optional for health boards—services such as free milk for mothers and children, home helps, and social work services. The level of provision of these services, who qualifies and the general emphasis of the community care programme, (e.g., care of the aged as against care for families) is at the discretion of the individual health board. And the emphasis in such programmes is constantly changing with different financial situations, with emerging needs, and with changes in the direction of policy.

4.12. The problems of where you live in terms of access to social services are clearly greatest in isolated or scattered rural communities. Obviously the full range of services, from specialised hospital facilities, to university education, cannot be provided near at hand to all such communities, and in the sense that they have to travel to such facilities people living in these areas are disadvantaged *vis-à-vis* people in Dublin or Cork. For example, the travel problem is felt particularly when someone is in hospital, and it is too far for friends and relatives to visit. A benefit such as free travel for people over 66, is of limited value in isolated communities not served by public transport. The problems of school transport are clearly much greater in rural areas, than in towns, and despite the many advantages the transport service has brought, the country child may have to spend long hours on a school bus unlike his city counterpart.

4.13. The conditions for access to a local authority tenancy, and the rent which may be payable, in so far as it is governed by maximum

rent levels (for houses built before 1967), can be very variable from one area to another. The allocation of finance for new local authority building is now being made more uniform in terms of housing need, but factors like existing backlogs, the vacancy rate in an area, and the current demand for housing in the area, can still make for great variation in the current likelihood of being allocated a local authority house.

4.14. Despite the existence of uniform national standards for a service, the interpretation or implementation of these standards may still vary from one area to another. A study which we carried out on the proportion of the population covered by medical cards in each county, using linear regression techniques, suggests that this proportion is very much influenced by the individual health board area, even after allowing for such factors as income per head, proportion of income arising from social welfare payments, and proportion of the population engaged in agriculture. The Western and South-Eastern areas show a particularly high proportion covered.

4.15. Even where the services provided are uniform for all areas, the impact of the services in different areas may be very different, depending on the composition of the population; for example, the provision of old age pensions has a greater impact in areas where there is a large elderly population than in areas like suburban housing estates where it is all young couples with children.

4.16. The following table shows the percentage of personal income in each county in 1973 accounted for by social welfare transfer payments, and all government transfers, respectively.

4.17. Having examined some non-means selectivities, the report now proceeds to examine how services may be selectivised by the degree of use or the pattern of take-up.



**TABLE 4.3**

County	Proportion of county income from social welfare payments	Proportion of county income from all transfer payments
	%	%
Carlow	9.4	11.0
Dublin	6.6	9.3
Kildare	6.6	8.4
Kilkenny	7.9	9.2
Laois	9.6	11.2
Longford	13.5	16.3
Louth	10.1	11.4
Meath	7.8	9.3
Offaly	10.0	11.7
Westmeath	10.2	12.6
Wexford	9.9	11.2
Wicklow	8.0	9.1
Clare	10.2	12.1
Cork	8.2	10.5
Kerry	12.7	15.2
Limerick	8.5	10.5
Tipperary	9.1	11.1
Waterford	7.6	9.3
Galway	11.4	15.7
Leitrim	17.8	20.2
Mayo	16.2	18.5
Roscommon	12.1	14.0
Sligo	11.3	13.6
Cavan	11.2	12.9
Donegal	17.1	18.9
Monaghan	9.7	11.6
Average	8.8	11.1

Source: NES, No. 30, Tables 4, 6 and 23.

## CHAPTER FIVE

### THE UTILISATION OF SOCIAL SERVICES

5.1. So far in the report, much of the discussion has centred around who is eligible for the various services, rather than who actually receives them. The problem of people not claiming the benefits to which they are entitled is one which has received a great deal of attention in the UK, and research findings show that low take-up is a problem affecting a very wide range of social services.<sup>1</sup> The factors which affect the take-up of benefits have been discussed at length in the companion report,<sup>2</sup> and they form the core of its argument. In this country, practically no research has been conducted into this question; this chapter tries to piece together what evidence there exists on the subject.

5.2. It is first relevant to examine how policy makers in this country view the question of take-up. Generally it is a question to which little attention has been paid, as evidenced by the lack of research on its existence or dimensions, and few policy makers would spontaneously include take-up in a list of problem areas with their services. There is a widespread belief that take-up is complete, or almost so, for the major national services—social welfare, and medical cards. In other areas, e.g., home help service, it is acknowledged that take-up is not complete, but it is felt that services are barely able to cope with current demands, let alone any increase which might result from improved take-up. In this light, and given the financial pressures under which they work, policymakers can be generally reluctant to actively promote improved take-up, certainly

<sup>1</sup>See National Consumer Council "Means tested benefits", Ch. 3.

<sup>2</sup>NESC No. 36. Chapters 5 and 6.

as far as the better off among their eligible population are concerned. In addition to these considerations, there may be a reluctance to spend money, less characteristic now than in the past. Yet there are still some administrators who regard their main role as defending the public purse rather than providing a service to people who need it. An illuminating exchange in the Dáil,<sup>3</sup> on the subject of bicycle grants for pupils ineligible for free bus transport to school, illustrates this latter view. Only one family had availed of the scheme over a long number of years, yet the Minister was reluctant to publicise the scheme's existence other than by way of an obscure Dáil exchange<sup>4</sup>—the phrase “if we were to be too free in bringing this scheme forward” was one of those used.<sup>5</sup>

### Stigma

5.3. The stigma factor is one which has featured strongly in UK studies of low take-up. The relevance of this concept in Ireland has been examined in a study by Dermot Clifford.<sup>6</sup> This paper, and the survey on which it was based, showed the underlying concept of poverty held by the general public as one of personal inadequacy: a strong sense of “deserving” and “undeserving” poor was observed. Recipients of services reported a reluctance to apply for benefits, and feelings of “shame and embarrassment” associated with applying. In this study, as in others,<sup>7</sup> the home assistance service emerged as particularly stigmatised. There is evidence therefore that stigma is not simply a UK culture specific factor, but is relevant also to the operation of Irish social services. In this country there has as yet been no research work linking stigma with a low claim rate for services, but the existence of stigma suggests that incomplete take-up of some services will exist.

<sup>3</sup>Dail debates 18 February 1976, 2 March 1976.

<sup>4</sup>Dail debates, 18 February 1976, Col. 247. One grant has been paid in 1972. Following some pressure about the scheme, by July 1976, 80 applications had been received.

<sup>5</sup>Dail debates, 2 March 1976 Col. 1081.

<sup>6</sup>The Public, the Client, and the Social Services, Social Studies Occasional Paper. Maynooth 1975.

<sup>7</sup>Ó Cinneide, Seamus, A law for the poor, 1970. Sheahan, Margaret, The Meaning of Poverty. 1974.

### Estimating Take-up

5.4. In Ireland, no studies have been undertaken of take-up of benefits, nor has any information on take-up of benefits been thrown up by such sources as community surveys. Action research currently being undertaken by the National Committee on Pilot Schemes to Combat Poverty in its Welfare Rights project may yield some information, if this project can locate and quantify numbers not availing of their entitlements as a result of people coming forward in a welfare rights campaign, but this research is still in its early stages.

5.5. There are many difficulties involved in deriving accurate estimates of take-up. The eligible population is constantly changing—for example, in calculating the numbers eligible for old age pensions, one must take into account numbers reaching pension age, the number of deaths, and the changing financial circumstances of people of pension age. It is practically impossible to collect national information on income distribution classified in sufficiently fine detail to enable accurate estimates to be made of the numbers likely to qualify for a particular means-tested benefit. While the total number of claimants for a service may be known, this must be related to the total of potential claimants; and this latter total is seldom known.

5.6. The local survey method of estimating take-up faces many difficulties and would be very expensive. It would involve surveying a local community and calculating from income data etc. what benefit people would be entitled to and comparing that with benefits actually received. Among the problems is that in the case of the more specialised benefits, it would require an enormous survey before any statistically valid conclusions about take-up could be drawn.

### Views of Involved Personnel

5.7. It was not considered appropriate that the present study should involve a survey into the question of take-up of benefits. However, the views of government administrators, social workers, voluntary bodies and clients' organisations were sought on the dimensions of this important question. The general consensus was that take-up was high for the principal income maintenance services, e.g., old age pensions, and

for medical cards. The existence of these benefits was widely known in local communities, and in addition there were voluntary organisations, social workers, TDs, and local community information centres who would let people know of their entitlements and help them with their applications. These services were widely publicly acceptable, and, for a large number of potential applicants, little or no stigma would be attached to being a recipient of such services. Failure to avail of these "major" services was felt to be mainly confined to those who would benefit relatively little, for example pensioners entitled to reduced pensions of perhaps £1.75 a week. It was felt, however, that there might be a number of people who had never considered themselves in the social welfare income bracket, and who either through ignorance or unwillingness did not apply for benefits to which they were now entitled by virtue of successive increases in benefit levels, and the relaxation of the means test.

5.8. Take-up was considered to be a problem for services outside of those mentioned above, particularly services which were locally provided such as rates waiver (now redundant with the abolition of domestic rates) or free milk for mothers and children. Locally provided services do not generally benefit from national publicity, and many such services vary from one area to another in their eligibility conditions which results in the conditions for entitlement, as well as the existence of the service, being less well known. However, none of those contacted were able to put figures on the extent to which take-up was incomplete for any service.

#### **Evidence of High Take-up**

5.9. It has been argued that the very high proportion of the population receiving social welfare benefits or covered by medical cards leaves little room for the phenomenon of low take-up. In December 1975, just over half a million people were receiving some weekly social welfare benefit—over a quarter of the adult population. At least two-thirds of these were receiving such a benefit on a long-term basis, as the regular source of income. Over one-third of the population are covered by medical cards. The informal contacts with family and friends of these claimants would leave very few people unaware of the existence of the services and of the rough conditions of eligibility,

although, as one social worker put it to us, some people, particularly the elderly, are inclined to accept their neighbours' judgment about eligibility rather than pursuing it themselves.

5.10. Relying on informal contacts to spread information on benefits may be inadequate for people who are geographically or socially isolated, or for the old person in "genteel poverty" whose traditions and social contacts lead them to believe that social welfare is not for "people like us".

5.11. It is argued too that the Irish political system, with the emphasis on constituency work and "clinics", favours a high take-up rate for benefits. These clinics not only provide a convenient place where people with problems may come of their own accord, but there is active canvassing, most conspicuous at election times, to see if people have problems for which the local deputy can deliver the remedy, be it a medical card, an old age pension, or a local authority house.

#### **Numbers Using the Services**

5.12. The figures presented below show the numbers using the various services and where possible these are related to relevant totals, such as relating numbers of pensioners to the total number of pension age. The numbers using the services in some cases, e.g. school dental services, may reflect more the level of provision of a service rather than unwillingness to avail of it. It is nevertheless interesting to see how many actually benefit from the service, whatever the cause. Equally, where a low percentage of a group benefit from a service, it may be that only a low proportion are eligible, on means grounds or otherwise, to benefit from the services.

#### **5.13. Social Welfare**

##### *(i) Pensioners*

The number of people aged 67 or over receiving weekly payments from the Department of Social Welfare in 1976 was 243,000 and amounted to 85% of the estimated population aged 67 and over.

This total is broken down as follows:—

**TABLE 5.1**

Old age (contributory) pensioners .. .. .	54,980
Adult dependants, OACP .. .. .	8,100
Old age (non-contributory) pensioners .. .. .	126,000
Retirement pensioners .. .. .	21,016
Adult dependants, RP .. .. .	2,190
Widow (contributory) pensioners .. .. .	30,600
Invalidity pensioners .. .. .	170
	243,056

(Note: The pension age was lowered to 66 from October 1977).

Some 44% of those of pension age qualify for means-tested benefits; it is not known how many of those receiving insurance-based benefits would also have qualified for the means-tested pension.

The numbers qualifying for the contributory benefits would have excluded the higher paid non-manual workers, who were only brought into social insurance in 1974, and people like retired public servants, who are not insured for old age pensions; most of these would not qualify, on means grounds, for the non-contributory benefits. The 85% proportion of the relevant age group receiving benefits therefore suggests a high take-up rate.

(ii) *Widows*

40% of widows over pension age receive a widow's contributory pension, and a further number are included in the figures for old age (non-contributory) pensioners shown above. 82% of widows under pension age are receiving social welfare pensions as follows:

	1976
widows (contributory pension)	31,400
widows (non-contributory pension)	12,600
	44,000

This is substantially in excess of the estimated number of widows in this age group (34,500 in 1971\*) who were not working, and suggests a high take-up rate.

(iii) *The Unemployed*

A rough check of the take-up rate of unemployment payments may be made by comparing the 1975 Labour Force Survey with the totals of people claiming unemployment payments in the same period. The Labour Force Survey was based on a sample of 31,000 households; the definition of unemployment is based largely on people's own assessment of their employment status. The Live Register figures of claimants are weekly averages for the period May/June 1975, which is the one covered by the Labour Force Survey. Given the different base for each set of figures and the fact that the Labour Force estimates are based on a sample, the tables suggest a high take-up rate.

**TABLE 5.2**

**Labour Force Survey, May/June 1975**

	Men	Women	Total
Unemployed, having lost or given up previous job	70,500	15,900	86,400
Looking for first regular job	10,800	9,100	19,900

**Live Register, Average May/June 1975**

	Men	Women	Total
Unemployment benefit claimants	43,796	15,864	59,660
Unemployment assistance claimants	37,071	913	37,984
Sub-Total (A)	80,867	16,677	97,644
Less short time workers	4,201	2,283	6,484
Fully unemployed recipients of unemployment payments	76,666	14,494	91,160

\*1971 Census of population, vol (v). The 1975 Labour Force Survey figure is identical.

It is notable that only a handful of women received unemployment assistance, mainly because of the special conditions for women applicants. It should also be noted that those looking for their first regular job would not normally be eligible for unemployment payments, because they would have no record of social insurance contributions, and they would not generally qualify for unemployment assistance, either on grounds of age or sex, or because the value of free board if living at home would mean they would not satisfy the means test.

The weekly Live Register figures show also those who register as unemployed although not entitled to any unemployment payments. The main point of such registration is to obtain credited contributions for social insurance purposes. The numbers so registered averaged 4,800 in the above period, 90% of them being women. Only a handful of school leavers—about 80 on average—registered themselves as unemployed.

(iv) *Deserted Wives.*

The numbers receiving deserted wife's benefit and allowance is estimated to be about half the total number of separated wives. In 1976, 43% of applicants (or 38% after adjusting for those who applied too early) were rejected, suggesting that many of the present non-recipients would not qualify for the payment. However, an analysis of 1977 claims by date of desertion showed that over half the applicants waited until they were at least 3 months qualified for the benefit before applying, while a quarter waited over three years before applying. This shows that women are slow in applying for the scheme, and suggests that take-up is incomplete or at least delayed.

(v) *Unmarried Mothers*

In 1976, the number of mothers who applied for the allowance represented three quarters of single mothers who kept their babies in that year (see p. 142). The total numbers receiving the allowance roughly equalled the numbers of children of single mothers aged under 4 who had not been adopted, taken as a rough guide to the number of single mothers who would not be working. Since the allowance is means tested and would not generally be received by a working mother, these figures suggest that the take-up for the scheme is high.

(vi) *Single Woman's Allowance*

About 20% of non-working single women in the qualified age group, 58-67, receive the allowance (see p. 146), which is means tested. Since 45% of people over 67 receive a means-tested benefit, i.e. double the rate for the single women, this suggests that the take-up rate for this scheme is low. The numbers currently applying for the scheme suggest there are a number over the minimum age who are only now applying and that the scheme has not built up to its complete level yet.

(vii) *Supplementary Welfare Allowance/Home Assistance*

In 1975, 10,500 people received home assistance as a supplement to another social welfare benefit or pension, a tiny proportion of the total receiving such benefits. Presumably among the other 97% equally living on the standard social welfare rates of benefit, were some who might have qualified for a home assistance payment but who never applied. It is generally agreed that the home assistance service was a very stigmatised one, which people would only approach if they were at their limit, and that take-up was low. While no statistics are yet available on the numbers receiving the allowance since its restructuring in July 1977, the indications are that they have increased, showing previously unmet need.

(viii) *Free Electricity*

From cross-checking with census data, it seems that the number of registered consumers of electricity show complete take-up for pensioners, but a somewhat slow build up of claims for disabled people, who are entitled to the allowance since April 1977. But there is clear evidence of non take-up in relation to the amount of electricity consumed. In 1975, 40% of urban, and 58% of rural free consumers used over 100 units, i.e. one third, less than their free allowance, which would have left them in many cases with the barest standards of home comfort.

(ix) *Cheap Footwear*

In 1975-6, 43,000 children benefited from this scheme, which is available to the children of social welfare recipients and other needy

parents. Excluding parents on unemployment or disability benefit, to exclude cases where the benefit was of short duration, there were at least 231,000 eligible children, giving a take-up rate of at maximum 20%.

(x) *Children's Allowances*

One of the areas where it is relatively easy to estimate take-up in Ireland is for children's allowances, since the eligible population can be estimated from population data, without complicated estimates of income, since there is no means test. Appendix 1 to Chapter 8 reports the technical details from our estimates of take-up. The conclusion is that take-up is less than complete; we can say, for example, with 95% confidence that between one and six per cent of one-child families are not claiming the allowance, at the December 1975 real level of benefit. The level of take-up is related to the real level of benefit—the higher the allowance, the more families will claim.

Children's allowances can be claimed by all mothers, irrespective of means. It may be that the non-claimants are high income families who do not bother to claim because the benefit seems small in relation to their income, and the trouble of claiming. On the other hand, if take-up is less than complete for a "universal" scheme like children's allowances, well known, and carrying no stigma, is it valid to assume that take-up is 100% for other income maintenance services, perhaps less well known, subject to means or insurance tests, possibly stigmatised in the eyes of the recipients, and aimed at a relatively inarticulate group in society? Perhaps applicants for, say, pensioners swallow their pride and their apathy and apply for benefits because they cannot afford to do otherwise, whereas some mothers can more readily afford to ignore their entitlement to an allowance.

#### 5.14. Health Services

(i) *Medical Cards*

About 38% of the population are covered by medical cards, and since 1971, the numbers have been steadily rising (see Table 9.5). The Health Boards are of the opinion that take-up is fairly complete as the

value of a card is now greatly appreciated by people, and there is no stigma attached to the choice of doctor scheme. However, calculations which we did on the 1973 medical card survey (see Table 9.10.) suggests that at that stage, a fairly low proportion of social welfare recipients were holders of a medical card, including a low proportion of old age pensioners, although the position has probably changed since, as at that stage the income guidelines had only recently come into effect.

(ii) *Limited Eligibility*

No figures are available on the numbers who use their full entitlement to free hospital maintenance and treatment. VHI statistics suggest that 25-28% of the limited eligibility group buy cover for the extra private or semi-private accommodation and treatment when the public treatment and public ward accommodation would be free.

(iii) *Blind Welfare Allowance*

About one third of non-contributory blind pensioners received a blind welfare allowance in 1976, although the other two thirds had already satisfied the social welfare means test.

(iv) *Child Health Services*

These services are intended to cover all children, irrespective of means. The figures on use of the services here may reflect the provision of clinics rather than the willingness or not of parents to use them. In 1974, 69% of eligible children (i.e. living in centres where clinics were conducted) received a 6-10 months developmental examination. 84% of national school entrants received a health examination under this service. One third of eligible children in 1975 received a dental examination.

(v) *Maternity and Infant Care Service*

In 1974, 46% of all births were covered by this service.

(vi) *Child Immunisation*

In 1974, 65% of the target group of infants received polio vaccination, 67% received diphtheria immunisation, and 99.2% received the PKU test. 58% of the target group of 12 year old girls received rubella vaccination. Again, these services are intended for all children.

(vii) *Free Milk*

About two thirds of the relevant mothers and children covered by medical cards benefited in 1976.

5.15. **Education**

(i) *Primary Education*

95% of pupils avail of free national school education. Education in this age range is compulsory.

(ii) *Post-primary Education*

93% of secondary schools are members of the free education scheme. All vocational comprehensive and community schools provide free education. Participation rates by age and sex in 1973-74 are shown below:

**TABLE 5.3**

14		15		16		17		18	
M	F	M	F	M	F	M	F	M	F
92.0	92.8	74.2	81.2	52.4	67.4	32.9	44.3	10.4	14.0

Participation rates by age in 1974-5 and 1975-6 are shown below

**TABLE 5.4**

	13	14	15	16	17	18
1974-75	98.7	97.9	82.4	66.6	45.2	25.3
1975-76	99.9	95.6	86.4	68.6	46.0	27.2

(iii) *Third Level Education*

The participation rates by age and sex in 1973/74 and by age in 1974/75 and 1975/76 are shown below:

**TABLE 5.5**

	18		19		20-24	
	M	F	M	F	M	F
1973-74	12.1	9.3	12.8	8.8	8.7	4.4
1974-75	25.3		13.9		7.4	
1975-76	27.2		15.3		7.9	

These tables show an education system which in theory is equally open to all, and in practice, particularly at the higher levels, is selective in who benefits. It is notable that while more girls receive a second level education than boys, the situation is reversed at third level where men outnumber women two to one. Education is strongly influenced by parental social class, with children from upper middle class homes the most likely to proceed the full way through the education system.

5.16. **Housing**

*Local Authority Housing*

At the end of 1976, the estimated number of rented local authority dwellings was 100,000. By that date, a further 115,000 dwellings had been purchased from local authorities. The total housing stock was then 821,000 approximately. In 1976, new local authority building, for rent or for purchase, was 30.3% of all new house building.

### House Purchase Loans

In 1976, 6,732 loans were paid by local authorities, financing 30% of houses bought with loans from the major lending institutions—building societies, assurance companies, local authorities, and associated banks. 85% of borrowers who were buying new houses from speculative builders, who were under the income limit for local authority loans, availed of such loans—the remainder were almost all with building societies. The maximum loan and income limits for local authority house purchase were increased substantially in July 1977.

### 5.17. Conclusion

Some summary evidence on use and take-up of services has been presented in this chapter. It suggests that take-up is less than complete for a number of services. In view of the central importance of the question of take-up for the whole debate on social strategy and the design of social services, it is important that further research be carried out in this area, establishing the extent of non-take-up as a factor, and examining the causes and the results of this phenomenon, and the possible ways in which it may be eliminated.

## CHAPTER SIX FINANCE

### Sources of Finance

6.1. Social services are now financed largely out of general Central Government revenue, which consists mainly of taxation and Government borrowing. In the past, local taxation had an important role, in particular in relation to local authority housing, health services, and vocational education, but with the progressive removal of health and housing charges from the rates, and now the promised abolition of rates on private dwellings from the start of 1978, these local services are now almost entirely financed by Central Government. Direct charges for services apply in very few instances—principally rents for local authority houses—and are not important overall as a source of finance. The health contributions scheme from those with limited eligibility provides about 4% of the total health budget. The most significant source of non-tax revenue is social insurance contributions, which came to around £182 million in 1976, funding over three-quarters of social insurance benefits, and one-fifth of all income maintenance services.

### Expenditure

6.2. Estimated public expenditure (current and capital) on the main social services in Ireland in this last three years is as follows:

	1975	1976	1977
	£m	£m	£m
Education	222.6	262.2	301.7
Health	240.2	269.7	297.0
Housing and Sanitary Services	213.3	227.0	247.0
Income Maintenance	368.0	477.4	553.7
Total	1,044.1	1,236.3	1,399.4

Source: Economic Review and Outlook, 1977, Table 34.



**TABLE 6.2**

The most recent estimates for current and capital expenditure in 1977 are as follows:

	1977	
	Current	Capital
	£m	£m
Education	265	36.7
Health	298	16.5
Housing and sanitary services	120	127
Income maintenance	553.7	—
<b>Total</b>	<b>1,236.7</b>	<b>180.2</b>

Source: Department of Finance.

### Central Government Revenue

6.3. The composition of total Government Revenue in 1975 is shown below:

**TABLE 6.3**

<i>Current</i>	£m	%
Personal income tax	284.2	23
Company tax	74.6	6
Social insurance contributions	164.8	13
Taxes on expenditure	541.7	44
Other revenue	170.6	14
<b>Total</b>	<b>1,235.9</b>	<b>100</b>
<i>Capital</i>	£m	%
Borrowing	521.2	69
Taxes on capital	17.3	2
Other (including repayment of loans to Intervention Agency)	211.8	28
<b>Total</b>	<b>750.3</b>	<b>100</b>

Source: National Income and Expenditure, 1975. Tables A11, A15, A18.

6.4. It is not proposed to give any detailed analysis of the general tax system in the present report. This has been examined already in the report on Tax and Transfer Policy.<sup>1</sup>

In any case, apart from social insurance, the financing of social services is not planned separately from the financing of the Government spending programme as a whole.

### Redistributive Effects

6.5. A major study of the redistribution of income after all taxes and benefits, including indirect taxes, and indirect benefits such as subsidised education, is under way by the Central Statistics Office based on the returns for the 1973 Household Budget Survey. As there appears to be some delay in completing this study, we were unable to obtain any material from it for use in the present report. A similar study (unpublished), was carried out on the 1965/66 Urban Household Budget Inquiry Returns. The results then showed the tax system (direct and indirect) to be mildly progressive, and that overall for urban households the combination of taxes and benefit programmes effected some redistribution from richer to poorer households.

### Local Services

6.6. There is quite a range of social services which are provided by certain local bodies, but not by others, or where there is wide local discretion as to the level of provision of a service. These include home helps, school meals, and cheap fuel. This situation is defensible where a service is financed locally; the area which does not enjoy a particular service has a correspondingly lower rates bill. But different levels or provision in different parts of the country, when the services are almost exclusively paid for out of central taxation, is less easily justified. Should the taxes of the people of Cork be used to provide cheap fuel schemes for the poor of Dublin and Waterford, when the poor of Cork cannot benefit? This is not to argue against local administration and local discretion—these can be very valuable—but in a nationally financed service, such discretion should be exercised around national standards.

<sup>1</sup>NESC No. 37, forthcoming.

### Direct Charges for Services

6.7. The principal direct charge consists of rent payments for local authority dwellings. (These are discussed more fully in the chapter on Housing Services, and in NESC Report No. 23 on Housing Subsidies.) In 1975, they totalled an estimated £8 million, and constituted 21% of the local authority housing current accounts.<sup>3</sup>

6.8. Nominal direct charges exist for a number of services—cheap fuel and footwear, home help, etc.—whose main function is not to raise revenue or to ration the service, but to give people a sense that they are not receiving outright charity.

6.9. Direct charges of 50p a day for hospital care used to be made for persons with limited eligibility for health services. These were replaced in 1973 by a weekly health contribution, which brought in higher revenue. In 1976, these contributions provided £10 million towards a total expenditure by central government on health services of £250 million.

### Social Insurance Contributions

6.10. Flat-rate social insurance weekly benefits are financed jointly by weekly contributions from employers and employees, and by an Exchequer contribution. The flat rate contributions—the ordinary rate for a male employee is now £2.87—bear more heavily on the lower paid, but the government have undertaken to reduce the stamp for people earning under £50 a week from January 1978.<sup>4</sup> The pay-related benefit scheme has no Exchequer contribution, and is financed 2:1 by employers and employees. Occupational injuries benefits, redundancy payments, and wet-time benefits are also financed on the social insurance principle, without an Exchequer contribution.

6.11. Social Insurance used to be financed roughly one third each from employers, employees and the state, with the state bearing the

<sup>3</sup>NESC No. 23 Table 8.

<sup>4</sup>It is estimated that 300,000 employees will benefit by the reduction. A decision in principle to change to a completely pay-related system has been made.

residual share, fluctuating around its target share with fluctuations in the forecast level of expenditure. In recent years, the state share has fallen to one-fifth and that of employers has increased to just one half.

6.12. The financing of social insurance cannot be divorced from the position of social assistance, which is wholly financed by the state. In many cases the recipient of a contributory benefit could equally qualify on means grounds for the corresponding non-contributory benefit—this is demonstrated by the high number of wives of contributory old age pensioners who qualify for non-contributory pensions in their own right. Yet the insurance benefit, for which a person may have contributed over a long number of years, may only be fractionally larger than the corresponding non-contributory benefit—for example for widows, in October 1977, £13.25 a week for contributory pension versus £12.35 for non-contributory pension.

6.13. Contributors to social insurance and PAYE taxpayers, are by and large the same people. Those who benefit from social assistance tend to be drawn from the farm population, who being self-employed have no social insurance cover. Few farmers as yet come within the tax net. So the social welfare system as a whole effects a relative transfer from employees, as taxpayers and insured contributors, to farm households.

6.14. The general relationship between income tax and social welfare is discussed at length in the report on Tax and Transfer Policy, and is not pursued further here.

### Relative Generosity of Benefits

6.15. The relative generosity of different social services, and the amount of finance allocated to different services is the key indicator of overall priorities. Within the income maintenance services, priority is given to the old and widowed. Within the health services, hospital care is the most expensive, followed by the General Medical Service and programmes for the handicapped. Within education, expenditure per head on higher education is significantly higher than on any other;

and the primary school system, the most fundamental level of education, and the only level covering the whole child population in the relevant age range, is least well funded on a per capita basis. State subsidies to owner-occupiers almost equal state subsidies to local authority tenants (including tenant purchasers).

6.16. Overall, income maintenance has consistently taken the largest share of social service spending, with the relative order of the other three main groups of services—education, health, housing changing from one year to another. The very high numbers receiving state income maintenance payments at any given time leads to the high level of spending on this service, not necessarily the generosity of the individual benefits. For example, the basic old age non-contributory pension rate of £12.35 a week does not appear large when contrasted with grants for new house purchase, at £1,000 each, or with annual subsidies to university students of £920.

6.17. An important aspect of finance is the vulnerability of services to short-term financial pressures. The most vulnerable services here are those without fixed levels of provision or standards of eligibility, or those where contractual obligations have not been incurred. These tend to be locally administered services, as, for example, the community care programme of the health boards. An example of this occurred in 1976 when there were financial cutbacks in the health services. The contractual obligations to doctors in the General Medical Service had to be met, as well as various statutory obligations. The result was that the effect of the cutbacks were felt with particular force in the community care programme, and the usual standards of eligibility were more strictly applied. The financial pressure in that year also resulted in the deferral of capital projects, and in the postponement of the equipping and manning of new units already built.

#### **Conspicuous and Hidden Expenditure**

6.18. Direct expenditure on social services is conspicuous, and thus vulnerable to financial cutbacks, particularly when a contrast is drawn between "productive" spending and social spending. This is not always so for that redistribution which is effected through the tax system.

Income tax child allowances may be worth more to a man, particularly if he is on a high marginal tax rate, than the corresponding children's allowance is to his wife, yet the latter has far more frequently been criticised as being indiscriminate.

#### **Conclusion**

6.19. Examining the sources of finance for social service does not bring any particular enlightenment. Examining the relative generosity of spending on different social services, however, shows that social spending is not unambiguously oriented towards people in lower income groups.

## CHAPTER SEVEN

### ADMINISTRATION

7.1. In this chapter, a number of miscellaneous topics connected with the social services are grouped under the loose heading of administration. The provision of information on the services, the timelags involved in making application, and the appeals procedures, are all examined.

#### Information and Publicity

7.2. The provision of publicity for services is primarily a function of the individual information sections in the various public bodies administering social services. In addition, state assisted Community Information Centres provide information and help people applying for social services.

7.3. The Government Information Service has no overall responsibility for the provision of information on social services. However, some years ago it published a general information booklet entitled "Guide to Social Services". The last edition was in 1974, since when there have been many important changes in social services. So there is now no one information booklet covering the whole range of social services.

7.4. The Department of Social Welfare in recent years have greatly expanded and improved their information service. A network of information offices have been set up around the country, and staff have been specially trained for these offices. The principal one, in Oisín House in Pearse Street, handles 8,000 queries a week; the remainder between them deal with 11,000 queries a month. The principal booklet "Guide to Social Insurance and Assistance Services", which for many years read

like a quasi legal document, has been revised and is now a well-presented and readable booklet. One hundred thousand copies are distributed each year, 80,000 to the general public, and the remainder to the media, TD's, Health Boards, voluntary bodies, trade unions, etc. Application forms and information handouts on the individual services are being redesigned, although it may take some time for the revised literature to reach all post offices and other application centres. While one may quibble with the details of some of this material, and with the residue of material, some published as late as 1976, still in the old uninviting format, on the whole the information provided is excellent. And any problems with the written information may be dealt with by the very helpful information staff whose services, to judge by the very high use of the information centres, is very much appreciated. In recent years too, changes in services and in rates of benefit have been advertised widely in the press, in a large and attractive display, although it must be noted that the introduction of supplementary welfare allowance in July 1977 did not receive the customary range of publicity.

7.5. Information on health services is handled by the Department of Health's information section, and by individual health boards. Details of the use made of these services are not available. The Department issues a summary leaflet on health services, while a very comprehensive booklet has been drawn up by a number of co-operating health boards. Demand is reported greater for the summary booklet, which is well presented, if a little short on details, than for the more comprehensive one. While no details are available on the number of leaflets distributed, a quarter of a million have been prepared, and these are updated, where necessary, by inclusion of printed slips. A special leaflet on services for the disabled is also available.

7.6. The Department of the Environment issue a booklet "A Home of Your Own" once a year—32,000 copies of the 1975 booklet were distributed and the 1977 issue now in preparation will have 25,000 copies—roughly equal to one year's supply of new houses. Some of the other material on housing—the differential rent scheme, schemes of letting priorities—which we received, which were in the form of instructions to people administering the schemes, were fairly tortuous to follow, but this was mainly due to the complicated nature of these schemes them-

selves. The rates waiver scheme soon to be redundant, is one where there had been a number of complaints about lack of publicity, and individual schemes have tended to be advertised in easy to miss official-looking advertisements in newspapers.

7.7. The Department of Education advertises its services mainly through schools. The instructions issued to schools are most unwieldy. Granted that the conditions for school transport services, with bus quotas etc. can be very complex, the instructions to schools seem to make them seem more complicated still. The Department was the one responsible for the bicycle grant scheme (see par. 5.2) of which even Dáil Deputies were unaware, and which there was a great reluctance to publicise. The Department does not have an information section.

7.8. The National Social Service Council has given us details of enquiries at their 60 registered Community Information Centres in 1976, as follows:

**TABLE 7.1**

**Enquiries to Community Information Centres—1976**

Travel and Communications	224
Justice	806
Education	364
Employment	884
Family	931
Health	2,546
Housing	1,738
Social Welfare	6,651
Taxes	1,343
Consumer Enquiries	551
Insurance and Finance	434
Agriculture	74
Miscellaneous	1,910
<b>Total</b>	<b>18,456</b>

- Note:* 1. At the beginning of 1976 there were 33 Centres registered with the National Social Service Council. At the end of the year, the number had grown to 60. The figures above are based on an average of 40 centres.  
2. The statistics given above are incomplete since, at the time of compilation a number of local Centres had not filed full returns with the National Council.

7.9. To summarise, the provision of information on social services has been greatly improved in recent years, with the emphasis on better designed literature, and more information centres. But a great deal more use could be made of non-literary means of publicity, in particular the use of radio and television. It would be interesting to see programmes like "The Riordans" attempt to do for social services what they have done for agricultural information. And a better effort is needed to make sure that all local offices—post offices, health centres, schools, employment exchanges—are well supplied with bright, up-to-date material rather than the curled, out of date circulars or handwritten notices which have characterised many of these places until recently.

**Time-lag between Application and Decision**

7.10. We asked the Departments and health boards to give an estimate of the time-lag between the receipt of an application, and the decision in certain cases, e.g. old age pensions, applicants are asked to apply a couple of months in advance, so that pensions may be available on the due date.

The following are the estimates of time lags supplied by the Departments concerned:

**TABLE 7.2**

<i>Social insurance</i>	
Unemployment benefit	1-2 weeks
Disability benefit	3 days
Maternity benefits	1 week
Pay-related benefit	3 weeks
Invalidity pension	2-3 weeks
Widow's pension	4 weeks
Orphan's allowance	4 weeks
Deserted wife's benefit	6-8 weeks
Retirement pension	Late applicants, about 4 weeks
Old age pension	Late applicants, about 4 weeks
Death grant	4 weeks
Treatment benefit	10 days
Occupational injuries	3-6 weeks

**TABLE 7.2—(Continued)**

*Social assistance*

Unemployment assistance	no delay
—transfers from UB	4 weeks
—others	4 weeks
Widows, and orphans, pensions	4 weeks
Deserted wife's allowance	4 weeks
Prisoner's wife's allowance	4 weeks
Unmarried mother's allowance	4 weeks
Single woman's allowance	4 weeks
Old age pensions — late applications	3-4 weeks
Prescribed relative's allowance	10 days
Free electricity	no delay
Free TV licence	Provisional
Supplementary welfare allowance	payment may be made within a week; full investigation 3-4 weeks

*Health and welfare services*

Domiciliary allowance for care of severely handicapped children	4 weeks
Medical cards	3 weeks
Drug subsidy scheme	3 weeks

*Other services*

Rates waiver	.. up to 6 months
—large authorities	.. couple of weeks
—small authorities	.. variable—can be number of years
Local authority housing	.. 3-4 weeks
New house grants	.. 3-4 weeks

**Appeals**

*Social Welfare*

7.11. In most social welfare services, there is a formal right of appeal against the decision of a deciding officer or an old age pension committee. (In the case of a pension committee, the Department itself may

appeal the decision.) The decision of an appeals officer is normally final, but may be revised in the light of new facts or new evidence. There is an appeal to the High Court, on a point of law. No formal appeal system operates for the cheap fuel, school meals, footwear, free electricity or TV licences schemes. Appeals officers have now been appointed for the supplementary welfare allowance scheme, and it is up to them to decide what form of appeals procedure to adopt in their individual areas. The Department have supplied us with information on the number of appeals, and the number which were successful as shown below:

**Number of Appeals Against Decisions given by Deciding Officers or Pension Committees Decided, Number Withdrawn and Number Allowed**

**Period 1st January 1975—31st December 1975**

	Decided	Withdrawn	Allowed
Unemployment Benefit	5,528	36	2,708
Disability, Maternity and Marriage Benefits, Invalidity Pensions and Death Grants	388	1	129
Widow's and Orphans' Pension (Con. and non-Con.)	348	—	122
Children's Allowance	176	—	8
Old Age and Blind Pensions	3,320	1	—
Old Age Care Allowance	—	—	—
Qualification Certificates (U.A. Acts)	1,943	—	830
Unemployment Assistance	356	10	143
Old Age Contributory Pension	90	—	3
Retirement Pension	48	—	None
Occupational Injuries Benefit	363	13	72
Deserted Wife's Allowance	107	—	13
Social Assistance Allowance	30	1	13
Single Woman's Allowance	254	—	147
Prisoners Wife's Allowance	1	—	None

7.12. The number of appeals made is broadly related to the number of initial applications which are refused. A high proportion of claims are upheld on appeal. It is interesting to see the high appeals rate, and

the high number of successful appeals in the grey area of unemployment. It is also interesting to see the high number of appeals relating to Qualification Certificates for unemployment assistance. These certificates are basically certificates of means, obtainable whether a person is unemployed or not. The high number allowed on appeal illustrates the important role of the appeals system in securing uniform standards of means-testing throughout the social assistance services.

#### *Other services*

7.13. In the case of other social services, no formal appeals system operates, although cases will usually be reconsidered if there is a complaint, or if new facts or new evidence is brought to light. In some health services, formal appeals systems used to operate, but it was considered that they were being overused to the extent that the whole normal application procedure was being duplicated again, and so the more informal method was adopted instead.

7.14. Appeal systems, formal and informal, provide a valuable safeguard against errors in administration, against variation in the interpretation of rules and regulations, and against the undue exercise of administrative discretion.

### **PART III**

#### **THE SERVICES IN DETAIL**

This section examines services one by one under common headings such as eligibility, numbers availing of the service, and cost, and comments on any special features.

## CHAPTER EIGHT

### INCOME MAINTENANCE

8.1. The main income maintenance services provided by the state are operated by the Department of Social Welfare. These fall into two main groups—*social insurance* services provided on the basis of a record of social insurance contributions, and *social assistance* services, which are means-tested. The health boards also operate certain income maintenance services, which are means-tested. This chapter discusses these services, dealing first with the general principles and criteria governing each group, and then with the specific services.

### SOCIAL INSURANCE

#### Historical and Legislative Background

8.2. Social insurance was introduced in this country with the 1911 National Insurance Act, which provided sickness and unemployment insurance for a limited section of the labour force. The Widows' and Orphans' Pensions Act of 1935 provided both insurance-based and means-tested widows' pensions. The 1952 Social Welfare Act consolidated and replaced these acts, and forms the basis of the present day social insurance system. It provided social insurance cover for all manual employees, and for non-manual employees earning under £600 a year. A balance of money in the old National Health insurance fund was used to provide Treatment Benefit in what was primarily an income maintenance service. Since 1952, annual Social Welfare Acts have updated and improved the system, increasing rates of benefit, extending the scope of insurance cover, and introducing new services. Social insurance cover was originally designed to cover employees who would be unlikely to have sick pay or pensions provided by their



jobs, hence the manual/non-manual distinction. The income limit for non-manual employees was raised to £800 in 1958, to £1,200 in 1965, to £1,600 in 1971, and abolished in 1974. The range of services provided has increased over the years, with the introduction of old age contributory pensions in 1961; retirement and invalidity pensions and death grants in 1970; and deserted wife's benefit in 1973. The legislative position up to 1976 was consolidated in the Social Welfare (Consolidation) Bill, 1976 (hereafter referred to as the SW(C) Bill, 1976), which was introduced in the last Dáil, but lapsed on its dissolution.<sup>1</sup> Apart from the changes in rates of benefit, and a couple of minor amendments contained in the 1977 Social Welfare Act, the Consolidation Bill sets out the up-to-date legal position, and in a convenient way, and so will be used as a reference throughout this chapter.

#### Benefits Provided

8.3. With some exceptions, discussed below, social insurance is now compulsory for all employees. In return for contributions, insured people receive income maintenance cover for themselves and their dependants for a range of contingencies, the most important being unemployment, illness, old age, and widowhood. The social welfare contribution also covers occupational injuries insurance, and the redundancy payments scheme operated by the Department of Labour. A separate insurance scheme, the intermittent unemployment insurance or wet-time scheme, provides income maintenance cover for construction workers for stoppages due to bad weather.

8.4. In addition to income maintenance benefits, an individual's insurance record may entitle him or his dependants to certain other benefits administered by the Departments of Social Welfare and Health—for example, free or subsidised dental, aural and optical treatment\* (available only to the insured person and not his dependants) and the Drug Subsidy Scheme operated by the health boards. The present or past insurance record of an individual will also have a bearing on his and his family's eligibility for limited eligibility health services.

<sup>1</sup>It is understood it is to be reintroduced in the current Dáil.

\*See Chapter 9.

#### Partial Social Insurance

8.5. Not all insured people are covered for the full range of benefits. The principal exclusion is that permanent and pensionable public servants are covered only for widows' and orphans' pensions, deserted wife's benefit, and limited occupational injuries benefit. Small groups not covered for the full range of benefits include outworkers, share fishermen, and salaried ministers of religion. The numbers of people insured for different categories of benefit in 1971 and 1976 are shown in the table below:

TABLE 8.1

Numbers Insured for Different Benefits, 1971 and 1976

	March 1971	March 1976
Insured for all benefits	732,943	825,973
Insured for widows' and orphans' pensions, deserted wives' benefit, and occupational injuries benefit only (Most public servants)	48,006	114,968
Soldiers insured for widow's pension and maternity and treatment benefit only, and for all benefits after discharge	7,832	12,413
Insured for all benefits except unemployment benefit	304	40
Insured for all benefits except unemployment benefit and occupational injuries benefit (Ministers of Religion)	—	305
Insured for occupational injuries benefit only	6,885	14,628
Voluntary contributors insured for retirement, old age, widows' and orphans' pensions and deserted wife's benefit	6,450	2,079
Voluntary contributors insured for widows' and orphans' pensions and deserted wife's benefit only	5,871	272
Voluntary contributors insured for retirement and old age pensions and death grant (special rate)	—	103
	808,291	970,781

Source: Department of Social Welfare.

### Voluntary Contributors

8.6. A person who ceases to be compulsorily insured, for example, on retirement, may opt to become a voluntary contributor if he has a minimum of three years paid social insurance contributions. A voluntary contributor can thus maintain his social insurance contribution record, but only for the long term benefits for which he was previously covered, that is excluding unemployment, disability, maternity and treatment benefit, and in the case of public servants, old age and retirement pensions. The number of voluntary contributors has decreased greatly, as many of them in the past would have been non-manual workers who went over the income limit for social insurance and these are now compulsorily insured.

### People covered by Social Insurance

8.7. The legal position on eligibility to be a member of the social insurance scheme is set out in S. 6-9 and 1st schedule of the SW (C) Bill, 1976. Broadly speaking, only employees are eligible, with the self-employed and people outside the labour force excluded from the scheme. Despite the extension of the scheme to all employees in 1974, the proportion of the labour force covered by social insurance remains low because of Ireland's high number of self-employed, and the proportion covered for all benefits is lower still. This is clear from the following table, which compares the position in 1971 and 1976. The lower proportion covered in the years

TABLE 8.2

Socially Insured Population as % of Labour Force

	March 1971	March 1976
Insured for all benefits	732,943	825,973
Total insured population	808,291	970,781
Estimated labour force	1,114,200	1,127,000*
Insured for all benefits as % of labour force	65.8%	73.3%
All insured as % of labour force	72.5%	86.1%

\*1975 Labour Force Survey.

up to 1974 will affect, for a number of years ahead, the numbers who are effectively covered for benefits, such as old age pension, requiring a long contribution record.

### Self-employed

8.8. The most important group of working people excluded from social insurance cover is the self-employed, mainly some 160,000 farmers. (They may of course avail of the parallel social assistance services if they satisfy the means test.) Doctors and dentists, whether self-employed or not are also excluded. The continued exclusion of the self-employed has been due, among other factors, to the high level of contribution which could be required, in the absence of an employer's share, from an individual self-employed person, and to the difficulties and costs involved in collecting such a contribution. At present, the inclusion of the self-employed is under active consideration.

### Other Exclusions

8.9. Apart from the self-employed, a number of other groups of people are not eligible to join the social insurance scheme. Persons aged under 16 years and over 66 are not insurable, except for occupational injuries. (It should be noted, however, that retired people have the benefit of their past insurance record.) Religious i.e., priests, brothers, nuns and ministers are not insurable, when they are working in normal secular occupations which would otherwise be insurable e.g. as teachers, or nurses. The only religious who are insurable are those whose job is as a salaried minister of religion and who have applied as a group to the Minister for Social Welfare, and have been approved for social insurance cover. Church of Ireland clergymen are presently insured in this way. Finally, those outside the labour force—including 152,000 students and 584,000 housewives—are not eligible for social insurance in their own right, although they may benefit as dependants of an insured person.

8.10. Certain employments are excluded from social insurance cover. The principal exclusions are:

- (a) Employment by one's husband or wife.

- (b) Employment by a prescribed member of the immediate family from the same household where the work is in the house or on a farm, where both employer and employee live.

The following employments are insurable for occupational injuries benefits only:

- (a) Casual employment.
- (b) Subsidiary employment as specified in regulations where it is not the principal means of livelihood, for example, employment as a school cleaner, or as a polling clerk at elections.
- (c) Employment specified as being of inconsiderable extent. This is defined as employment for less than eighteen hours per week, other than for the employer's trade or business, where the employee is not mainly dependent on the earnings from the job. Women doing cleaning for a few hours a week is an example of this.
- (d) Employment as a doctor or dentist.

#### Public Servants

8.11. Permanent civil servants and certain other public service employees are not fully covered by the social insurance system; they are insured only for widows' and orphans' and deserted wives' pensions. The numbers in this category in 1976 were almost 115,000, or one in eight of the insured population. (See Table 8.1.) The original justification for this was that social insurance cover was designed in the first instance to cover those whose jobs were less than fully secure, or whose jobs did not provide pensions or sick pay. Public service employees covers certain employees of local authorities, employees of some semi-state bodies, secondary teachers who are outside the superannuation scheme, and some employees of such state-aided bodies as universities and voluntary hospitals. The interpretation of what constitutes a public authority with this limited social insurance cover is made by the Department of Social Welfare for each individual body. For example, the NUI colleges are con-

sidered public bodies while TCD is not; a semi-state body like the IDA is considered public, while An Foras Forbartha is not.

The breakdown of the numbers insured as public servants in 1976 is as follows:

TABLE 8.3

	Men	Women	Total
Local and Public Authorities	29,539	15,376	44,915
Transport Undertakings	2,492	733	3,225
Civil Servants	28,438	15,530	43,968
Secondary Teachers (cards stamped)	2,308	4,789	7,097
Primary Teachers	4,413	9,957	14,370
Army Officers, Nurses and Midshipmen	1,323	70	1,393
	68,513	46,455	114,968

#### Comments on Eligibility for Social Insurance Cover

8.12. Social insurance is based on the principle of pooling of risks. Social insurance is compulsory for those included in the scheme, and no individual or group can secure exemption on the grounds that they are unlikely to be affected by the risks covered by social insurance. In this light, it is right to re-examine the exclusion of certain "low-risk" employments from full or any participation in the scheme, when other low-risk employments are included.

8.13. From the point of view of the individual, participation in social insurance has many advantages. Benefits are provided as of right, and without a means test. This avoids the delay, confusion and possible stigma which can be associated with means tests. It means that the social welfare payment can be supplemented by the full amount of income from any other source, such as an occupational pension, rather than abated in full, above a certain minimum, by the amount of such other income, as with means-tested payments.

A number of the benefits provided under social insurance have no counterpart, or a much more restricted one, in the means-tested services—disability benefit, maternity benefit, pay-related benefit, treatment benefit, death grants, and unemployment payments for women. The relative advantage of social insurance as distinct from social assistance as a source of income maintenance protection is emphasised for those who would be unlikely, on means grounds, to qualify for social assistance.

#### Limited Cover for Public Service

8.14. The limited cover for public servants seems anomalous when people in comparably secure employments pay a full social insurance contribution. From the point of view of the public servants concerned, while some of the social insurance benefits for which they are not eligible are provided already under occupational schemes, there are a number of benefits from which they are excluded which are not so provided. These are unemployment benefit, treatment benefit, and death grants. Problems can occur for people who change from public sector to private sector employment, who find they have no contribution record for unemployment and disability benefit, and who in the longer term will find themselves short on contributions towards old age or retirement pensions. The real nature of the problem can be seen when it is understood that a minority of public service employees in this sense are actually civil servants, and that many of the employees affected would be, for example, clerical workers who would move fairly freely between public and private sector employment.

#### Exclusion of Religious

8.15. The complete exclusion of religious working in ordinary secular occupations from social insurance cover seems anomalous, and can lead to hardship where someone leaves, say, a teaching or nursing order after a long period, and finds himself without cover for unemployment, sickness, or more important, retirement. In any case it seems at variance with the spirit of the constitution which undertakes not to draw distinctions between persons on grounds of religious status.

#### Finance

8.16. Social insurance is financed on a tripartite basis, by employees, employers, and the state. Social insurance contributions are at present flat-rate, with a limited pay-related element, but a Government decision has been taken to switch over to fully pay-related contributions. To the extent that the state contributes a portion of the cost, and to the extent that the employer's share of the social insurance contribution is not indirectly passed on in the form of lower wage levels, higher prices, or unemployment, an employed contributor to social insurance is receiving cover at a subsidised price. However, the relative value of such subsidy is counterbalanced by the availability of the wholly publicly financed social assistance services, for those with no record, or an inadequate one, of social insurance contributions, who satisfy the means test. In recent years, the share of the cost borne by employers has increased dramatically, while that of employees and of the Exchequer has declined.

8.17. Estimated expenditure on the individual social insurance services in 1976 is shown below:

TABLE 8.4

	£m.
Unemployment benefit	43.426
Disability benefit	52.067
Invalidity pension	8.772
Maternity allowance	2.097
Maternity grant	.190
Widows' and orphans' pensions	40.000
Deserted wife's benefit	1.458
Old age pension	44.947
Retirement pension	20.471
Death grants	.191
Treatment benefit	3.100
Pay-related benefit	14.322
Benefit payments (rounded)	231
Administration	12.5
<b>TOTAL (rounded)</b>	<b>243.5</b>

8.18. The estimated income of the social insurance fund in 1976 was as follows: [These figures are provisional only.]

**TABLE 8.5**

	£m.	%
Employers	121	50
Employees	70	29
Exchequer	51	21
Other	1	0.4
<b>TOTAL</b>	<b>243</b>	<b>100</b>

*Source:* Department of Social Welfare.

#### **Tax Treatment of Social Insurance**

8.19. Short-term social insurance benefits—unemployment and disability benefit, and maternity allowance, including the relevant pay-related supplements—are not subject to Income tax, while the long-term benefits, such as old age or widow's pensions, or invalidity pension, are taxable. The exemption from tax of the short-term benefits has been mainly for practical reasons—there would be obvious administrative difficulties and administrative costs. In a large number of cases, more so before the introduction of pay-related benefit, the amount of tax to be collected would be nil or negligible.

#### **Tax on Pensions**

8.20. In recent years it has been possible that a person with some income, e.g. a small occupational pension, in addition to his social welfare pension, could be paying tax. In the 1977 Finance Act, there is a provision which should greatly diminish the number of pensioners over 65 who pay tax. While the personal tax allowance and age allowance for a single person aged 65 or over together come to £710 a year, or just under the annual equivalent value of a single person's old age contributory pension, no tax is payable by such a person if their income is under £1,000 a year. The personal tax allowance and age relief for a married couple comes to £1,245 a year, just over their

annual income on old age contributory pension; but such a couple would not begin to pay tax until their income reached £1,800 a year.

#### **Tax Relief on Social Insurance Contributions**

8.21. The principle adopted by the Revenue Commissioners is that tax is payable either at the contribution or at the benefit stage—the short term benefits are exempt from tax, while the proportion of the social insurance contribution which is deemed to be in respect of the long term taxable benefits is allowed as a deduction for Income tax purposes. In the tax year 1977/78, the amount of this deduction is £64 for a person working for the full year who is fully insured, and £27 a year for people such as male public servants, who contribute for widow's and orphan's pensions only.

#### **Eligibility for Benefits**

8.22. Details of the criteria for eligibility for social insurance benefits can be found in the Department of Social Welfare's booklet entitled "Summary of Social Services and Social Assistance Services", so they are summarized only briefly here.

#### **Contribution Conditions—First Condition**

8.23. There are two types of contribution conditions which must be satisfied in order to qualify for social insurance benefits. First, an applicant for benefit must have a *minimum number of contributions*—i.e., stamps paid, since entry to insurance. The following benefits require a minimum of 26 stamps—equivalent to six months in an insurable job—before benefit can be paid:—

- Unemployment Benefit
- Disability Benefit
- Maternity Allowance
- Maternity Grant
- Death Benefit
- Contributory Orphan's Allowance
- Treatment Benefit (for those aged under 21 years).

8.24. The following benefits require a minimum of 156 stamps—equivalent to three years in insurable employment before benefit can be paid:—

- Invalidity Pension
- Widow's Contributory Pension
- Deserted Wife's Benefit
- Retirement Pension
- Old Age (Contributory) Pension
- Treatment Benefit (for those aged over 21 years).

#### Second Contribution Condition

8.25. The second contribution condition refers to the recent contribution record of the insured person in the case of the first group of short-term benefits, and to the average record over a period in the case of the long term benefits. To satisfy the second contribution condition, either *paid or credited*<sup>a</sup> contributions will do.

8.26. For the first group of benefits, a minimum of six months contributions must have been paid or credited in the contribution year preceding the benefit year. A man's *contribution year* runs from the first Monday in January, a woman's from the first Monday in July. In each case, the *benefit year* begins five months after the completion of the contribution year. Thus a man applying for unemployment benefit in the period June 1977 to May 1978 is judged on his record in the calendar year 1976, so that his present entitlement to benefit can depend on his insurance record as much as 18 months previously.

8.27. For unemployment, disability, or death benefits at the full rate, a minimum of 48 stamps—11 months—is required for the second

<sup>a</sup>A person who is receiving a social insurance benefit (e.g. unemployment or disability benefit) may have his stamp credited to him, even though he is not actually paying his weekly contribution. This is in order to ensure that his insurance record will remain unbroken. A person entering insurable employment for the first time may also be awarded credited contributions.

condition. Otherwise, a reduced level is payable. This reduction does not apply to allowances for dependants, so there is relatively little penalty for the family man whose insurance record is deficient.

8.28. The second contribution condition for invalidity pension and for treatment benefit, refers to the previous contribution year. The second contribution condition for widow's, retirement, and old age pensions and deserted wife's benefit, refers to an average contribution record over an extended period. The conditions for all three are slightly different, and somewhat complicated. Again, where reduced rate pension is payable to someone with a low insurance record, allowances for dependants are paid in full.

8.29. An example may help to clarify the question of contribution conditions for social insurance benefits. For *retirement pension* a claimant must:—

- (i) have at least 156 stamps *paid* at any stage between 1953 and the date he reaches age of 65.
- (ii) have a yearly average of at least 24 contributions *paid or credited* since 1953 (or from the start of the contribution year in which he entered insurance, if this is later) up to the end of the last complete contribution year before reaching age 65; a yearly average of 48 is required for maximum personal pension.
- (iii) have entered insurance before age 55.

8.30. Generally speaking a person acquires title to a social insurance benefit on his own insurance record. However, a widow or deserted wife can qualify on either her own or her husband's insurance, but on the record up to the time of death/desertion only. A woman can qualify for a maternity grant on her husband's insurance in addition to on her own. An orphan qualifies on the insurance of either parent. The widow/dependent widower of a retirement or old age pensioner automatically receives a widow's (contributory) pension, thus qualifying on the contribution record of the late spouse.

## Benefits Payable under Social Insurance Schemes

### (i) Unemployment Benefit

#### *Background*

8.31. Unemployment benefit was first introduced in 1911. The present scheme is based on the 1952 legislation and subsequent amendments—see S. 30–35 of the Social Welfare (Consolidation) Bill, 1976. Pay-related supplements to unemployment benefit were introduced in 1974. Public servants are the main group of insured persons who are not covered for unemployment benefit.

#### *Eligibility*

8.32. To be entitled to this benefit the claimant must:—

- (i) be capable of and available for work.
- (ii) satisfy the contribution conditions.

A person is disqualified from unemployment benefit:—

- (1) if he has lost his employment by reason of a stoppage of work due to a trade dispute at his place of employment (except in certain circumstances).
- (2) if he has lost his employment through his own misconduct or has left his employment without just cause.
- (3) if he has refused an offer of suitable employment.
- (4) if he has, without good cause, refused or failed to avail himself of any reasonable opportunity of receiving training provided or approved by An Chomhairle Oiliúna (AnCO).
- (5) if he has not taken advantage of any reasonable opportunity of obtaining suitable employment.
- (6) if he is convicted of an offence in relation to Unemployment Benefit.

8.33. When a person claims unemployment benefit, the lay off and the reason for the lay off, is cross-checked with his employer, and he is generally required to register for employment. If he left his job without a

just reason, or if he refused a suitable job offer, he is disqualified from benefit for six weeks. A "suitable job" would be one related to his usual occupation—a carpenter would not be expected to take a job as a window cleaner—and one within reasonable travelling distance. Widows, deserted wives and unmarried mothers who are in receipt of pensions or allowances from the Department of Social Welfare qualify for half payment only—they are, however, exempt from paying the employee's part of social insurance contributions.

#### *Duration*

8.34. Payment of flat rate unemployment benefit is normally made from the fourth day of unemployment. Flat rate benefit may be claimed for 390 days (i.e. 15 months). Exceptions to this are married women<sup>4</sup> and people under 18, who may claim benefit for 156 days (six months).

8.35. A recipient of flat-rate unemployment benefit may also be entitled to pay-related benefit. This is normally paid for up to 381 days, (15 months) although the first fortnight of unemployment is not covered. The pay-related supplement declines in stages over this period. Widows, deserted wives and unmarried mothers who are only entitled to half the flat-rate payment are entitled to the full amount of pay-related benefit. Having exhausted title to unemployment benefit, a person may transfer to means-tested unemployment assistance. A married woman, however, would not normally be eligible for unemployment assistance.

#### *Numbers receiving Benefit*

8.36. In 1976, a weekly average of 53,835 people were receiving unemployment benefit.<sup>5</sup> On average 89.8% of applications were accepted. A higher number of appeals are made against decisions on unemployment benefit than for any other social welfare service—in 1975, when there were 59,000 claims in payment, there was a total of 5,774

<sup>4</sup>That is, a married woman who is living with and being wholly or mainly maintained by her husband. For example, a separated wife, or a wife maintaining an invalid husband, would be exempt from the above restriction.

<sup>5</sup>Further details about numbers of recipients, duration of unemployment etc. may be obtained in the annual Trend of Employment and Unemployment, and in the weekly, monthly and quarterly analyses of unemployment published by the CSO.

appeals made. It seems these mainly relate to disqualification from benefit for six weeks.

#### Cost

8.37. The estimated expenditure on unemployment benefit in 1976 was £43,426,000.

#### Comment

8.38. *Public Criticism of Unemployment Benefit.* Unemployment benefit has been the target of criticism, much of it mis-informed, about the level of unemployment payments, and about alleged abuses of the system. Partly in response to such criticism, legislation was introduced in 1976 limiting the total amount a person could receive while unemployed by way of unemployment benefit, tax rebate, pay-related benefit, and redundancy payments. The pay-related benefit and redundancy payments are reduced so that the total payment does not exceed £50 a week or 85% of take-home pay while working, whichever is the less.

8.39. A recent paper<sup>d</sup> by Jim Murray of the National Social Service Council explodes some of the myths surrounding unemployment benefit. Basic benefit levels do not approach current wage levels except for the relatively small number of unemployed with large families. And while the man with a large family may receive what sounds like a large weekly sum, it has to provide for a large number of people, and does not give an over-generous standard of living. For example, a man, wife and six children receive £41.45 (October 1977 rates) in basic unemployment benefit. Pay-related benefit and redundancy payments are not as widespread as commonly supposed. In October 1976, there were roughly 52,000 people receiving unemployment benefit. About 30,000 received flat-rate unemployment benefit only, with, for the most part, no weekly redundancy payments. The remaining 22,000 received pay-related benefit averaging £6.87 a week. (In any case, the maximum pay-related supplement is £14.40 a week.) Of these, a further 4,000 qualified for weekly redundancy payments, which could vary greatly from one person to another, but in any event would be subject to the £50 or 85% of previous pay ceiling. So it is clear that the stories of unemployed men with large incomes are greatly exaggerated.

<sup>d</sup>Unemployment Payments, National Social Service Council, January, 1977.

8.40. There are also allegations that unemployment benefit is open to abuse, and is abused, by people, for example, drawing benefit while working. These allegations are always difficult either to prove or disprove. In any social welfare service, there will always be a certain amount of abuse, just as there is always some tax evasion and tax avoidance. The cost of eliminating all such abuse would probably be unacceptable both in terms of manpower, and in terms of the inevitable interference with the ordinary genuine recipients. The statistics on prosecutions, for what they are worth, do not support the belief that abuse is widespread. The number of prosecutions in relation to unemployment benefit has been falling in recent years, but to take 1972, which is the year with the greatest number of prosecutions in the recent past, there were 91 prosecutions out of 39,000 recipients in that year.

8.41. *Married Women and Unemployment Benefit.* While a married woman pays the full social insurance contribution, her title to unemployment benefit is limited, and unless she has a dependant, i.e., invalid husband, or is separated, she can receive unemployment benefit for a maximum of six months only, compared to fifteen months for other insured workers. A married woman receives £11.35 a week flat-rate benefit, compared to £13.05 a week for a single person, and £21.55 for a married man. A number of married women with children, who were genuinely looking for work, have found difficulty in satisfying the social welfare authorities that they were available for work. On the other hand, the Department of Finance have supplied us with statistics which could be used to support the restrictions on unemployment benefit for married women. While only one married man for every 10 fully insured married men at work claims unemployment benefit, for every four fully insured married women at work, one is claiming unemployment benefit.

#### (ii) Disability Benefit

##### Background

8.42. Sickness benefit was introduced in 1911, and the present disability benefit scheme dates back to 1953. The current legislation is set out in S. 19-24 of the SW (C) Bill, 1976. The scheme covers absence from work through illness, not specifically disablement, as the title might suggest. When the scheme was originally introduced, few



of those covered would have been entitled to sick pay from their employers. This is now much less general, particularly since the extension of social insurance cover to all non-manual workers in 1974. The scheme thus benefits employers as well as employees, and relieves them of some or of all of the cost of sick pay which they might otherwise feel obliged to provide. Permanent public servants are the main group of insured workers excluded from disability benefit, and they receive sick pay instead under occupational schemes. Pay-related supplements to disability benefit were introduced in 1974.

#### *Eligibility and Duration*

8.43. Disability benefit is paid to an insured worker with the necessary contribution record who is off work due to illness, and who furnishes a doctor's certificate to the Department. A new certificate must be submitted for each week of absence from work. Doctors receive a fee per certificate from the Department, and supply the necessary certificates without charge to the patient. The rates of benefit are the same as for unemployment benefit, including half rates for widows and deserted wives receiving other social welfare benefits, and reduced rates for people aged under 18, and married women. Like other "short-term" benefits, disability benefit, including pay-related benefit, is not taxable. This is a real advantage in cases where the social welfare benefit is supplementing occupational sick pay, and where, if the money had come from another source, the recipient would have paid tax on it. The tax treatment of disability benefit can be a reason for people with long term illnesses remaining on this benefit rather than transferring to invalidity pension.

8.44. Flat rate disability benefit is payable from the fourth day of absence from work; from the thirteenth day, a pay-related supplement is payable. A person with the minimum six month's paid stamps can receive benefit for a maximum of 12 months only—to requalify for benefit, he must take up insurable employment to acquire a further 13 weeks' contributions. There is no formal limit on the duration of disability benefit for a person with a minimum of 3 years paid contributions. An analysis made by the Department of Social Welfare of

the 1972/73 disability benefit figures<sup>7</sup> (the latest such analysis available) showed that 40% of claims were of less than two weeks duration, indicating that a substantial number of claims are for short term sick pay. At the other end of the spectrum, 15% of claims were 50 weeks or over in duration. The preponderance of expenditure is in fact on the long term recipients, with claims of under 2 weeks accounting for as little as 3% of total expenditure.

#### *Numbers receiving Benefit*

8.45. During 1976, 253,413 people received disability benefit, with 92.8% of applications being accepted. The average weekly numbers on disability benefit in 1976 was 67,760. About one in four would have been receiving a pay-related supplement at any given time.

#### *Cost*

8.46. Expenditure on flat-rate disability benefit came to £52.06 million in 1976.

#### *Comment*

8.47. The primary discretion of this service is exercised by the doctor who issues the medical certificate, but claimants may be asked to undergo a second medical examination by the Department. The official statistics<sup>8</sup> reveal a substantial degree of reluctance to attend such second examinations. In 1975, 35,000 persons—about one in six claimants—were summoned to attend for medical examination. Of that number, only 650 were excused on medical grounds from attendance. 9,300 did not attend, and of those who were examined, 3,900 were certified as capable of work. The Department of Finance has supplied us with figures which could be used to defend the reduced rate of disability benefit payable to married women, showing that while one in eleven insured married men is drawing disability benefit at any stage, one in two married women at work is drawing disability benefit.

8.48. These two sets of statistics suggest that there is a degree of abuse of disability benefit, for which much of the onus must be placed on the certifying doctors.

<sup>7</sup>NESC, No. 25, *Towards a Social Report*, Table 8.6.

<sup>8</sup>Report of the Department of Social Welfare, 1972-75, Table 8.

### (iii) Invalidity Pension

#### *Background*

8.49. Invalidity pensions were introduced in 1970, to relieve insured people with long-term illnesses of the necessity to apply on a weekly basis for disability benefit. S. 89-92 of the SW (C) Bill, 1976, gives the legal position.

#### *Eligibility and Benefits*

8.50. Insured persons, who are judged permanently incapable of work, may qualify for invalidity pension after completing a year on disability benefit. The contribution conditions are slightly stricter than for disability benefit, and the benefit level is the same—the advantage is that an invalidity pensioner is relieved of the necessity to undergo a weekly medical examination, and to apply for benefit on a continuous weekly basis. Invalidity pensioners also qualify for free travel, free electricity, and free TV licences. The disadvantage for a pensioner with other income is that an invalidity pension is taxable where the "short-term" disability benefit is not.

#### *Numbers receiving Benefit*

8.51. In 1976, 1,988 people applied for invalidity pension of whom 96% were successful. There were 10,225 people in receipt of the allowance at the end of 1976.

#### *Cost*

8.52. Estimated expenditure in 1976 was £8.8 million.

### (iv) Maternity Benefits

#### *Background*

8.53. These were introduced in 1953. They comprise maternity allowance, which is a weekly payment, at a similar rate to disability benefit, paid for six weeks before and six weeks after the birth of the baby, and maternity grant, a cash grant of £4. (A maternity cash grant of £8 is payable to a woman who is covered by a medical card, see par. 8.230.) Maternity allowance is covered by S. 25-29 of the SW (C) Bill, 1976, and maternity grant by S. 105-107.

#### *Maternity Allowance*

8.54. Maternity allowance is payable to a woman who satisfies the contribution conditions on production of a doctor's certificate indicating the expected date of confinement. It is payable from six weeks before the expected date, or from when the woman stops work, whichever is the later, and for six weeks after the actual date of birth. Thus if the baby is late, the woman may receive benefit for more than twelve weeks, and for less than twelve weeks if the baby is early. There is no requirement that the woman resume work afterwards. Like unemployment and disability benefit, maternity benefit is not taxable, and a pay-related supplement may be payable. With the increasing number of married women who work, and with the abolition in 1973 of the requirement that married women should have six months contributions after marriage before they were entitled to any social welfare benefit, the numbers claiming maternity allowance have been increasing, and in 1976, 15,878 women benefited at a cost of £2.1 million.

#### *Maternity Grant*

8.55. A maternity grant of £4 is payable to a woman who gives birth; it is payable to her on her own or her husband's insurance; if they are both insured, two grants may be paid. About two thirds of all grants are paid on the husband's insurance. In 1976, 48,000 women benefited, at a cost of £190,000.

#### *Comment*

8.56. The size of the maternity grant has not been changed for many years, and at this point in time would not buy a dozen nappies. If the value of the benefit is eroded much further, it will soon be outpaced by the cost of administering it.\*

### (v) Pay-related Benefit

#### *Background*

8.57. This scheme was introduced in April 1974, and provides for a pay-related supplement to unemployment benefit, disability benefit,<sup>9</sup> and maternity allowance. (See S. 72-78 of the SW (C) Bill, 1976.) The

\*Pay-related benefit can also be paid with occupational injury benefit, where this is paid in lieu of disability benefit.

\*This grant is being raised to £8 from April 1978; the relevant comparison would be 1½ dozen nappies..

scheme is designed as self-financing, funded by pay-related contributions from employers and employees only.

#### *Eligibility*

8.58. Those receiving the relevant flat-rate benefits become entitled to a pay-related supplement after two weeks. The pay-related supplement is a certain percentage of that part of reckonable weekly earnings which lies between £14 and £50, as follows:

First six months (on flat-rate benefit)	40%
Next three months	30%
Next three months	25%
Next three months	20%

Pay-related benefit ceases after 15 months. "Reckonable weekly earnings" are calculated by taking 1/50th of taxable income in the tax year preceding the calendar year in which pay-related benefit is claimed. For example, a person applying for pay-related benefit in 1977 would be assessed on his earnings in the tax year 1975/76. Benefit is payable automatically to those receiving a relevant flat-rate payment, and no separate application is necessary.

8.59. Recipients of unemployment and disability benefit are subject to over-all limits on the amount of any payments they can receive while out of work, and it is pay-related benefit which bears the amount of any necessary reduction not already achieved by the elimination of redundancy benefit due.

#### *Numbers and Cost*

8.60. In 1976, an average of 38,000 people a week received pay-related benefit. This is just one in three of recipients of the relevant flat-rate benefits who remain on benefit for two weeks or longer. Expenditure on the scheme was £14.322 million, an average weekly payment per head of £7.20.

#### **(vi) Widow's Contributory Pension**

##### *Background*

8.61. This scheme was introduced in 1936, along with the non-contributory pension for widows. (See S. 93-96 of the SW (C) Bill, 1976.)

#### *Eligibility*

8.62. A widow can qualify for a pension either on her late husband's insurance, or on her own insurance record up to the time of his death, but the two records may not be aggregated. Any widow who satisfies the necessary insurance condition can qualify—there are no age or dependency restrictions, and no prohibition on a widow working. The widow (or dependent widower) of an old age contributory pensioner or retirement pensioner automatically qualifies for a widow's pension. About half of the recipients are over pension age, and they qualify for free electricity etc. in the same way as old age pensioners.

8.63. Working widows who receive a contributory pension are exempt from paying the employee's social insurance contributions (as also are non-contributory widow pensioners), but qualify for unemployment and disability benefit at half rate only.

#### *Duration*

8.64. The pension is payable from the date of death (except in the case of a six week's extension of a previous benefit, see below) and lasts for life or until remarriage. However, a widow with an insurance record in her own right may, if she is eligible, transfer to old age pension at age 66.

#### *Numbers and Cost*

8.65. In 1976, 6,206 widows applied for the contributory or non-contributory pensions, 4,863 (78%) were awarded contributory pensions, and in all 99.6% of applicants received one or other pension. There were 62,000 widows receiving pensions at an annual cost of £40 million.

#### **(vii) Payment of Benefit after Death of a Breadwinner**

8.66. This scheme was introduced in 1974. Where a person dies who was receiving a social welfare benefit (whether insurance or assistance) which included an increase for an adult dependant (or would have included such an increase if the adult dependant were not receiving a payment in his/her own right) the full social welfare payment is continued for six weeks after the death of the spouse. However, in such cases, any social welfare payments, such as a widow's pension, arising out of the death do not become payable until the six weeks

are up. The main benefits where the six weeks extension applies are disability benefit and old age pensions.

#### (viii) **Contributory Orphan's Allowance**

##### *Background*

8.67. This scheme was introduced in 1936, at the same time as the introduction of widows' pensions, and the schemes are administered together. (See S. 97-100 of the SW (C) Bill, 1976.)

##### *Eligibility*

8.68. This is payable on the insurance record of the child's parents—a minimum of six months stamps. The definition of orphan is a child, both of whose parents are dead; or an illegitimate child, whose mother is dead and whose father cannot be traced; and who is not living with a surviving step-parent.\* It is payable to the child's guardian.

##### *Numbers receiving Benefit*

8.69. In 1976, 115 new applicants were granted the contributory allowance, and there were 780 claims in payment. The cost in 1976 was £0.34 million.

#### (ix) **Deserted Wife's Benefit**

##### *Background*

8.70. Following the introduction of the means-tested deserted wife's allowance in 1970, the insurance-based deserted wife's benefit was introduced in 1973, modelled on the widow's contributory pension. This scheme is administered alongside the deserted wife's allowance; there are common criteria of desertion used, and there is a common application form. Applications for benefit which are disallowed because of an inadequate insurance record will automatically be considered for the allowance.

##### *Eligibility*

8.71. The contribution conditions are similar to those for widow's pension—a woman can qualify for benefit on her own or her husband's insurance record up to the date of desertion. A deserted wife may

\*From April 1978, the definition is being extended to include the child of a deceased deserted wife.

continue to receive benefit while she is working, and she is exempt from paying a social insurance contribution, but she qualifies for unemployment and disability benefit at half rates only. A deserted wife, who is under 40, must have dependent children in order to qualify for benefit or allowance.

8.72. The conditions for deciding whether a woman has been deserted are laid down in regulations.<sup>10</sup> These are:—

- (a) Her husband has left her of his own volition, and she has been deserted for at least 3 months.
- (b) Her husband refused to maintain her.
- (c) She has made and continues to make reasonable efforts to trace her husband and to get him to maintain her.
- (d) Her husband has not resumed living with her, and she is not cohabiting.

##### *Duration of Benefit*

8.73. In the case of a woman aged under 40 years, the benefit is payable as long as the recipient remains a deserted wife and has at least one child dependant aged under 18 years (21 if in full-time education). For women aged over forty the benefit is payable for as long as the claimant remains a deserted wife, but when she reaches 66, if she has sufficient contributions in her own right she may transfer to an old age contributory pension.

##### *Numbers availing of Benefit*

8.74. In 1976, nearly 1,800 women were receiving benefit. Of these 414 had no children, and the rest had between them 3,300 children.

8.75. It appears that about half of separated wives receive either deserted wife's benefit or allowance. In 1975, 4,300 deserted wives were receiving a payment from Department of Social Welfare—in that same

<sup>10</sup>Social Welfare (Deserted Wife's Allowance) Regulations 1970. (S.I. No. 227 of 1970).

year the Labour Force Survey<sup>11</sup> suggested that there were about 8,000 separated wives in the state. Some of the non-recipients would not qualify for the payment as presently constituted, and may, indeed, have applied and been rejected. For example, a wife with a full-time job who did not qualify for the insurance-based benefit would be highly unlikely, on means grounds, to qualify for the assistance payment. However, the very personal nature of the problem covered by this scheme suggests the likelihood of there being incomplete take-up. Some women who do apply fail to pursue the application by taking the necessary steps to show they have tried to get their husbands to maintain them. And clear evidence of delay in pursuing claims comes from an analysis of claims in the first quarter of 1977, by date of desertion, supplied by the Department of Social Welfare.

**TABLE 8.6**

**Analysis of Claims Received in Quarter ended 31st March, 1977 by Approximate Date of Desertion**

Number of claims	Date of Desertion
15	First quarter of 1977
104	Second half of 1976
24	First half of 1976
32	1975
22	1974
59	Earlier years
<b>Total = 256</b>	

While deserted wives qualify on being deserted for three months, over half did not apply until they had been deserted for at least six months, and almost a quarter had been deserted three years or more before they applied.

**Cost**

8.76. Expenditure in 1976 totalled £1.458 million.

<sup>11</sup>Table 3. This estimate is subject to sampling error as it was a one in 25 sample survey.

**Comment**

8.77. There are a number of problems attached to the definition of desertion used in this scheme and in deserted wife's allowance. The comments made here, therefore, apply equally to the deserted wife's allowance, which is described in detail on page 141.

8.78. The first problem arises with the establishment of the fact of desertion. The Department is concerned with the possibilities of fraud, while at the same time emphasising the overall flexibility and sympathy of their approach. Unlike widowhood, where marriage and death certificates supply the facts of the case, establishing the fact of desertion is a sensitive matter, calling for humanity and tact. The necessity to expose what may be painful facts and circumstances to an official may deter some people from applying for the benefit or allowance.

8.79. A difficulty arises also in establishing whether or not the husband left of his own volition—and the fact that he did is a necessary condition of eligibility for either payment. The Department say that they will accept an element of "constructive desertion"<sup>12</sup>, but it is not clear precisely what is meant by this and an analysis of the reasons for refusal of applications (detailed in Table 8.7 below) indicates that a high proportion of refusals are on the grounds that a husband did not leave of his own volition.

8.80. A further problem concerns the question of maintenance. For both benefit and the allowance, a condition of eligibility is that the husband is not maintaining his wife and children. The Department will disregard maintenance of an "inconsiderable sum", but the interpretation of this is at the Department's discretion, and no indication is available as to what is meant by this. It is also difficult to establish what is regarded as "reasonable efforts" to trace the husband and get him to maintain her—something she must do in order to qualify to receive payment. Since the passing of the Family Law (Maintenance of Spouses and Children) Act, 1976, whereby a husband's earnings may be

<sup>12</sup>This is where a wife leaves home because her husband's behaviour is such that it is unreasonable to expect her to continue to live with him, for example in cases of wife-beating.

deducted at source, it is now generally expected that a wife take District Court proceedings against her husband before these "reasonable efforts" are established. The analysis of refusals shown below indicates that many wives may be reluctant to do this. This reluctance is readily understandable. Taking court proceedings against one's husband makes a very final break in a relationship. In those marriages where there was a history of violence, wives may rightly or wrongly fear reprisals if they seek to have their husband's earnings detached at source. On a practical level, some doubt must remain over the efficacy of maintenance orders even though they have been secured through the Courts. Husbands may make "reasonable efforts" not to have substantial maintenance orders enforced—by, for example, understating income, or resigning from a job. There may be a second family involved, and genuine inability to pay. All of this may leave the deserted wife, even if there is a maintenance order, very uncertain about her income.

8.81. Solutions to these problems may be difficult to find. As the law stands at present, the primary onus is on husbands and wives to maintain each other, and the state becomes involved only where this arrangement breaks down. But such break-downs can occur in a wide variety of circumstances, and the present income maintenance schemes for deserted wives deal with only one set of circumstances—i.e., where the husband leaves of his own volition, and refuses to maintain his family. The present schemes may therefore have to be reviewed, in order to ensure that the financial needs of all wives who are not being supported by their husbands are met. This may be more easily achieved by examining together all forms of income support for such women, including maintenance from husbands, and placing state support in that context, rather than simply adapting the State aid for widows to the circumstances of unsupported wives.

8.82. Two final points are worth noting: while there are no age or dependency restrictions on widows receiving widow's pension these do apply to deserted wives. The Commission on the Status of Women considered the position of widows to be anomalous<sup>13</sup>—young childless widows or deserted wives are normally available for work. But at

<sup>13</sup>Report of the Commission on the Status of Women, Stationery Office, Dublin, 1972, Recommendation No. 27.

TABLE 8.7

**Analysis of Claims for Deserted Wife's Benefit/Allowance Refused in 1976 by Reason for Refusal**

Age under 40 with no qualified dependents	36
Means	13
Insufficient insurance stamps	20
Husband did not leave of own volition	33
Husband did not leave of own volition <i>and</i> claimant did not make adequate efforts to secure maintenance	94
Husband did not leave of own volition and is making considerable maintenance contributions	15
Claimant in receipt of considerable maintenance contributions	35
Inadequate efforts to obtain maintenance	55
Cohabitation	12
Husband returned	8
Deserted under 3 months	78
Claimant never had 2 years' continuous residence in the State	5
Miscellaneous:—Marriage not established, Residence outside State, Failure to disclose necessary information	11
TOTAL =	415

*Note:* Most of the 78 claims refused on the grounds that claimant was not three months deserted would be subsequently awarded on re-application.

present the childless deserted wife aged under 40 who cannot get a job does not qualify for unemployment assistance either, unless she has paid six months social insurance stamps in the previous four years.

8.83. Second, no income maintenance payment is available to deserted fathers (or widowed fathers) looking after families.

*Analysis of Claims Refused*

8.84. In 1976, a total of 962 applied for deserted wife's benefit or allowance. On average, these take four weeks from application to decision. Of these 717 were accepted for either benefit or allowance. The Department of Social Welfare, at our request, undertook an analysis of the reasons for refusal. The Department have pointed out that the table may contain some double counting, in that some women, rejected

on one ground, may apply again within the year, and be refused again on another count—the 415 refusals analysed here can be related to the 245 claims ultimately refused in 1976. Nevertheless, it is considered that the table is interesting in that it shows the pattern of reasons for refusal which illustrates the comments made above on eligibility criteria for the scheme.

**(x) Retirement Pension**

*Background*

8.85. This service was introduced in 1970 for insured persons aged 65 or over to bridge the gap between normal retiring age and the pension age, and to reduce the number of people aged over 65 drawing unemployment benefit. In 1972 the benefit levels were raised to correspond with those for old age contributory pensions. As there is no upper age limit on retirement pensions, and as the rate of payment is the same as the old age pension, the two services are now broadly interchangeable, for those aged 66 or over, and many people who would previously have drawn an old age contributory pension now remain on the retirement pension when they reach 66, unless there is a financial advantage in making the change. (See S. 85-88 of the SW (C) Bill, 1976.)

*Eligibility*

8.86. Retirement pension is payable from age 65 to a person who satisfies the contribution conditions. Unlike the old age pension, a retirement pensioner under old age pension age must have retired from insurable work; this is not affected by his receiving a pension from his job. The contribution conditions are slightly different from those for old age pension, and a person over pension age is automatically awarded whichever benefit is more favourable to him. While the minimum average contribution record needed to qualify for retirement pension is higher than that for old age pension, certain credited contributions count for retirement pensions but not for old age pensions, so that neither benefit is unambiguously the easier to qualify for.

*Numbers receiving Benefit*

8.87. In 1976, almost 7,000 people applied for retirement pension, and there were 25,800 claims in payment: 21,000 of these involved people

over the then old age pension age of 67, representing over a quarter of contributory pensioners in this age group.

*Cost*

8.88. Expenditure in 1976 was £20.51 million.

**(xi) Old Age Contributory Pension**

*Background*

8.89. This scheme was introduced in 1961; prior to that, the only social welfare old age pension was the means-tested non-contributory pension. Since 1973, the age limit has been progressively reduced from 70, and now stands at 66. See S. 79-83 of the SW (C) Bill, 1976.

*Eligibility*

8.90. The pension is paid to an insured person aged 66 or over who satisfies the contribution conditions; there is no retirement condition. Title to pension depends on fairly complex contribution conditions, involving the averaging of contributions going back perhaps 25 years. While eligibility is easy to establish for someone who has been in continuous insurable employment, it is more difficult for an individual to work out his eligibility if he has been in and out of insurance, for example, a non-manual worker who had crossed the former income limits for insurability a number of times.\* Retirement pensioners will be transferred automatically on to old age pensions if it is more favourable to them.

8.91. While an allowance in respect of a dependent spouse is payable with the old age pension, the wives of old age pensioners, if they are aged 66 or over, may apply for an old age non-contributory pension in their own right, if they satisfy the means test. This means test disregards the husband's social welfare pension.

*Numbers receiving Benefit*

8.92. In 1976, 7,000 applications were received and there were 54,900 claims in payment. There were only 8,100 claimants receiving an increase for a dependent wife who had not reached pension age herself.

\*Full details can, however, be obtained from the Department's Records Section.

## SOCIAL ASSISTANCE

This is much lower than would be expected, given the marital status of the age group involved. This suggests that a high proportion of the wives were claiming non-contributory pensions, and therefore that most contributory pensioner households have no substantial income source other than their social welfare pension. The contributory retirement and old age pensions have not yet replaced the non-contributory pension as the main state payment for this age group, although in the long run, with the extension of the scope of social insurance, and with the increasing proportion of the work force in insurable employment, this will be the case.

### *Cost*

8.93. Expenditure in 1973 was £44.9 million.

### **(xii) Death Grants**

#### *Background*

8.94. This scheme was introduced in 1970 and followed some concern about the proportion of their incomes which low income families were spending on burial insurance (See S. 108-110 of SW (C) Bill, 1976).

#### *Eligibility*

8.95. A grant is payable on the death of an insured person, or on the death of the spouse, widow, widower, or dependent child of an insured person. Insurance contributions since October 1970 only count towards the grant. The maximum grant is £35 for an adult,\* £21 for a child aged 5-18 years, and £7 for a child under 5.

#### *Numbers and Cost*

8.96. In 1976, 5,657 grants were paid at a cost of £191,000.

#### *Comment*

8.97. The size of the grant, which has not been changed for a number of years, at this stage comes to only a small fraction, possibly as low as 10%, of the cost of a typical funeral. It cannot now therefore be considered a substitute for commercial burial insurance. In the case of the death of an infant the sum involved is so small that it would be scarcely worth the distress involved to apply for it.

\*This is being raised to £50 from April 1978.

### **Historical and Legislative Background**

8.98. The second main group of income maintenance payments made available by the state are social assistance payments. The principle of state assistance for the needy stretches back in this country to 1847, when Outdoor Relief was given under the Poor Law. The 1923 Local Government (Temporary Provisions) Act expanded Outdoor Relief and re-named it Home Assistance. The 1939 Public Assistance Act streamlined the regulations governing home assistance. This act governed home assistance until the implementation on 1 July, 1977 of the 1975 Supplementary Welfare Allowance Act. The 1908 Pensions Act introduced means-tested old age pensions and the 1935 Unemployment Assistance Act, introduced the "dole". Children's allowances were introduced with the 1944 Children's Allowances Act. All of these Acts were subsequently incorporated into the 1952 Social Welfare Act.

8.99. Social assistance services are wholly publicly financed, and most are administered centrally by the Department of Social Welfare. Certain services, however, for example, supplementary welfare allowance, are administered by local authorities or health boards. A state grant supplements local expenditure on these services. A number of other services are included in the social assistance system. These are benefits in kind, and are discussed in detail in Chapter 12.

### **People covered by Social Assistance**

8.100. Social assistance income maintenance payments cater largely for people who, for a variety of reasons, are not eligible for insurance based services. With the exception of children's allowance, all applicants for social assistance undergo a means test which determines whether they are eligible, and, if so the appropriate rate of benefit. With some variations, a common set of rules applies to the assessment of means. These rules are described in detail in the section on old age pensions, and any differences from this method of assessment are shown for other individual benefits. Means assessment is carried out



by local social welfare officers under central supervision. The rules for means assessment are set out in great detail in the legislation—see SW (C) Bill 1976, Fourth Schedule—leaving little room for individual judgment or discretion.

### Expenditure

Estimated expenditure on social assistance services in 1976 was as follows :

**TABLE 8.8**

	£m
Old age (non-contributory) pension	71·727
Unemployment assistance	50·037
Children's allowances	46·319
Widows' and orphans' (non-contributory) pensions	7·671
Social assistance allowances —deserted wives	2·225
—unmarried mothers	2·298
—prisoners' wives	·148
—single women	1·246
Free travel	4·383
Free electricity	3·183
Free TV licence	·982
<hr/>	
<i>Locally administered services (1975 figures)</i>	£m
Home assistance	3·315
School meals (urban)	·443
Schools meals (Gaeltacht)	·006
Subsidised fuel	·992
Footwear	·152

### Benefits Payable Under Social Assistance Schemes

#### (i) Old Age Non-Contributory Pension

##### Background

8.101. This service was introduced in 1909, under the 1908 Old Age Pension Act. The pension age of 70 years set in 1908 has been reduced steadily since 1973, and has been set at 66 from October 1977. Both a husband and wife can qualify for a pension in their own right,

whereas in most social welfare services, a wife receives benefit as a dependant of her husband. As a corollary, it was not until 1974 that any allowance was paid in respect of a dependent spouse not of pension age.

#### Eligibility

8.102. The main criteria for eligibility are that a person has reached pension age of 66, and satisfies a means test.

#### Means test

8.103. In calculating means, the means of each of a couple is taken as half their joint means. The anticipated income of a pensioner in the coming year is generally taken as his means. Certain items are excluded, however; the principal exclusions, are income from social welfare benefits, including children's allowances, and income from health board allowances; income from charitable donations from bodies like St. Vincent de Paul Society; income from other voluntary payments averaging under £1 a week; pensions and allowances in respect of service in the War of Independence; and the first £80 a year of other pensions and allowances under the Irish Army Pensions Acts.<sup>14</sup>

8.104. An owner-occupied house is valued as the rateable valuation less the ground rent, to get the yearly value. For owner-occupied houses as a whole, this would average 14p a week. The value of furniture and other personal effects is ignored. The benefit of free board and lodging, say with relatives, is, in practice, ignored.<sup>15</sup> A farm which is being worked is assessed in terms of the income it is expected to yield. Property which is not being personally used, such as cash in the bank, or a house or farm which is not being used, is not assessed in terms of the actual income it yields. Instead, a notional annual value is placed on it as follows :

First £25	excluded
Next £375	5%
Balance	10%

<sup>14</sup>For full details, see 4th schedule to the Social Welfare (Consolidation) Bill, 1976.

<sup>15</sup>A nominal assessment may be made of the value of free lodgings, as unfurnished.

This value is divided by 52 to arrive at the weekly value. If this is £1 or more, the weekly means is the weekly value plus £1.

8.105. If a pensioner disposes of property in order to qualify for the pension, the amount so disposed is still reckonable as his means. This condition does not apply, however, to a parent who signs over a farm with a rateable valuation of £30 or less to a son or daughter.

8.106. A pensioner who has children under 18 may have earnings of up to £39 a year per child disregarded as means. This compares with a disregard of £78 per child for a widow non-contributory pensioner. In 1976, there were only 5,000 dependent children for some 130,000 old age pensioners.

8.107. The first £6 of assessed weekly means is disregarded in calculating the rate of pension. After that the means test moves in steps of £1 and the amount payable is reduced by £1.25 a week for each complete £1 of assessed means. The overall means limit is related to the maximum level of pension payable. At October 1977 rates of benefit a pensioner with means of up to £6 would receive £12.35 a week pension; a pensioner with assessed means of £14-£15 would receive the minimum pension of £1.10 a week. If means is equated with income, there is a ceiling on the total weekly income of a non-contributory pensioner, which varies with the size of his means, of from £18.35 at £6 weekly means, down to £16.10 at £15 weekly means. Up to 1973, when the means disregard was introduced, about 85% of pensioners qualified for one of the top three rates, that is they had under £1 assessed weekly means. Since the means disregard was introduced, over 90% of pensioners have received benefit at the maximum rate.

8.108. As few old age pensioners are in a position to increase their weekly means, reassessment of claims is infrequent, with a target of one in ten re-checks every year, except in special cases. So most pensioners receive title to a pension for life on the one initial means assessment.

#### *Numbers receiving Benefit*

8.109. In 1976, 129,440 people were in receipt of the non-contributory old age pension. This amounted to 44% of the total population over

pension age—67 years in 1976. In the same year, there were 14,730 applications for the pension of which 85% were successful. The high proportion covered by the non-contributory benefit reflects a number of factors, including:—

—the large numbers of formerly self-employed (including farmers) among the older age groups;

—the relatively recent introduction (1961) of the contributory old age pension; and

—the right of wives, including those whose husbands are in receipt of contributory pensions, to their own pensions.

#### *Cost*

8.110. In 1976, expenditure on this scheme totalled £71.73 million.

#### *Title to Other Benefits*

8.111. The old age non-contributory pension is used as a "passport" to a number of other benefits. Recipients at the maximum rate normally qualify automatically for medical cards entitling them to free health services. However, differences of opinion between Social Welfare Officers and Health Board Officers about the assessment of means, especially in relation to income from farming, have led to problems, particularly in the Western Health Board Area.<sup>16</sup> Pensioners are also entitled automatically to free travel, and they qualify for free electricity, free television licences and free telephone rental if they satisfy the conditions on household members (See Ch. 12.) Non-contributory pensioners in the relevant areas qualify for the cheap fuel scheme.

#### *Comment*

8.112. Unlike other social welfare services, where the Deciding Officers are civil servants, generally of Staff Officer, Executive Officer, or higher rank, the initial decisions on old age pension applications are made by local Pension Committees, which are appointed for each county,

<sup>16</sup>Cf. Dail Debates, 25 May 1976, 9 March 1977.

borough, or urban district with a population of 10,000 or over, by the relevant county council, borough council, or urban district council; that is, they are politically appointed. Both the applicant and the Department may appeal decisions made by these Committees. These Committees seem an anomalous and unnecessary layer in the decision process. They are open to the criticism that information on an applicant's means is available to local people who are on the committees.

#### (ii) **Blind Person's Pension**

##### *Background*

8.113. This scheme was introduced in September 1920, and was an extension of the Old Age (non-contributory) Pension to cover blind persons under pension age. To this day, the two services are administered together; similar rates of benefit apply, and very similar general conditions.

##### *Eligibility*

8.114. To qualify, a blind person must be at least 21 years, be so blind as to be unable to perform any job for which eyesight is essential, or so blind as to be unable to continue his ordinary occupation, and must satisfy the means test. The means test is exactly the same as for old age pensions, except that a blind person may have the first £208 of yearly earnings disregarded for himself, plus £156 for his wife, and £104 for each child dependant. Like old age pensioners, if each of a married couple is blind they can both qualify for personal rate pensions.

8.115. A blind person under 21 could qualify for disabled person's maintenance allowance. A blind pensioner could also be eligible for a blind welfare allowance from his health board. From April 1977, this would be a maximum of £4.10 a week or £8.20 for a blind married couple, and would normally be payable on top of the social welfare pension where a blind person had no other income source, and was not being maintained by his parents.

#### *Other Benefits*

8.116. Blind pensioners qualify for free travel, and free electricity, on the usual conditions about household composition.

##### *Numbers and Cost*

8.117. In 1976, an estimated total of 6,200 persons were receiving blind persons' pensions. Expenditure figures are not available, as these are included in the old age pensions total above.

#### (iii) **Unemployment Assistance**

##### *Background*

8.118. This scheme was introduced in 1934. (See S. 137-157 of the SW (C) Bill, 1976). Three main groups of people are entitled to social assistance:—

- unemployed people with no social insurance record;
- unemployed people who have exhausted their title to unemployment benefit; and
- small-holders, who may receive payment as a supplement to their income from farming.

The lower age limit for unemployment assistance is 18 years, the corresponding age of unemployment benefit being 16 years.

##### *Eligibility*

8.119. The basic conditions for eligibility for unemployment assistance are similar to those for unemployment benefit—applicants must be capable of, or available for, and genuinely seeking, work. Smallholders who are working their farms are regarded as available for work provided they do not refuse any offer of suitable employment. (This test is seldom applied in practice.) Special conditions attach to women, and these are discussed below. Applicants for unemployment assistance must also satisfy a means test.

### *The Means Test*

8.120. Applicants for unemployment assistance must apply to their local employment exchange for a Qualification Certificate, which will show details of means. The means test ignores current earnings, and thus the Certificate can be applied for while the applicant is still working, or in anticipation of transferring from unemployment benefit to assistance. The rules for the assessment of means differ in a number of respects from those for old age pensions.

8.121. For applicants for unemployment assistance, the value of any benefit and privilege enjoyed, such as board and lodging, is reckonable as means. This is usually calculated by adding the total household income, deducting outgoings on items such as rent or rates, and dividing the balance among the number of equivalent adults in the household. This condition makes it difficult for recipients such as young male school leavers living in the family home to qualify for assistance.

8.122. The means from capital is calculated slightly differently for unemployment assistance than for old age pensions. For old age pensions, the first £25 of capital is ignored, 5% is taken of the next £375, and 10% of the balance. For unemployment assistance, 5% of the whole first £400 is taken, and 10% of the balance. The difference is £1.25 a year or 2.5p a week—surely an unnecessary complication. While for old age pensioners, the weekly means from capital, if the weekly value exceeds £1, is taken as the weekly value plus £1, for unemployment assistance, the weekly value is taken as the weekly means.

### *Means from Farming*

8.123. As with old-age pensioners, the means from a farm which is being worked is taken as the income. This is factually assessed outside the specified Western counties. As account may be taken of fluctuations in agricultural prices over a number of years, this factual assessment may be very variable, depending on the valuation procedures of the individual assessors. It is estimated that about 1,000 smallholders outside the Western areas draw smallholder's assistance. A further 5,000 smallholders within the designated areas continued to have their means assessed on a factual basis after 1966.

8.124. In the designated Western areas, a notional method of assessing farm income based on land valuation is adopted. (Land valuation in such cases would include the value of land leased on conacre.) In the case of smallholders resident in Connacht or in counties Cavan, Clare, Donegal, Kerry, Longford or Monaghan, or in the congested parts of West Cork or West Limerick, whose net land valuation does not exceed £20, the yearly means from a farm are calculated as follows—up to £15 RV, 20 times the net valuation; over £15 and up to £20, thirty times the net land valuation; over £20 RV, factual assessment.

8.125. Different rates of benefit apply in urban areas (towns of over 7,000 population) and rural areas; and according to land valuation, where means are reckoned on a notional basis. The spread of maximum weekly rates prevailing in October 1977 is shown below:

TABLE 8.9

	Urban Area £	Rural Area £	Notional Assessment	
			RV £10-£15	RV £15-£20
Personal rate	10.70	10.30	8.55	7.75
Man and wife	18.45	17.90	14.90	13.50
Man, Wife, 2 children	25.05	24.50	20.40	18.50

The notional valuation of means from farming in the Western counties was introduced in 1966, and fixed at £20 per £1 valuation. This remained unchanged until 1976, with the result that as means limits increased with changes in money values, and real improvements in the rates of benefit, the effective valuation ceiling for smallholders increased also, and the number of smallholders receiving unemployment assistance increased from 5,600 in 1966 to nearly 32,000 in 1976. To stop this process going on indefinitely, changes were introduced in the 1976 and 1977 budgets which froze the existing value of unemployment assistance for certain smallholders, and changed the multiplier

for notional assessment. The result is the present unwieldy system of three different methods of means assessment, and four separate rates of benefit.

8.126. Since the introduction of these measures, the number of smallholders receiving unemployment assistance has declined from a high point of 31,680 in March 1976 to 26,800 by July 1977. It was estimated<sup>17</sup> that in 1975, about 10,000 eligible smallholders, or about a quarter of the total were not claiming unemployment assistance.

*Means Test*

8.127. The means test is directly related to the rate of weekly payment, and the size of payments is reduced by the full amount of any weekly assessed means, rounded to the nearest 5p. Unlike other social assistance payments, no means disregard applies.

*Special Conditions for Women\**

8.128. Special conditions apply to women applicants for unemployment assistance. Generally speaking, a woman must have at least one dependant before she can qualify for unemployment assistance. Alternatively, a widow or a single woman must have at least 26 paid social insurance contributions in the four years preceding her application for unemployment assistance. A married woman will generally only qualify for unemployment assistance if she is either supporting an invalid husband or if she is separated, and has at least one child dependant. The following groups of women do not qualify for unemployment assistance:—

- girl school leavers.
- working wives who have exhausted their entitlement to unemployment benefit (which lasts for a maximum of six months).
- single women who have not worked in the previous four years.
- childless deserted wives.

<sup>17</sup>John Curry: Income Maintenance for low-income farmers in the Republic of Ireland, *Journal of Agricultural Labour Science*, 1975.

\*From 1 October 1978, the restrictions which at present apply to single women and widows in qualifying for unemployment assistance will be removed.

8.129. In all these cases, unemployment assistance is payable to their male counterparts. As well as being disqualified from receiving unemployment assistance, many women falling into one of the above categories are not eligible for alternative income maintenance payments which are specifically designed to meet their particular circumstances. For example, childless deserted wives aged under forty years are not entitled to deserted wife's allowance. However, since July 1977, an unemployed woman who is not entitled to unemployment assistance may be entitled to supplementary welfare allowance.

8.130. The effect of these restrictions can be seen by examining the relative numbers of men and women drawing unemployment payments. A typical week, ending 29 April 1977, is chosen:

**TABLE 8.10**

	Number of Recipients	
	Men	Women
Unemployment benefit	41,529	15,111
Unemployment assistance (excluding smallholders)	48,741	1,734
Smallholders	26,800	28
Registered as unemployed but receiving no benefit	858	5,597

The number of women receiving unemployment assistance is negligible, and it is clear from the table that this does not simply represent a lower degree of unemployment among women than among men.

*Duration*

8.131 Unemployment assistance may be paid up to age 66 provided the eligibility conditions continue to be satisfied. From age 66, an old age pension may be payable.

### Numbers availing of Benefit

8.132. The average weekly number of recipients in 1976 was 73,832, comprising 28,740 smallholders, and 45,092 other recipients.

### Cost

8.133. In 1976 estimated expenditure was £50 million. About 0.34% of the annual cost is contributed by urban local authorities, the remainder is financed by the Exchequer.

### Comment

8.134. *Level of Benefit* The level of payment is lower, and the means assessment is stricter, than for other social assistance payments. This may reflect a more negative attitude to the unemployed than towards other social assistance recipients, such as widows. The case has been made that unemployment payments must be related to wage levels in a way that does not lead to a disincentive to work, but at present levels of payment the disincentive problem would not be very important. For example, a married man in a rural area (two thirds of recipients are in rural areas) with six children would receive a maximum of £34.50, hardly a large sum at today's wage levels. It has also been argued that unemployment assistance is a short-term benefit, unlike old age or widows' pensions. This argument is not borne out by an analysis of unemployment assistance claims by continuous duration.

TABLE 8.11

Duration of Continuous Registration on Live Register, of Unemployment Assistance Recipients 25 February 1977

	0-6 months	6-12 months	Over 12 months	Total
Number	18,359	7,931	22,590	48,880
%	37	16	46	100

8.135. *Urban and Rural Rates* The distinction between urban and rural rates of assistance is presumably justified by the levying of a small contribution towards the cost of unemployment assistance on local authorities—this contribution in turn is probably largely funded by state grants. The difference between urban and rural rates amounts to 40p a week for a man, and 15p a week for his wife. The distinction appears to be anomalous—no recent evidence on relative living costs in urban or in rural areas, or in towns of 5,000 population as against towns of 7,000 population, has been brought forward to justify the continued distinction.

8.136. *Board and Lodging* The assessment as means of the value of free board and lodging provided by parents or relatives has been already discussed above (p. 40). A single recipient of unemployment assistance who has not got his own accommodation may find himself in a catch-22 situation. If he pays rent, the amount of his assistance would scarcely cover rent payments. If he stays with relatives, his assistance payment is cut.

8.137. *Assistance for Smallholders* The scheme of assistance for smallholders is essentially an agricultural support scheme, and in its purpose is quite distinct from the main unemployment assistance. Its incorporation in the unemployment assistance scheme invites critical comparison with the provision of unemployment assistance to the unemployed. For example, it seems ironic that smallholders working their land are considered available for work and thus eligible for unemployment assistance, while unemployed women are not entitled to benefit. The generous notional assessment of farm income contrast with the strict means assessment applied to means in other forms e.g., the benefit of free board and lodging. On the other hand, it has been argued<sup>18</sup> that the award of unemployment assistance to a relatively high status group—farmers—has increased its acceptability to other potential recipients as an income maintenance payment.

8.138. The changes in the smallholders scheme in 1976 and 1977 have dealt with the problems of ever expanding numbers becoming entitled

<sup>18</sup>Dermot Clifford, *The Public, the Client and the Social Services*. Maynooth 1975.

to benefit, but in a fairly cumbersome way. The changes result in the payments being concentrated on farmers with the lowest valuations—it is expected that virtually no farmers over £20 RV will continue to benefit after April 1978.<sup>19</sup> However, anomalies will still remain, where farms of different productive capacity have similar rateable valuation.

8.139. *Treatment of Women* Women were originally excluded from the scope of unemployment assistance in the 'thirties on the grounds that the scheme would be open to abuse since many women were not available for, or seeking, work. This reasoning no longer holds in today's social climate, and this discrimination simply on grounds of sex can no longer be justified. The abolition of this discrimination was recommended by the Commission on the Status of Women, but not yet acted upon; however, the Government are now pledged to end this particular discrimination in unemployment assistance.

#### (iv) Non-Contributory Widows' Pensions

##### *Background*

8.140. The scheme was introduced in 1936. (See S. 176–193 of the SW (C) Bill, 1976.) It covers widows under old age pension age—on reaching age 66, recipients may transfer to the old age non-contributory pension.

##### *Eligibility Conditions*

8.141. Any widow who satisfies the residence requirement—a minimum of two years' residence in the state before the date of decision—and satisfies the means test, is eligible.\* There is no lower age limit.

8.142. *The Means Test* The means test is roughly related to the levels of payment, but the first £6 of weekly means does not affect the rate of pension. After that the pension is reduced in steps of £1.25 for each full £1 of assessed means (see Summary of Social Insurance and Assistance services, April 1977, p. 55). For example, a widow with

<sup>19</sup>John Curry, Irish Times, October 17, 1977.

\*The residence test is being abolished in April, 1978.

up to £6 assessed means receives, at October 1977 rates, £12.35 a week, or £20.55 if she has two dependant children. If she has means of £10, she receives £7.35 a week, or £15.55 if she has two children, bringing her total income up to £17.35, or £25.55, if she has two children. This method of means-testing automatically adjusts the means test and means limits in line with the number of dependants the widow may have.

8.143. The means test differs from that for old age pensions in the treatment of earnings, and of income from capital. A widow with children can have £1.50 of weekly earnings disregarded in respect of each child. Additionally, such a working widow could deduct the cost of her transport to work, although not her income tax, to get a net earnings figure. She is also exempt from paying the employee's share of the social insurance contribution. A widow with means in the form of capital, not personally used or enjoyed, i.e. cash in bank, a matured insurance policy, a house or a farm she was not using, would have a notional value as means placed on such capital, rather than the actual income it brought in. The yearly value is calculated by excluding the first £100, and if there are dependent children a further £100 each, and taking 5% of the balance. The yearly value thus calculated is divided by 52 to find the weekly value. If the weekly value is £1 or more, the weekly means are taken to be the weekly value plus £1. In 1977, a widow with no children could have means in the form of capital of up to £5,200 and still qualify for full pension. She could have means in the form of capital of up to £14,600 and still qualify for a reduced pension. This assessment of means is fairly generous. A widow of 40 with capital of £5,200 could buy an annuity (at May 1977 rates)<sup>20</sup> yielding a weekly income of £12.20, yet this capital sum is regarded as equivalent to only £6 weekly means.

##### *Numbers receiving Benefit*

8.144. In 1976, 12,600 people were receiving the non-contributory widow's pension. This represents one-fifth of all widows under old age

<sup>20</sup>Immediate life annuities, monthly in advance. Figures kindly supplied by New Ireland Assurance Company. The precise weekly value of an annuity bought at any particular time will of course depend on prevailing interest rates.

pension age. The numbers receiving this payment have been declining steadily (22,000 were in receipt of it in 1966). There has been a corresponding rise in the numbers receiving the contributory widow's pension. There is a common application for contributory and non-contributory pensions; the same section of the Department administers the two benefits, and cases turned down on insurance grounds are automatically considered for the non-contributory pension. Relatively few of the non-contributory widow pensioners have dependent children—this reflects the age structure of the widowed population in the eligible age group, where 85% of widows are over 50. Of the 6,200 applicants for widows' (contributory and non-contributory) pensions in 1976, 1,316 were awarded non-contributory pensions, and in all 99.6% were awarded one or other pension.

*Cost*

8.145. In 1976, expenditure on this scheme cost £7.6 million.

*Comment*

8.146. On reaching old age pension age, a non-contributory widow pensioner transfers automatically to a non-contributory old age pension. Because capital is treated less generously under the means-testing rules for old age pensions, a widow may find her pension reduced when she reaches old age pension age.

**(v) Non-Contributory Orphans' Pensions**

*Background*

8.147. This scheme was introduced in 1936, as part of the widows' pensions scheme (See S. 181–182 of the SW (C) Bill, 1976).

*Eligibility*

8.148. An orphan is defined as a child, both of whose parents are dead; or an illegitimate child, whose mother is dead, and father unknown; and who is not living with a surviving step-parent.\* The age limit is 18, or 21 if the child is in full-time education. There is a means test, based on a

\*This definition is being broadened from April 1978, to include the child of a deceased deserted wife.

child's own means. The rules for assessing means are the same as those for widows' non-contributory pensions. In October 1977 there was an overall weekly means limit of £6. The maximum weekly payment for a child with weekly means of less than £1 was £8.05. This is payable to the child's guardian.

*Numbers and Cost*

8.149. In 1976, there were 220 orphans in respect of whom pensions were paid. Estimated expenditure was £0.7 million.

**Social Assistance Allowances**

8.150. Four schemes of income maintenance have been introduced in the past few years under this general heading—the Deserted Wife's Allowances (introduced in 1970), Unmarried Mother's Allowance (1973), Prisoner's Wife's Allowance (1974) and Elderly Single Women's Allowance (1974). The relevant legislation is summarised in S 194–198 of the SW (C) Bill, 1976. The first three are modelled on the non-contributory widow's pension, and the means test rules and rates of payment are similar to those applying in that scheme (see page 139). The elderly single women's allowance is modelled—in terms of means test and rates of payment—on unemployment assistance in urban areas. Further details of each scheme is given below.

**(vi) Deserted Wife's Allowance**

*Background*

8.151. The allowance was introduced in 1970, and was followed by the introduction of deserted wife's benefit in 1973 (see p. 116). The aim is to provide income maintenance for deserted wives and their children who fulfill the desertion criteria, and who are not eligible for the insurance-based deserted wife's allowance.

*Eligibility*

8.152. The conditions relating to desertion are the same as those for the deserted wife's benefit (see p. 117). There is a common application form for the two payments, and a rejected application for deserted wife's benefit is automatically considered for deserted wife's allowance.



The principal difference in eligibility conditions between the two payments is that applicants for *the allowance* must undergo a means test. The means test is exactly the same as that for a widow's pension.

#### *Duration*

8.153. The allowance is payable up to age 66, to a woman who continues to satisfy the eligibility conditions. A deserted wife under 40 may qualify only if she has dependent children, while a deserted wife aged forty or over can qualify, irrespective of whether she has dependent children or not. At age 66, a recipient may transfer to an old age non-contributory pension.

#### *Numbers receiving Allowance*

8.154. In 1976, there were 3,100 recipients of deserted wife's allowance. Almost half these had no child dependants, and would therefore have been aged over 40. 92% of recipients were receiving the maximum rate.

#### *Cost*

8.155. Expenditure in 1976 was £2.254 million.

#### **(vii) Unmarried Mother's Allowance**

8.156. Social assistance allowances for unmarried mothers were introduced in July 1973.

#### *Eligibility*

8.157. The means test and rates of payment were modelled on those for the widow's non-contributory pension. An unmarried mother, who keeps her child, who satisfies the means test, qualifies for the allowance until her child is 18, or 21 if the child remains in full time education. Thus, unlike widows and deserted wives, who may continue to receive social assistance allowance when their families are grown up, provided they are forty years of age or over, unmarried mothers lose title to the allowance when their children are grown. (Unmarried mothers are, however, on average younger when this stage is reached than widows or deserted wives.) Like all other "single parent" type payments, there is a bar on an unmarried mother receiving an allowance if she is co-habiting, or if she marries.

#### *Numbers availing of the Scheme*

8.158. The build up of numbers availing of the scheme since it began is as follows:

**TABLE 8.12**

	Mothers	Children
March 1974	1,633	2,074
December 1974	2,156	2,760
December 1975	2,823	3,484
December 1976	3,339	4,100 (estimated)
February 1977	3,286	4,031

There were 1,085 applications, in 1976, of which 89% were successful. The numbers availing of the scheme can be compared with the number of births to single mothers, less adoptions, in recent years.

**TABLE 8.13**

	Births to single mothers (A)	Adoptions (B)	Estimated children kept by single mothers (A) — (B)
1972	2,005	1,291	714
1973	2,167	1,402	765
1974	2,276	1,415	861
1975	2,514	1,443	1,071
1976	2,578	1,104*	1,474

\*The numbers of children adopted in 1976 may have been affected by a court case relating to the validity of adoption orders.

8.159. The numbers who applied for the allowance in 1976 represented three-quarters of single mothers who kept their babies in that year. Given that working mothers would be unlikely to qualify for the allowance on means grounds, this seems to show that take-up is high. If we examine the number of children under four, whose mothers are less likely to be working, it is seen that this corresponds almost exactly to the number of children covered by the allowance in 1976. This confirms the view that take-up for this scheme is high.

*Cost*

8.160. In 1976, expenditure on the scheme came to £2.3 million.

**(viii) Prisoner's Wife's Allowance**

8.161. Wives of prisoners who are serving sentences of 6 months or more, or wives of prisoners who have been in custody for at least six months without being sentenced, are eligible to apply for this allowance.

*Eligibility*

8.162. The means test is the same as for widow's pension. An applicant for this allowance must either be aged over 40 years or if under that age, must have at least one dependent child.

*Duration*

8.163. The allowance is payable until the husband is released from prison, or until the wife reaches age 66, so long as she continues to satisfy the means test and other criteria for eligibility.

*Numbers availing of Benefit*

8.164. At the end of 1976, 111 women were in receipt of the allowance. In the same year, 243 applications for the allowance were received, of which 92% were successful—the disparity between the number of applications, and the number of claims in payment at the end of the year being due to the high turnover rate.

*Cost*

8.165. In 1976, the scheme cost £140,000.

**(ix) Elderly Single Woman's Allowance**

*Background*

8.166. This scheme was intended to cater in particular for women who had stayed at home to look after elderly relatives, and thus found themselves unable to get outside employment. It covers women aged 58 or over but under pension age—on reaching pension age, such a woman

would normally qualify for an old age non-contributory pension. The lower age limit was originally set at 10 years below the then old age pension age, when the scheme was introduced and has not been altered since.

8.167. One of the reasons for the introduction of this scheme was that unemployed women without a recent insurance record cannot qualify for unemployment assistance. The only state benefit such women were eligible for was home assistance, and surveys of home assistance showed they formed a fairly sizeable group for recipients. A number of them if they were in poor health would have qualified for disabled person's maintenance allowance.

*Eligibility*

8.168. Apart from having to satisfy a means test similar to that applied to applicants for unemployment assistance in urban areas, the following eligibility conditions must be satisfied. The applicant must

- be aged between 58 and 66 years;
- not be living in an institution;
- not be receiving another social welfare payment;
- not be a person in respect of whom an increase in benefit or assistance is being received.

Unlike unemployment assistance, there is no requirement that she be available for work—for example a single woman of 58 or over who was still looking after aged parents could qualify for the allowance.

*Duration*

8.169. The allowance is payable until the recipient reaches old age pension age.

### Numbers availing of Allowance

8.170. In 1976 there were 3,496 claims in payment. The build-up of claims for the scheme since its inception was as follows:

TABLE 8.14

	Applied	Granted	Refused	Appeals
1974	4,446	2,882	1,271	405
1975	1,184	1,011	311	216
1976	853	520	333	108

In 1971 about half of the single women who were aged between 55 and 65, corresponding roughly to the group eligible for the allowance, were not working, and the lack of information on their social group suggests that relatively few had had a recent job.<sup>21</sup> At present, only about 10% of single women in the age group receive the allowance. In view of the fact that 45% of people over 67 receive a means-tested benefit, although admittedly the means test is somewhat easier than for the single woman's allowance, the fact that only one in 5 of non-working single women aged 58 to 67 claim their means-tested payment seems to suggest a low take-up rate for the scheme. The number of new applicants in 1975 and 1976 well exceeds the number to be expected if a constant 10% of women turning 58 were to apply, which suggests that a number of previously eligible women had applied, and that the build up of numbers availing of the scheme has not been completed. Nevertheless, the number availing of the service is far in excess of the number of elderly single women who had been claiming home assistance. The average weekly payment of single women's allowance in April 1977 was £8.22 out of a possible maximum of £10.20. This suggests average weekly means of between £2 and £3 per claimant.

<sup>21</sup>Census of population 1971, Volume V, Table 6.

### Cost

8.171. In 1976, the scheme cost a total of £1.265 million.

### Comment

8.172. The single woman's allowance compares badly with the social assistance allowances payable to widows, deserted wives, prisoners' wives, and unmarried mothers. No age or dependency restrictions apply to the widow; deserted and prisoners' wives who have no dependent children, may draw the allowance when they reach 40 years of age, as against 58 years for the single women. (Around half the recipients of deserted wife's allowance have in fact no dependants.) There is an initial means disregard of £6 a week for widows and recipients of the other allowances modelled on the widow's pension. The full amount of a single woman's means is assessed, and the allowance is abated by the full amount of such means. The rules for assessment are also stricter than those used for widows, etc.—for example, the benefit and privilege of board and lodging is assessed for the single woman and disregarded for the others.

8.173. The actual level of payments is higher for widows, etc. than for single women. From October 1977, the maximum for a widow with no dependants is £12.35 a week; for a single woman with no dependants it is £10.70 a week. The overall means limit for the widow is £15 a week; for the single woman £8 a week.

8.174. It is difficult to justify the different treatment of women in the same objective financial circumstances—presumably no denigration of the single state was intended. Historically, widows were regarded as a particularly "deserving" poor group, and have had active pressure groups pleading their case. The circumstances of deserted wives, prisoners' wives, and unmarried mothers were considered analogous to that of widows, and so the means tests and benefit rates appropriate to the widow's pension were adopted for those receiving social assistance allowance. On the other hand, the allowance for single women was based on unemployment assistance, which has stricter eligibility conditions and lower benefit rates than any other social assistance service.

8.175. If the scheme is viewed as an extension of unemployment assistance to women, then the rates of benefit for unemployment assistance are appropriate, but surely it is a rather limited extension which applies only to single women of 58 years or over. The traditional justification for the lower benefits provided to unemployment assistance recipients, that the benefits are short-term, and should not be so high as to interfere with work incentives, are surely not very relevant in the present scheme.

#### (x) Prescribed Relative Allowance

##### *Background*

8.176. This service was introduced in January 1969. It provides for an increase in the pension of a blind pensioner, or a social welfare pensioner (contributory or non-contributory) of old age pension age, who is receiving full time care and attention from a prescribed relative. When the allowance ceases to be payable, the relative is awarded credited social welfare contributions covering the period during which the allowance was payable.

##### *Eligibility*

8.177. The pensioner must be so incapacitated as to need full-time care and attention. The relative must be living with the pensioner, provide full time care, and have no other job. The relative must not be receiving or be entitled to receive, any allowance from the Department of Social Welfare of over £6.90 a week. The relative may not be a married person wholly or mainly maintained by his/her spouse. Apart from the prescribed relative, the pensioner must be living alone, or only with children under 18, or persons who are mentally or physically handicapped. Prescribed relatives are:—

sister, half-sister, daughter, step daughter, daughter-in-law, grand-daughter, niece, sister-in-law; and corresponding male relatives.

The amount of the allowance is £6.90 from October 1977. It is payable to the pensioner rather than to the prescribed relative.

##### *Numbers receiving Benefit*

8.178. The total number receiving the allowance in October 1976 was 4,169. During 1976, 2,034 people applied for the allowance, of whom 42% were accepted.

8.179. The home help service operated by the various health boards (see p. 190) provides also for care of the elderly. Here health boards pay towards the wages of people providing full or part time care, and the emphasis of the service is on care of the aged. Being an optional service for health boards, it is particularly vulnerable to budgetary pressures. There is no legal entitlement to benefit from the service, and the level of service provided, and the conditions under which a person may benefit can vary greatly from one district to another.

##### *Comment*

8.180. The payment of an allowance in respect of full time care and attention for incapacitated pensioners could be a very valuable social service. The modern emphasis is on caring for old people within the community, and preferably mobilising the help of family members. The benefits to the old person from continuing to live among friends and neighbours is obvious. The State is saved the heavy costs of institutional care. But this present scheme does little to further those desirable ends.

8.181. The conditions for eligibility are so strict, it is surprising that as many as 4,100 prescribed relatives can be found to provide full-time care. The amount of the allowance is very small and the conditions requiring that the relative have no outside job, no other social welfare pension, not to be a married woman dependent on her husband, and should be living with the pensioner, make it extremely unlikely that she will have any other source of income. The relative does not even get any income as of right in return for her care; she must depend on the pensioner, who may well be difficult about money.

8.182. It can be taken that many of the 1,200 applications refused in 1976 represent a need for financial assistance for people looking after aged relatives, which is not being met at present because the conditions of the scheme are so strict.

8.183. For a start, it is difficult to see why the care has to be provided by a relative, and one of the specified degree. Surely a non-relative, or a relative such as a cousin, who undertakes to provide this care, should equally receive financial help. The narrowly defined situation which the social welfare scheme is designed to meet is one of live-in, full time care. To meet this situation adequately requires that the person giving the care be regarded as an individual in her own right, doing a worthwhile job, and given corresponding recognition in a personal payment at a reasonable rate.

8.184. Domiciliary care for the elderly is supported in other forms by the state through the health board public health nursing service, and the home help service. Voluntary unpaid care is provided by friends and relatives, and through social service councils. The flexibility which can be achieved through locally provided care needs the backing of adequate resources, both human and financial, if flexibility is not to mean random availability. Because of the difficulties of guaranteeing the provision of services inherent in the voluntary or the health board approach, it is useful to have in addition the statutory service provided by the Department of Social Welfare as of right to those who satisfy the prescribed conditions. However equally the value of this service must depend on adequate finance and more generous rates of benefit.

#### (xi) Supplementary Welfare Allowance

##### *Background*

8.185. This service has its origins in the outdoor relief of the Poor Law. Up to July 1977, the governing legislation was the 1939 Public Assistance Act, and the service was named home assistance. In July 1977, the 1975 Supplementary Welfare Allowance Act was brought into operation, and the service was renamed. This Act introduced for the first time standard weekly rates of payment, a standard means test, and a legal right to the benefit for those satisfying the eligibility conditions.

##### *Home Assistance<sup>22</sup>*

8.186. To place supplementary welfare allowance in perspective, it is necessary to discuss its recent predecessor, home assistance. As the

<sup>22</sup>See Ó'Connell, Seamus, *A Law for the Poor*, IPA, 1970.

new service is only recently in operation, few changes have yet been made from the administrative practices of the home assistance service.

8.187. Home assistance was administered by Home Assistance Officers, now Community Welfare Officers, attached to local health boards. It was a last-resort income maintenance service, providing weekly payments, or supplements to other state payments, to those "unable by their industry or other lawful means to provide for themselves or their dependants". A survey in October 1974<sup>23</sup> showed that 4,000 persons—27% of all recipients, received home assistance on its own, while the remaining 73% received it as a supplement to other weekly state benefits.

8.188. Both the means assessment and the rates of payment, whether as basic weekly income, or as a supplement to other income, were discretionary in the home assistance service. Now the means assessment and the basic rates of weekly payment are fixed, while supplements above the basic rate remain discretionary. Successive surveys carried out by the Department of Social Welfare have shown very wide variation in the amounts which had been paid in similar circumstances by different public assistance authorities.

8.189. The application procedure generally involved weekly attendance at the local health centre or clinic, where one existed, or sometimes at the home assistance officer's car in rural areas. The procedure was very public, with the home assistance queue clearly distinguishable from queues for baby clinics, and often little privacy for the actual application for assistance.

8.190. The evidence shows the home assistance service was a very stigmatised one.<sup>24</sup> The Poor Law connotation remained, with Home Assistance Officers known colloquially as "relieving officers". The stigma was reinforced by the discretionary, often arbitrary, nature of

<sup>23</sup>NESS Report No. 25, Table 8.9.

<sup>24</sup>See, for example, Seamus Ó'Connell, *A Law for the Poor*, IPA, 1970. Sheahan, Margaret, *The Meaning of Poverty*, ICSW, 1974. Clifford, Fr. Dermot, *The Public, the Client and the Social Services*, Maynooth, 1975.

means assessment and payments, and the lack of information on how payment levels were arrived at. It was reinforced by the method of application and the lack of privacy. The lack of training for Home Assistance Officers, together with the budgetary pressures under which they worked, may have contributed to the perceived image of some Home Assistance Officers as begrudging or judgmental in their attitudes to applicants, and as exercising their discretion in a negative manner.

8.191. It is generally accepted that there was a reluctance to apply for home assistance, and that, for example, people who applied for home assistance to supplement other income represented only a proportion of those in similar financial circumstances. Concrete evidence of low take-up of home assistance can be seen in the case of the single woman's allowance, where the numbers who applied for this strictly means-tested allowance greatly exceeded the number of similar single women who had previously claimed home assistance.

#### *Supplementary Welfare Allowance—Eligibility*

8.192. Eligibility is based simply on a means test—unlike other social assistance services, there is no need to come within a specific category such as unemployed, widowed, or deserted. However, students, people being maintained in institutions, and those directly engaged in a strike are excluded from benefit (but strikers may receive an allowance in respect of dependants); so are people with a job, except in the first 15 days of employment, before wages may have become payable. The means test is based on that for recipients of unemployment assistance in rural areas, for example, the weekly maximum payment (from October 1977) for a single person is £10.30 and for a couple, £17.90.

8.193. The amount of weekly benefit is abated in full by the amount of assessed weekly means. The rules for the assessment of means are similar to those in force for unemployment assistance (except that there is no provision for the notional assessment of income from farm land) including the assessment as means of the value of any free board and lodging received.

8.194. Supplementary welfare allowance above the general maximum is payable in certain circumstances—special heating needs, special diet needs, and high rent payments are singled out in the regulations as justifying such increases. Unlike the home assistance service, where there was total discretion, rent supplements do not usually apply for the first £1.50 of weekly rent and health boards now have to refer any cases of supplementary payments over £5 a week to the Department of Social Welfare. In addition, there is provision for making emergency payments, and for lump sum payments for items such as arrears, or purchases of bedding. The practical implementation of these provisions is at the discretion of the local administration, in some cases at the level of the individual Community Welfare Officer. Payments in these categories do not need the prior approval of the Department of Social Welfare.

#### *Duration*

8.195. After satisfying the means test, an applicant may be awarded the allowance for four weeks, or in the case of an applicant in long-term need, such as an old age pensioner, for 3 months at a time. In practice an old age pensioner would generally only be re-checked once a year. As it is an emergency service, applicants can often apply for benefit on different days of the week. In such cases, payment is usually made only for the balance of the normal payment week.

#### *Numbers receiving Benefit*

8.196. Weekly applicants for home assistance averaged around 16,000, representing 30,000 people. Three-quarters of these were supplementing other state payments. Since the coming into operation of the new scheme, no detailed statistics have yet been compiled; however, it appears that since the introduction of the new scheme an additional 200 people a week now benefit.

#### *Cost*

8.197. The estimated cost of home assistance in 1975 was £3.315 million, plus £685,000 on administration.

### *Comment*

8.198. The introduction of standard rates of payment of basic weekly benefit, and the elimination of discretion in this area of the home assistance service, is to be welcomed. Because of the short time this is in operation, it is too early to judge the effects of this improvement. As yet, it appears that the opportunity afforded by the introduction of the new scheme has not been used to remedy those aspects which contributed to the stigma attached to the home assistance service, and therefore many of the comments made in relation to that service must still apply to the new scheme. It is as a supplement to other incomes that home assistance has been most important in the past, and here the new service still retains wide discretion in the hands of individual officers and health boards. It has been argued that, with the present requirement that supplements of £5 or more over the basic rate be referred to Social Welfare, health boards may be more reluctant to exceed this figure than in the past, and so in some ways the new scheme may be more restrictive than the old. As this provision is designed simply to monitor spending by health boards, and as no case referred up has yet been refused, such reluctance would probably be unnecessary. Without analysing individual cases, it would not yet be possible to judge whether there is any widespread reluctance to refer cases up. The number of supplementary payments over £5 a week which are now in payment is around 200, and most of these represent a continuation of supplements payable under home assistance.

### *Rent Allowance*

8.199. The regulations covering rent allowance provide that a health board may supplement a person's allowance if they are paying rent of over £1.50 a week, and the supplement may come to a whole or part of the difference between £1.50 and such rent, up to rent of £5 a week. Where the proposed grant is over £5 a week, the case is to be referred to the Department of Social Welfare. This scheme is not satisfactory. First, the rent supplementation is optional. In some areas, it was being given to certain categories of recipient, e.g., widows, but not to others. Second, the method of calculating the supplement can result in a minimal amount of help being given. The following example shows the

Eastern Health Board's method of calculation. Consider a widow non-contributory pensioner, at the maximum rate of £12.35 a week, paying £5 a week rent. First, the difference between her pension and the maximum rate of supplementary welfare allowance, £10.30, yields a "surplus income" of £2.05. Add to this the £1.50 rent which it is presumed is within her ability to pay, giving £3.55. The difference between this sum and £5 viz £1.45, is the maximum rent supplement she will receive without special application to the Department of Social Welfare. A third problem relates to the standard of the accommodation being occupied. If this is considered "excessive", the rent supplement may not be payable, or may be reduced, again a discretionary element which is open to abuse.

8.200. The assessment of means is difficult to follow, and applicants who are refused allowance or receive a reduced rate need not be given any explanation. Cases have arisen where the begging potential of itinerants has been assessed as means, creating a circular situation where they are therefore forced to beg. No great attempt appears to have been made to publicise the new scheme to those who might avail of it, and the scheme did not receive the normal range of publicity on its introduction. When a scheme like this needs to overcome the poor image of home assistance, it is all the more important that a positive effort be made to reach those for whom it is intended. But perhaps the most serious criticism of the scheme must be the level of basic benefits provided—equivalent to the rural rate of unemployment assistance, the lowest rate in the whole social welfare code. Those, who by reason of some technicality, do not come within the scope of the specific income maintenance services but rely on the general supplementary welfare allowance, find they receive a lower income, both because of the low rate of payment, and because of the stricter rules of means assessment. Thus an unsupported wife, with three children would receive £19.40 in supplementary welfare allowance, while if she qualified for deserted wife's allowance, she would receive £24.65. While the rates of basic supplementary welfare allowance remain so low, and the means assessment so strict, the service will continue to be characterised as one for the very poor only, and take-up of the discretionary supplements will continue to be low.

## (xii) Children's Allowances

### Background

8.201. The allowances were introduced in 1944, during the war, for families with three or more children. When food subsidies were being abolished in 1952, an allowance in respect of the second child in the family was introduced. In 1963, when turnover tax was being introduced, the allowance was extended to cover first children in families. In 1973, the allowance was extended up to age 18 for children remaining financially dependent on their parents. In 1974, the allowance was legally made payable in the first instance to the mother. As a benefit involving a high amount of conspicuous expenditure but without a means test, children's allowances have been a conspicuous target in the search for public expenditure savings. As a result increases in benefit have been infrequent and very irregular over the years, unlike the steady upward trend of the weekly social welfare benefit rates. There have been various attempts to "selectivise" spending on children's allowances, by "clawing back" increases in benefit payments through the tax system, but such clawbacks were abolished in 1974.

### Eligibility

8.202. Children's allowances are payable in respect of all children in the state (other than those in reformatories or in legal custody) up to the age of 16 years, without any test of means. Allowances are payable in respect of children aged 16 to 18 who are in full time education, apprenticed, or handicapped. A handicapped child is one whose handicap would prevent him becoming self-supporting. The definition of apprenticed is more problematic—the degree of training the child is receiving is the crucial factor. Generally speaking it is apprenticeships which are conducted on the lines of the traditional craft apprenticeships, with two years or more training period, which are considered acceptable. The allowance is payable monthly, to the mother of the child. The allowance per child increases with the number of children per family. From July 1977, the rates are:

	Per month
First child	£2.30
Second child	£4.10
Third and subsequent children	£4.85

The allowances are selective in the sense that they are weighted in favour of larger families. This contrasts with the position of child dependant payments, with weekly social welfare benefits, where payments are level for each child of a single parent family, and decline for third and subsequent children of other recipients.

### Numbers receiving Allowances

8.203. In March 1977, 404,538 families with 1,068,398 children under 16 claimed the allowances, and a further 92,000 children between the ages of 16 and 18 benefited.

### Cost

8.204. Expenditure in 1976 was £46.3 million.

### Take-up

8.205. While children's allowances are available to all parents, not all parents claim their entitlement and the number who do varies with the real rate of the allowance. Appendix 8.1 reports on a study we have done of take-up of children's allowances; the result suggests that between 1% and 6% of one-child families were not claiming the allowances, at the December 1975 real levels of benefit.

### Comment

8.206. The distribution of expenditure on children's allowances for children under 16 has been calculated for 1975 from the family size data published by the Department of Social Welfare.<sup>25</sup>

**TABLE 8.15**  
**Percentage of Expenditure going on Families with**

	%	Cumulative%
1 child	6.9	6.9
2 children	16.9	23.8
3 children	21.7	45.5
4 children	20.1	65.6
5 children	14.0	79.6
6 or more children	20.4	100

<sup>25</sup> Report of the Department of Social Welfare 1971-75, page 78.



While the rates of payment are weighted in favour of larger families, the family size structure means that in fact a high proportion of expenditure goes to the smaller families.

8.207. While social welfare benefits have generally been increased annually, children's allowances have been increased at infrequent intervals, and a number of these increases have by-passed first children. There has been a certain amount of criticism of children's allowances, as one of the more expensive social welfare schemes, at an estimated £46.3 million in 1976, that it gives money indiscriminately to parents who do not need it, and thereby lessens the amount available for more needy groups. A number of attempts have been made to "selectivise" the service, by claiming back increases in the allowance from income tax payers. Partly due to the extreme complication this led to on the tax side, such "claw-backs" were abolished in 1974. A major practical objection to any further selectivisation of children's allowances by using income tax, is that the majority of farm households are outside the income tax net.

8.208. Criticism of children's allowances has not been focused with the same vigour on income tax child allowances, which are a hidden form of expenditure, and unlike children's allowances, worth more to high income families than to low income families. If it is viewed simply as a means of channelling additional income to the working poor, the children's allowances service appears to be a fairly inefficient instrument, paying out substantial sums of money to large as well as small families, to rich along with poor. However, as argued in NESC Report No. 36<sup>\*\*</sup> this characterisation of a "universal" service as wasteful can be an oversimplification. Indeed the experience of Family Income Supplement in Britain and of its low take-up shows the difficulties of trying to reach this group through specific schemes aimed only at them. Nevertheless, to see children's allowances simply as an income maintenance service is to miss a great deal of their point. At all levels of income, the rearing of children brings with it financial burdens. It is legitimate that society as a whole should share those burdens, by giving a payment to all parents, to help equalise the

<sup>\*\*</sup>Universality and Selectivity: Strategies in Social Policy.

financial standing of parents and non-parents at each income level, in addition to the traditional goal of helping to equalise the position of rich and poor. The state's responsibility to achieve this equalisation, rather than that of employers or other groups, was recognised by the Commission on the Status of Women, in recommending equal pay for men and women, and higher children's allowances.

8.209. Children's allowances are now payable to the mother. For the majority of mothers, who engage in no employment outside the home, it is the only income which they have as of right. The outcry in the UK when the Conservative's 1973 tax credit proposals advocated the abolition of family allowances payable to wives, and their incorporation in a tax-credit for husbands, shows how highly this payment to wives is valued. This has been a most important step, in giving mothers some small recognition for the job they do, and in giving them an income independent of what they may receive from their husbands.

#### Other Income Maintenance Payments

8.210. A number of income maintenance payments fall outside the general social insurance and social assistance category. These are the Blind Welfare Allowance, the Infectious Diseases Maintenance Allowance (IDMA) the Disabled Person's Maintenance Allowance (DPMA) the Allowance to Mothers of Severely Handicapped Children, and the Maternity Cash Grant. These are all administered by the health boards on behalf of the Department of Health. The original logic of the development and administration of these schemes by the Department of Health was that they all related in some way to physical or mental disability or illness. Whether or not there should be a division between these and income maintenance payments administered by the Department of Social Welfare is open to question, especially with regard to the first three mentioned above, which are weekly payments. Applicants for all these payments must undergo a means test. This is administered by personnel attached to health boards under the direction of Superintendent Assistance Officers.

Details of the individual schemes are given below.

**(i) Blind Welfare Allowances**

8.211. These allowances are payable under the Blind Persons Act of 1920, to necessitous and unemployable blind persons. The scheme was under the control of the Department of Social Welfare up to 1971 when it was transferred to the Department of Health. The allowance is paid on top of blind pensions from the Department of Social Welfare. While there are standard maximum rates of payment, the circumstances in which the allowance is payable and the amount of allowance payable are at the discretion of the individual health boards, some boards, for example, disqualifying blind people living with parents, and others reducing the amount of the allowance in such cases. Generally speaking, the amount of allowance payable is set at a level where the total income of the blind person does not exceed the combined maximum blind pension and blind welfare allowance. In 1975, 1,995 people received allowances, at a cost of £300,000. This is one third of the estimated number receiving non-contributory blind pensions, which demonstrates that the health boards' criteria for payment are fairly strict.

**(ii) Infectious Diseases Maintenance Allowance**

*Background*

8.212. This scheme was introduced in 1947 under S.44 of the Health Act of that year, and was intended to ensure that people suffering from any of the specified infectious diseases—mainly people suffering from TB—were not prevented from seeking medical treatment, or from going into hospital, because this would mean financial hardship to themselves or their families through loss of earnings. Thus from the start, unlike the disabled person's maintenance allowance, it was envisaged that the IDMA would be applicable to people with families, and provision was made for allowances in respect of dependent spouses and children; a rent allowance, and a domestic help allowance was also payable. The scheme was originally designed as a public health measure rather than in the main tradition of income maintenance.

*Eligibility*

8.213. The infectious diseases for which maintenance allowance is payable are acute anterior poliomyelitis, diphtheria, dysentery, lassa fever, paratyphoid A, paratyphoid B, rabies, salmonella infection, scar-

let fever, streptococcal sore throat, tuberculosis, and typhus fever. The assessment of means is carried out by the health boards, and there is a fairly wide discretion as to what constitutes means. Normally the payment is abated in full by the amount of any other means, including social welfare weekly payments, but discretion may be exercised as to the amount of such abatement in cases of hardship. There is no formal appeals system, but cases are reconsidered where there is a grievance.

*Numbers availing of Benefit*

8.214. Since TB is no longer a widespread illness, the number receiving the allowance is now very small—around 800 in 1975.

*Cost*

8.215. Expenditure at present is around £300,000 a year.

**(iii) Disabled Person's Maintenance Allowance**

*Background*

8.216. This scheme was introduced in 1954. The present statutory basis for the scheme is the 1970 Health Act, S. 69, and the Disabled Person's (Maintenance Allowances) Regulations, 1973, as amended. The original intention of the service was to relieve the chronically ill from the necessity of making weekly application for home assistance. From April 1977, recipients of DPMA are entitled to free travel, free electricity, and free TV licences, on similar conditions to those applying to social welfare pensioners aged 66 or over.

*Eligibility*

8.217. The medical criterion for eligibility is that the applicant is unemployable by reason of some disability which is expected to last at least a year. About half the recipients are either mentally handicapped or mentally ill. The means test for DPMA is administered by local officers of the health boards. Up to 1969, a family means test operated taking into account the income of parents, brothers, etc., but now only the applicant's means and those of his spouse are taken into account. The administration of the means test is fairly flexible, and there is a fairly wide degree of discretion. In theory, the means limit is related to the maximum rate of benefit, and the weekly payment is abated £ for £

by the amount of weekly means. In practice, it is fairly flexible, and account is taken of outgoings such as on rent. When a wife is working, account is taken of the cost of her own keep, of travel to work, etc. The minimum age limit is 16 but in practice young school leavers may find that the benefit of the family home is assessed as means, and they do not qualify.

#### *Duration*

8.218. The DPMA is payable as long as the eligibility conditions continue to be met. Cases are normally reviewed once every two years, but there is no set frequency.

#### *Numbers availing of Benefit*

8.219. In 1976, about 28,000 persons were in receipt of DPMA. In 1975, 6,220 people applied for the allowance and of these 64% were successful.

#### *Allowances for Dependants*

8.220. In the prevailing social climate when the scheme was introduced, it was expected that few of the chronically ill who were then drawing home assistance would be married and no provision was made for payment of allowances for adult or child dependants. In 1976, there were about 28,000 persons receiving DPMA; about one-third of these were married. In the case of someone with dependants, recourse could be had to home assistance, and now supplementary welfare allowance is payable. However, in 1974 only 441 DPMA recipients with dependants—from an estimated 8,000 married DPMA recipients—availed of home assistance to supplement their disablement allowance.

#### *Appeals*

8.221. There is no formal appeals system, but where there is a complaint, cases are reconsidered.

#### *Cost*

8.222. Estimated annual expenditure in 1976 was £13 million.

#### *Comment*

8.223. In 1976, there was a cutback in the real level of finance available to health boards, which was particularly concentrated on the com-

munity care programmes, of which DPMA is a part. The result was that the interpretation of eligibility conditions was tightened, and the award of new allowances was delayed, in order to keep within the budget, while in theory, eligibility for the service remained unchanged.

#### *(iv) Allowance for Mothers of Severely Handicapped Children*

8.224. This scheme was introduced in October 1973. It covers children aged between 2 and 16 years, who are so handicapped as to require special care or supervision, greater than that which would normally be required by a child of the same age and sex. It is payable to the child's mother.

#### *Eligibility*

8.225. The handicap must be present at the time of application, have been present for at least six months, and be likely to continue for at least a year. On reaching 16 years such a child would usually qualify for disabled person's maintenance allowance in his own right. The scheme applies only to children normally living at home, although they may be attending day care institutions. The allowance is not, however, reduced for short periods of absence from home, for example, a stay in hospital of less than two months. Only the means of the child are taken into account in deciding eligibility, except in the case of children receiving compensation for thalidomide where means from this source is disregarded.<sup>27</sup> Normally a child would have no means in his own right except where secured as compensation in a court action, such as damages for injuries in a car crash.

8.226. The decision on an application is taken by the Chief Executive Officer of the health board on the recommendation of the Chief Medical Officer. Legally, eligibility rests on the degree of care required, not on the degree of handicap. There have been some complaints about a lack of uniformity in assessing children as qualified for the allowance, and it is understood that health boards are now trying to standardise practice.

<sup>27</sup>This provision ensures that these children benefit in full from the compensation paid by the company involved.

*Duration*

8.227. The allowance is payable until the child reaches age 16.

*Numbers availing of Benefit*

8.228. In December 1975 there were nearly 4,000 children in respect of whom the allowance was being paid. About half of these were mentally handicapped. About 18% of those who applied since the scheme's inception have been turned down.

*Cost*

8.229. In 1976, expenditure on the scheme was about £1.2 million.

**(v) Maternity Cash Grant**

*Eligibility*

8.230. A maternity cash grant of £8 is payable to mothers in the medical card group on the birth of a child. This is in addition to any social welfare maternity benefits payable.

*Numbers availing of Benefit*

8.231. In 1975, 12,218 mothers received grants. This figure represents 1% of all people covered by medical cards, and 18% of all births in the year.

*Cost*

8.232. The cost in 1976 was about £100,000.

**APPENDIX 8.1**

**Take-up of Children's Allowances**

1. One of the few areas where it is fairly easy to estimate take-up, since no question of means arises, is for children's allowances. The Household Budget Survey 1973 gives average weekly income from children's allowances for the following households:

	2 adults 1 child	2 adults 2 children	2 adults 3 children
Adjusted no. of households in sample	375	511	390
Original no. of households in sample	378	513	408
Average weekly income from children's allowances (all areas)	£ ·254	£ ·727	£ 1·372
Expected average weekly income from children's allowances at prevailing rates ( $\frac{1}{2}$ Jan—June 1973 plus $\frac{1}{2}$ July—Dec 1973 rates)	·288	·808	1·500
Estimated percentage take-up	88%	90%	91%

On the face of it, these figures show around 10% of families of this size do not collect their full entitlement to children's allowances. Their validity may be affected by two factors. First, there is a possibility that, while the total sample was evenly spread throughout the year, there was some bias in the sampling of families with children in favour of the first half of the year, when children's allowance rates were lower. The size of the sub-samples and the uniformity of results both by size of family and when divided into urban and rural areas, would seem to indicate this would not be a very significant factor. Second, there is

random error. For all households, the standard error of average income from children's allowance has been calculated at 1%, which is low. The Household Budget Survey results seem to indicate that a significant number of households are not claiming their full entitlement to children's allowances.

2. This evidence is supported by an examination of the changes in the number of children in respect of whom children's allowances are claimed, compared with changes in the underlying population. On the face of it, changes in rates of children's allowance bring an increase in the number of applicants greater than that accounted for by the change in the underlying population. To quantify this factor, a linear regression was run, linking numbers of recipients of children's allowances aged under 16 with the real rate of allowance, changes in the eligible population, as measured by births in the current year, minus births 16 years previously; and a time trend, to take up such factors as infant mortality which would affect the variables used over time. Some results are given below. t-ratios are given in brackets.

#### Notation

dpop = births in current year less births 16 years previously

time = March 1964 = 1; March 1965 = 2 etc.

rich 1, 2, 3 = real value of children's allowance for 1st, 2nd, 3rd child, at mid-November 1975 prices.

The period covered is March 1964 to December 1975, the period since the introduction of an allowance for the first child in a family, for which published data is available.

#### Results

$$(1) \text{ Total number of children} = 924,321 + .515 \text{ dpop} \\ (34.37) \quad (.74) \\ + 11,879 \text{ time} + 5,680 \text{ rich1} \\ (1.21) \\ + 6,664 \text{ rich2} - 12,930 \text{ rich3} \\ (.38) \quad (.78) \\ n = 13 \\ R^2 = .98 \\ \det X^1X = .00 \\ F = 67.96 \\ \text{1st order autocorrelation} = -.53$$

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$$(2) \text{ Number of 1 child families} \\ = 72,512 + .096 \text{ dpop} + 1975 \text{ time} \\ (30.02) \quad (.31) \quad (4.82) \\ + 3,537 \text{ rich1} \\ (2.70) \\ R^2 = .90 \\ \det X^1X = .20 \\ F = 36.81 \\ \text{1st order autocorrelation} = .5 \\ n = 13$$

$$(3) \text{ Number of 1 child families} \\ = 83,411 + .156 \text{ dpop} + 2,085 \text{ time} \\ (24.15) \quad (.55) \quad (5.90) \\ - 8,121 \times \frac{1}{\text{rich 1}} \\ (3.35) \\ R^2 = .92 \\ \det X^1X = .25 \\ F = 44.53 \\ \text{1st order autocorrelation} = .54 \\ n = 13$$

$$(4) \text{ Number of 2 child families} \\ = 66,148 + .486 \text{ dpop} + 1,244 \text{ time} \\ (32.47) \quad (2.05) \quad (3.60) \\ + 2,391 (\text{rich1} + \text{rich2}) \\ (4.11) \\ R^2 = .94 \\ \det X^1X = .13 \\ F = 62.64 \\ \text{1st order autocorrelation} = .02 \\ n = 13$$

3. It is difficult to say how the total number of children receiving children's allowance is affected by either changes in the eligible population or the real value of the allowance, since equation (1) is highly multicollinear, and the values for population movements and rates of benefit are statistically insignificant, and in the latter case show a perverse negative sign for the rates for third and subsequent children.

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4. The results of the other three equations shown are however fairly satisfactory. The second and third equations show that the number of one child families claiming the allowance is significantly affected by the level of the allowance for this group. The fourth equation shows the number of two child families claiming the allowance is also significantly affected by the level of the allowance payable to such families. Only in this equation is the underlying change in the child population statistically significant.

5. Equations 2 and 4 suggest that the number of families claiming allowances is directly proportional to the level of allowance payable. This is clearly an oversimplification. A slightly more sophisticated formulation is tried in equation 3. This suggests a relationship between the number of families claiming and the level of the allowance of the form  $y = a - \frac{b}{x}$ , implying that doubling the allowance will halve the number not claiming, while placing a limit on the total number of possible claimants.

6. The results indicate at the 95% confidence level that the number of one child families who would not claim the allowance at the December 1975 level of benefit lies between 1,150 and 5,900; or between one and six percent of the average number of such families claiming. Obviously, there are many other functional forms which could be used to test the relationship between take-up and benefit levels for children's allowances. However, with only 13 observations, it was felt that such data mining would not be justified.

7. In conclusion, this simple econometric exercise on the data for children's allowances suggests that the take-up rate is very responsive to the level of benefit, and that at present there are 1,000 to 6,000 one child families not claiming their entitlement who would do so if benefit levels were higher. This corroborates the indications from the Household Budget Survey, that take-up is less than complete for this service.

**APPENDIX 8.2**

**Maximum rates of main Social Insurance Payments**

	From April 1978	From October 1977
<b>Retirement and Old Age Contributory Pensions:</b>		
Basic rate—under age 80	16.05	14.60
Basic rate—age 80 or over	17.05	15.50
Increase for Adult Dependant under 66	10.25	9.30
Increase for Adult Dependant aged 66 or over	12.10	11.00
Increase for each of first two children	4.15	3.75
Increase for third and each other child	3.40	3.10
Extra allowance for pensioner over 66 who is living alone	£1	
<b>Widow's Contributory Pension:</b>		
Basic rate—under age 80	14.60	13.25
Basic rate—age 80 or over	15.75	14.30
Increase for each child	4.90	4.45
Extra allowance for pensioner over 66 who is living alone	£1	
Orphan's Contributory Allowance	10.60	96.5
<b>Deserted Wife's Benefit:</b>		
Basic rate	14.60	13.25
Increase for each child	4.90	4.45
Extra allowance for beneficiary over 66 who is living alone	£1	

APPENDIX 8.2 (Continued)

Maximum rates of main Social Insurance Payments

Description	Rate £ (Per week)	
	From April 1978	From October 1977
Flat-Rate Unemployment and Disability Benefits and Invalidity Pension:		
Basic rate	14.35	13.05
Basic rate for a person under 18 without a dependant and for a married woman dependent upon her husband	12.50	11.35
Increase for adult dependant	9.35	8.50
Increase for each of first two children	4.15	3.75
Increase for third and each other child	3.40	3.10
Extra allowance for invalidity pensioner over 66 who is living alone	£1	
Maternity Allowance	14.35	13.05

APPENDIX 8.2 (Continued)

Maximum rates of Social Assistance Payments

Description	Rate £ (Per week)	
	From April 1978	From October 1977
Non-Contributory Old Age and Blind Person's Pension:		
Basic rate (maximum)—under age 80	13.60	12.35
Basic rate (maximum)—aged 80 or over	14.65	13.30
Increase for Adult Dependant under 66	6.75	6.15
Increase for each of first two children	3.65	3.30
Increase for third and each other child	2.75	2.50
Extra allowance for pensioner over 66 who is living alone	£1	
Widow's Non-Contributory Pension, Deserted Wife's Allowance, Prisoner's Wife's Allowance:		
Basic rate (maximum)	13.60	12.35
Increase for each child	4.50	4.10
Prescribed Relative's allowance	7.60	6.90
Orphan's Non-Contributory Pension:		
Basic rate (maximum)	8.85	8.05
Allowance for Unmarried Mothers:		
Basic rate (maximum)—Mother and one child	18.10	16.45
Increase for each other child	4.50	4.10
Allowance for Single Women	11.75	10.70
Unemployment Assistance:		
Urban area (elsewhere shown in brackets)		
Basic rate	11.75 (11.35)	10.70 (10.30)
Increase for Adult Dependant	8.55 (8.35)	7.75 (7.60)

APPENDIX 8.2 (Continued)

Description	Rate £ (Per week)	
	From April 1978	From October 1977
Increase for children where Adult Dependant Allowance is payable:		
First two children	3.65	3.30
Third and each other child	2.75	2.50

Maximum rates of main Occupational Injuries Benefits

Description	Rate £ (Per week)	
		From October 1977
Injury Benefit:		
Maximum Personal rate		18.30
Lower rate for a person under 18 without a dependant and for a married woman dependent upon her husband		14.30
Increase for each of first two children		3.75
Increase for third and each other child		3.10
Disablement Benefit:		
Maximum (100% disablement)		18.30
Lower rate for a person under 18 without a dependant and for a married woman dependent upon her husband		14.30

APPENDIX 8.2 (Continued)

Maximum rates of main Occupational Injuries Benefits—(Continued)

Description	Rate £ (Per week)	
		From October 1977
Death Benefit Pensions:		
Widow or invalided widower		17.15
Increase for each child		4.45
Extra allowance for pensioners over 67 (66 from October 1977) who is <i>living alone</i>	£1	
Maximum Life Gratuity:		
(For disablement assessments of up to 19%)		1,260
Dependent Widower's gratuity		893
Constant attendance allowance rates (For persons in receipt of 100% disablement pensions who require help to attend to their personal needs)		3.45
		6.90
		10.35
		13.80
Orphan's Pension		10.30



**APPENDIX 8.2 (Continued)**

**Maximum rates of main Occupational Injuries Benefits—(Continued)**

Description	Rate £ (Per week)	
		From October 1977
Dependent Parent's Pensions:		
(a) Where deceased was unmarried:		
(i) one parent		17·15
(ii) other parent		7·60
(b) Where deceased was married: each parent		7·60
Extra allowance for pensioner over 67 (66 from October 1977) who is living alone	£1	

**Rates of Children's Allowances**

Family size (i.e. Number of qualified children)	Rate £ (Per month)	
		From July 1977
1 child		
2 children		2·30
3 children		6·40
Allowance for <i>each</i> additional child		11·25
		4·85

**APPENDIX 8.2 (Continued)**

**Maximum Rates of Allowances payable by Regional Health Boards**

Description	Rate £ (Per week)	
	From April 1978	From October 1977
Disabled Person's Maintenance Allowance: Maximum rate	13·10	11·90
Infectious Diseases Maintenance Allowance: Personal rate	13·20	12·00
Person with dependent spouse	24·10	21·90
Allowance for dependant other than spouse	3·65	3·30
Domiciliary (Care Allowance for Handicapped Children): Maximum rate	Per Month 25·00	

APPENDIX 8.3

Estimated Number of Recipients of Social Welfare Benefits and their Dependants at 31 December 1976

Payments	Recipients	Adult Dependants	Child Dependants	Total
<i>Social Insurance:</i>				
Unemployment benefit	51,227	24,931	54,780	130,938
Disability benefit	68,067	23,831	52,958	144,856
Invalidity pension	10,225	5,251	7,981	23,457
Old age contributory pension	55,226	15,080	2,397	72,703
Retirement pension	25,797	12,117	3,847	41,761
Widow's contributory pension	62,700	—	20,642	83,342
Orphan's contributory allowance	753	—	—	753
Deserted wife's benefit	1,675	—	3,200	4,875
Maternity allowance	2,733	—	—	2,733
<b>Total insurance recipients</b>	<b>278,403</b>	<b>81,210</b>	<b>145,805</b>	<b>505,418</b>
<i>Social Assistance:</i>				
Unemployment assistance				
—smallholders	26,894	19,714	54,867	101,475
—others	45,738	21,954	71,809	139,501
Old age (non-contributory) pensions	129,460	10,000	5,000	144,460
Widows' (non-contributory) pensions	12,620	—	7,000	19,620
Orphans' (non-contributory) pensions	200	—	—	200
Deserted wife's allowance	3,110	—	3,849	6,959
Unmarried mother's allowance	3,334	—	4,031	7,365
Single women's allowance	3,490	—	—	3,490
Prisoners wife's allowance	111	—	324	435
<b>Total assistance recipients</b>	<b>224,957</b>	<b>51,668</b>	<b>146,880</b>	<b>423,505</b>

CHAPTER NINE

HEALTH AND COMMUNITY WELFARE SERVICES

9.1. Health care in Ireland is provided on a mixed public and private basis. General practitioner services are provided by private doctors. Medical card holders receive these services free. Institutional services—in acute and long-stay hospitals, psychiatric hospitals and mental handicap homes or centres—are provided partly in hospitals or homes run directly by the health boards, partly in voluntary hospitals or homes with substantial health board contributions, and in a small number of private institutions. About 85% of the population—the "limited eligibility" group and medical card holders—are entitled to free out-patient and inpatient hospital services. The community care programmes of the health boards operate a number of welfare services for groups in particular need—financial assistance, social work services, home help, etc. Health board clinics provide a number of preventive and advisory health services for all, free of charge—child welfare clinics, developmental testing of infants, immunisation. They also organise free health examinations in national schools. A free public dental service is provided for persons with full eligibility, pre-school children, and children attending National Schools referred under the Child Health Services.

9.2. This chapter will go on to examine the provision of individual health and welfare services, and then to examine the conditions for entitlement to medical cards, and limited eligibility.

**Expenditure on Health Services**

9.3. A summary table of estimated expenditure on different health services in 1977 is shown below:

**TABLE 9.1**

**Estimated Net Expenditure, 1977 (as at Budget 1977)**

	£m	
<i>Community protection programme (preventive health care)</i>	7.2	
<i>Community health programme</i>	44.3	
General Medical Service		34.9
Drug Subsidy		1.6
Drugs—long-term illness scheme		1.3
Dental Services		3.4
Other community health services (net)		3.1
<i>Community welfare programme</i>	25.7	
Income maintenance payments		17.7
Home help		1.5
Other Services (net)		6.5
<i>Psychiatric programme</i>	40.1	
<i>Programme for handicapped</i>	28.0	
<i>General Hospital programme</i>	148.7	
<i>Support services (administration etc.)</i>	21.3	
<b>TOTAL</b>	<b>341.7</b>	

**TABLE 9.2**

**Estimated capital spending in 1976 was as follows:**

	£m
General Hospitals	7.3
Psychiatric Hospitals	1.1
Mental Handicap	1.6
Geriatric Accommodation	.9
Other health accommodation	.2
Administrative buildings	.1
<b>Total</b>	<b>11.2</b>

Of this, £3.2 million went to voluntary bodies, and £8 million was spent by health boards.

Source: Statistical Information Relevant to the Health Services 1977.

**The Provision of Health Services**

**General Practitioner Services**

9.4. General practitioner services are provided by private family doctors. Medical card holders—39% of the population—receive these services on the same basis as private patients but free of charge, and the doctors are paid by the General Medical Services Payments Board and/or the health boards. Private patients who are already insured with the VHI for hospital services can obtain limited insurance cover against GP bills through the VHI Home Scheme—this covers 80% of the annual excess up to £300 of expenditure on doctors' bills and prescribed medicines, over £35 a year for a single person, and £50 a year for a family, and 100% of any further excess up to £500.

**Drugs and Medicines**

9.5. Patients who are not attending a hospital generally purchase their medicines from private retail pharmacists. Medical card holders receive prescribed medicines free of charge, and the pharmacists are reimbursed by the GMS Payments Board. In fact, prescriptions account for nearly two thirds of the expenditure on the GMS Scheme.

**Drug Subsidy—Eligibility**

9.6. Those covered by social insurance *irrespective of means*, and their dependants, and other persons with limited eligibility for health services qualify for a refund of part of their expenditure on prescribed drugs and medicines. This service was introduced in 1972 and is administered by health boards. The refund applies to spending by a family on prescribed drugs of over £5 in any calendar month. Half the excess over £5 and up to £8 and the whole of any excess over £8 is refundable, so that the maximum an eligible person need spend for any one month is £6.50.

**Numbers receiving Benefit**

9.7. In 1976, the number of claims for refund averaged 14,500 a month.

**Cost**

9.8. The total amount refunded in 1976 was £1.4 million.

*Comment*

9.9. The scheme only applies to drugs for use within the month, and application for refund must be made immediately at the end of the month. It is easy to miss the refund through not looking for the right receipts and claim dockets at the time of purchase, or through slowness in making a claim. Many eligible people may have spent only fractionally over the £5 limit and would not bother to claim.

**Free Drugs for People Suffering from Long-term Illnesses**

9.10. This scheme was introduced in 1971.

*Eligibility*

9.11. People suffering from specified long-term illnesses receive the necessary drugs and medicines free of charge, without a means test. The long-term illnesses are mental handicap, mental illness (children under 16), PKU, cystic fibrosis, spina bifida, hydrocephalus, haemophilia, cerebral palsy, epilepsy, diabetes insipidus, diabetes mellitus, multiple sclerosis, acute leukaemia in children, parkinsonism and muscular dystrophy.

*Numbers*

9.12. At present 19,000 people benefit from the scheme.

*Cost*

9.13. In 1976, the cost was £940,000.

**The Provision of Hospital Care**

9.14. In 1976, estimated public spending on hospital care was £180 million accounting for nearly three-quarters of total public spending on health. Hospital services are provided by public hospitals, by voluntary, state-aided hospitals, and by private hospitals and nursing homes. Health board hospitals treat about half of all acute patients, voluntary hospitals a further 45% and private hospitals around 8%. About 85% of the population are eligible to receive completely free hospital services in a public ward. Unlike general practitioner services, different systems of hospital care operate for private and public patients. A public patient generally has no choice of indi-

vidual doctor, although he or his GP may choose the consultant under whose general care he will be. This is in contrast to private or semi-private patients who usually choose a specific doctor and are cared for by him rather than by any one of a team. A private or a semi-private patient pays his own specialist, but his hospital charges are generally subsidised. In a voluntary hospital, a non-eligible private patient pays about half the true cost, the remainder being covered by the state grant to the hospital. An eligible private patient is subsidised broadly up to the amount which would be payable in respect of his maintenance in a public ward, and he himself pays about 20% of the true cost. A lesser subsidy is paid in respect of an eligible patient who receives treatment in a private hospital. Here the subsidy may vary, but it is generally £4.90 a day in an acute hospital at present.

*Comment*

9.15. Public and semi-private wards, and private rooms, are physically separate. In some of the older hospitals, the public wards are very large—perhaps twenty beds, and physically unattractive. In the newer hospitals and those more recently renovated, public wards are much smaller—four to six beds—and physically indistinguishable from the semi-private.

9.16. The standard of medical care in hospital is equally good for public and private patients. Public patients may in fact be better off because more tests may be routine when a patient is being cared for by a team than by one doctor; and medical facilities for public patients in the big public or voluntary hospitals may be better than in private hospitals. It is in the peripheries of care—the ward, the facilities for visiting, including facilities like husband's presence during childbirth, and standards of food and comfort—that the gap between public and private care may emerge.

9.17. One important difference between private and public hospital care lies in the waiting period for consultations, or for a hospital bed. As consultants receive a disproportionate amount of their income from their private practice, they tend as a group to allocate a disproportionate amount of time to it relative to the numerical balance between public and private patients so that a waiting period of six months for an

operation may turn into instant service if a public patient switches over to private care, even from the same consultant. There is evidence that this practice is not confined to non-urgent procedures.<sup>1</sup>

9.18. Those who are not eligible for free hospital services, or who wish to avail of private or semi-private care, may insure with the statutory Voluntary Health Insurance Board, and the premiums are tax-deductible. In 1975, it is estimated that a quarter of those paying VHI premiums already had entitlement to free public hospital services and were insuring against the cost of private treatment; and about 10% of fee-paying patients in hospital had no health insurance cover of any description.<sup>2</sup>

9.19. While free hospital care is provided for all eligible patients, the level of subsidy which makes this possible varies greatly with the type of hospital. Most heavily subsidised is treatment in one of the teaching hospitals, where the range of facilities and specialist medical care is widest; a lower subsidy is payable, and a more limited standard of facilities is available, in county and district hospitals, which cater chiefly for patients from rural areas—these patients will of course be referred to a larger centre if warranted.

#### **Services for the Mentally Handicapped**

9.20. Day care and residential care for the mentally handicapped is provided in centres run directly by health boards or in centres run by voluntary bodies, such as religious orders, or the Association of Parents and Friends of the Mentally Handicapped, with health board grants. There is a shortage of places, particularly for mentally handicapped adults in Dublin. In Dublin alone, an estimated 400 extra day-care places are needed. The expansion in services in recent years has been in day care more than in residential care, and has benefited mentally handicapped children to a greater degree than mentally handicapped adults.

<sup>1</sup>The easier access to private hospital beds results from a standard allocation of bed-days for private patients in hospital consultants' contracts; one consultant might have 4 private beds in a twelve bed unit, and another 4 private beds in a 30 bed unit. The former doctor would find it difficult to accommodate his public patients and very easy to accommodate his private patients.

<sup>2</sup>NESC Report No. 25, page 71.

#### *Comment*

9.21 Care for the mentally handicapped is an example of a publicly financed social service where an as yet inadequate level of provision in relation to need means that this supposedly "universal" service for all mentally handicapped in fact benefits the target group in a selective way.

9.22. The most significant factor is where the handicapped person lives. Diagnostic facilities, education, day care, and residential care, suitable to the person's needs, are much more easily available in the larger urban centres, particularly Dublin. On average only two-thirds of mentally handicapped born outside Dublin receiving residential care do so in their own health board area, where the figure is 90% for the Dublin area.<sup>3</sup> Medical facilities are concentrated in Dublin, and in some health board areas, for example the North Western area, there are no doctors specialised in the problems of mental handicap. Outside the major centres, the form of care received may not be the most appropriate—for example for transport reasons, residential care may be necessary where day care would have been more suitable. The lack of suitable residential facilities is shown by the fact that almost half of the mentally handicapped in residential care are not in mental handicap centres, but in such diverse institutions as psychiatric hospitals, geriatric homes and homes for young offenders.<sup>4</sup>

9.23. Another factor is the degree of handicap.<sup>5</sup> Facilities for the moderately mentally handicapped are more developed than for the severely handicapped. Some of the severely handicapped with multiple handicaps need very special facilities, and there is a shortage of places for them.

9.24. Where services are provided for health boards by a voluntary organisation, the organisation retains discretion on who it will provide care for, in line with the facilities available.

<sup>3</sup>See Statistical Information on the Health Services 1976, Table C11

<sup>4</sup>Statistical Information on the Health Services, 1976.

<sup>5</sup>Facilities for the mildly mentally handicapped consist mainly of special schools; these are the responsibility of the Department of Education.

9.25. The mother of a mentally handicapped child aged between 2 and 16 who is living at home will normally receive the £25\* a month domiciliary allowance (see page 163). On reaching 16, the handicapped person will normally qualify for disabled person's maintenance allowance. Mentally handicapped children qualify for free hospital in-patient and out-patient services and free drugs and medicines, irrespective of means, under the scheme for those suffering from specified long-term illnesses; adults qualify for free medicines, but, in practice, most would have a medical card.

#### Dental Services

9.26. For the population generally, dental services are provided mainly by private dentists; in addition dentists employed by the health boards mostly in a whole-time capacity, provide free dental care for eligible persons—medical card holders and their families, pre-school children, and children attending national schools referred under the Child Health Services. Those with full social insurance cover, but *not* their families, can receive free or assisted dental care from private dentists under the Treatment Benefit Scheme administered by the Department of Social Welfare. Dental treatment is not covered by Voluntary Health Insurance.

#### Comment

9.27. The health board dental care programme is very under-staffed and is unable to cope with the demand from eligible persons particularly medical card holders.<sup>6</sup> In 1975, about one-half of the eligible 600,000 children were examined and only 62,000 out of the estimated 600,000 eligible adults, not covered by other schemes, were treated under this programme. A report by the Western Health Board<sup>7</sup> showed a waiting list of 10,000 in County Galway alone, with a waiting time of up to 18 months for treatment.

9.28. Dental care is an area of medicine where prevention and early treatment are all important, and where the cost of private treatment can be alarmingly expensive, and can be a deterrent to seeking appropriate

<sup>6</sup>See Report of National Health Council, 1976.

<sup>7</sup>Plan for Development of Dental Services, 1975–85.

\*£35 from April 1978.

treatment. A filling or two at £7 may be within a family's means, but some dental procedures can run into hundreds of pounds.

9.29. The National Health Council's report for 1976 emphasised the importance of having a public health service capable of dealing with its statutory obligations, and suggested as an interim measure for dealing with the backlog, that eligible people, particularly adults, should be able to avail of the services of private dentists on the same lines as people covered by social insurance.

9.30. The report singled out two major gaps in eligibility. First, children attending national schools are eligible only for defects noticed at school health examinations. Children who have not received school examinations because of pressure on the service, and children under 16 who have completed national school, are not eligible for free treatment. (However, children up to 16 years of age who are dependants of medical card holders are eligible for free dental services from the health board.) Again, children under 16 who have left the National School system continue to receive treatment free of charge for dental conditions listed for treatment while they were pupils of National Schools, e.g. long-term orthodontic treatment, etc. Second, pregnant and nursing mothers, who are a group whose teeth are particularly at risk, are not eligible for free treatment unless they are covered by a medical card, or, as few such women are, insured workers.

9.31. The Minister had indicated, in reply to a recent Dáil question, that he is not satisfied with the existing health board dental services and that the Government intends to direct resources towards the improvement of these services.

9.32. The Social Welfare treatment benefit scheme applies to insured workers with 3 years' paid stamps (if over 21) or 6 months' stamps if aged under 21. In 1976, 195,866 claims were accepted for this service, that is one claim for every four insured workers.

#### Long-Stay and Welfare Homes

9.33. Health boards provide a number of homes for people, mainly frail elderly people, who, while not in need of hospital care, are unable

to be looked after adequately in their own homes. These homes also provide some facilities for people convalescing after hospital treatment. Where the health board does not supply the accommodation itself, it can arrange for the admission of an eligible person to another approved home. Those eligible for this service are people who are unable to provide shelter, care, and maintenance for themselves, and who are medical card holders, or of a similar income level.

9.34. Regulations<sup>8</sup> under the Health Acts require people who avail of this service to contribute to the cost of the maintenance. The regulations prescribe that the health board can deduct an appropriate amount from any excess of income over £1, exclusive of rates, rent, etc. In practice these institutions usually retain the person's old age pension, and give him £2.50 to £3 a week pocket money, unless the person has financial commitments at home, in which case these are allowed from the pension. A recent court decision held that a person who had been receiving medical and nursing care in a Long-Stay geriatric home, was receiving in-patient services (which is free of charge in the vast majority of cases), rather than institutional assistance (shelter and maintenance) for which a charge can be made by health boards from any income a person may have.

#### *Comment*

9.35. The principle on which the deduction from pension is made, that the state should not have to contribute twice over for the maintenance of any individual, is accepted. But the manner in which this is done is all important. An old person going into a home whose pension is stopped at source may compare his situation with that of a person entering hospital who receives free treatment and maintenance, or with that of a pensioner living with relatives, who gets a full pension. It is important to make pensioners feel that they are paying for their keep, not that they have no independent income, and are receiving pocket-money as a charity.

#### **Maternity and Infant Care Scheme**

9.36. Under this scheme, ante-natal maternity care and post-natal care for mother and child for six weeks after the birth is provided free of

<sup>8</sup>Institutional Assistance Regulations 1965, S.I. 177 of 1965 and Institutional Assistance Regulations 1954, S.I. 103 of 1954.

charge. The ante-natal and post-natal care may be provided in the public out-patient clinics, or jointly by the family doctor in the Combined Ante-Natal Care scheme. Hospital care under the scheme is in a public ward.

#### *Eligibility*

9.37. The scheme is open to all women with full or limited eligibility for hospital services.

#### *Numbers availing of Scheme*

9.38. In 1974, 32,152 women availed of the scheme, and the number of births involved represented 46% of all births in that year. 18% of all births are to mothers with medical cards; the remainder of those above would have had limited eligibility. The take-up is low when compared with the estimated 85% of the population with full or limited eligibility.

#### *Cost*

9.39. No separate cost figures for this scheme are available.

#### **Free Milk for Mothers and Children**

##### *Eligibility*

9.40. This service was introduced in 1954. Free milk may be provided by health boards to certain medical card-holders if their financial circumstances so warrant, as follows:

- (a) pregnant and nursing mothers
- (b) children under 5 whose parents are unable, from their own resources, to provide an adequate supply of milk.

The health boards have discretion in deciding who can actually qualify for the service.

##### *Numbers receiving Benefit*

9.41. At the end of 1976, there were 42,000 people receiving benefit. Since around 12,000 babies are born each year to mothers with full eligibility, this is equivalent to two-thirds of the eligible people covered by medical cards.

### Cost

9.42. The cost in 1976 was £400,000, representing an average annual value per head of around £10.

### Treatment Benefit

9.43. This scheme was introduced in 1953, as part of the social insurance system.

### Eligibility

9.44. It covers socially insured persons only, and *not* their dependants. The benefits provided are dental treatment, optical benefit, and assistance towards hearing aids or contact lenses. The Department of Social Welfare pays only a proportion of the cost for the more expensive treatments or supplies. The benefit is provided through panels of approved dentists and opticians, and approved suppliers of appliances, and the insured person receives treatment in the same manner as a private patient.

### Numbers and Cost

9.45. The numbers benefiting in 1976 were: dental treatment, 195,866; optical, 87,185; hearing aids and contact lenses, 762. The cost was £3.1 million.

### Services for Children suffering from Long-term Illnesses

9.46. Children under 16 suffering from certain long-term illnesses are eligible for free hospital out-patient and in-patient services, irrespective of parental income. These illnesses are:

Mental illness	Spina Bifida
Mental handicap	Hydrocephalus
PKU	Haemophilia
Cystic Fibrosis	Cerebral palsy
Thalidomide abnormalities	

Adults and children suffering from certain long-term disabilities or illnesses, specified in paragraph 9.11 are eligible for free drugs.

9.47. About 19,000 persons are registered under these schemes. The cost in 1976 was £0.94 million.

### Preventive Health Services

9.48. The following preventive services are provided free of charge for all persons:

- (i) *TB and other infectious diseases*  
Hospital treatment; x-ray and diagnostic services; BCG vaccination;
- (ii) *Immunisation*  
Immunisation against polio, diphtheria, tetanus and whooping cough; rubella vaccination for girls;
- (iii) Cervical smear testing;
- (iv) PKU screening of new born infants which is routine for hospital births.

9.49. In 1975 63% of the target group of infants received polio vaccination, 66% received diphtheria immunisation, and 98.1% of new-born infants were tested for PKU. 91% of the target group of girls aged 12 received rubella vaccination.<sup>9</sup>

### Child Health Services

9.50. Under S. 66 of the 1970 Health Act, health boards are obliged to provide free health examinations for all children under six, and for children attending national schools. Dental, ophthalmic, and aural and specialist services and hospital outpatient treatment resulting from these examinations is free of charge.

9.51. The present programme provides for a very thorough developmental examination of all children at 6-10 months, with further examinations at 12-18 months, and two years. At present these examinations are confined mainly to centres of 5,000 population. The importance of this service is reflected in the fact that a fifth of those examined are deemed to require further attention. In 1975, 77% of children (in areas

<sup>9</sup>Statistical Information Health Services 1977, Table B6 and B7.



where the developmental clinics are conducted) received a first examination,<sup>10</sup> from a high of 87% in the South Eastern Health Board area to a low of 65% in the Mid-Western area.

#### **School Health Service**

9.52. This service provides a health examination for national school children. The aim is to examine all new entrants to national schools, and to carry out a selective examination of other national school children.

#### *Numbers benefiting from Service*

9.53. In 1975, a total of 94,460<sup>10</sup> children were examined, 25% of national school children. 92% of new entrants were examined, but the proportion varied considerably from one health board area to another with as few as 60% of new entrants being examined in the South-Eastern area.

#### **Free Travel for Parents of Children in Long-stay Institutions**

9.54. The scheme was introduced in 1971, and provides free travel for six visits a year by the parents to children who may be in long-stay hospitals or institutions. The service is open to medical card holders and other hardship cases. In 1976, 654 people availed of the service, and 371 new applications were received. The total cost was £7,710, or £12 a head—just £2 per visit.

#### *Comment*

9.55. Expenditure on the scheme is negligible in the context of overall health expenditure. In the circumstances, it would cost little to increase the number of free visits allowed—6 a year, or once every two months, is very low, and it would be hoped that none of the children involved would receive visits, free or otherwise, as infrequently as that.

#### **Home Help**

9.56. This service may be provided, under S.61 of the 1970 Health Act for people who are invalid or ill, and their dependants; for families

<sup>10</sup>These statistics exclude Dublin where no figures were available.

where the mother is receiving maternity care; and in cases where, without home help, a person would be unable to continue living at home. The way in which the service operates can vary from one area to another. An example of how this service operates can be shown in the Eastern Health Board region. Here, 23 voluntary organisations run the home help service with grants from the Board. Only in the remoter areas does the Board provide a direct service.

#### *Eligibility*

9.57. A rough income guideline exists similar to the income guidelines for medical cards, but allowance is made for special circumstances. The recipient of the service must need a home help, and efforts are made first to see if relatives or neighbours could provide the necessary care. An assessment is made of what the person could afford to pay a home help, and the health board provides the balance. Few if any apply for the service themselves—they are generally referred by a social worker or a public health nurse.

#### *Numbers availing of Service*

9.58. In 1975, 5,019 people aged 65 and over, and 891 others received help under this scheme. The proportion of all elderly people over 65 receiving help ranged from 3.3% in the Western Health Board area, to 0.7% in the Mid-Western Area, with a national average of 1.5%.

#### *Cost*

9.59. Estimated expenditure in 1977 is £1.5 million.

#### *Comment*

9.60. This service as yet caters for relatively few people and there is wide variation in the level of provision in different parts of the country. Because the service is largely run by voluntary organisations, they have a fairly wide discretion, and only a small number of cases are referred up for decision. Even within the one health board area, practice can vary quite a bit from one organisation to another, or when there is a change of personnel within one organisation. The provision of the service depends on the availability of suitable home helps, so that there are difficulties in providing home helps for particularly bad family situations, or where say a parent is on shift work. The extent to which

need for home helps is actively uncovered depends on the availability of finance to meet such need. The home help service for example had little money to meet new demands during the financial constraint of 1976.

### Eligibility

9.61. The table below summarises the services provided free of charge to each group.

**TABLE 9.3**

	Medical card holders	Limited Eligibility Group	Others
GP services	X	—	—
Hospital inpatient and outpatient services	X	X	Free outpatient care for children following child health examination only
Drug subsidy	X	X	insured workers only
Dental, ophthalmic and aural services	X	insured workers (not dependants) only	insured workers (not dependants) only
Long-term illness and handicap scheme	X	X	X
Maternity and child welfare scheme	X	X	—
Milk for mothers and children	X	—	—
Maternity cash grant	X	—	—
Travel for parents of long-stay child patients	X	—	—
Child welfare and school health services	X	X	X
Home help	X	—	—
Vaccination immunisation	X	X	X
Diagnosis and treatment for specified infectious diseases	X	X	X
Free ambulance service	X	—	—

Health boards may provide services to people not shown as eligible above, in cases of hardship.

### Medical Cards and the General Medical Service

9.62. The General Medical Service in its present form was introduced in 1972. It provides a choice of family doctor for those with full eligibility for free health services, and replaces the old dispensary system. The legal basis for the service is the Health Act 1970, Sections 45, 58 and 59, and is statutorily available to "adult persons unable, without undue hardship, to arrange general practitioner, medical and surgical, services for themselves and their dependants"<sup>11</sup>. Eligible persons are issued with a medical card, covering themselves and their dependants, and qualify for a range of other health board services—free hospital care, maternity cash grants, home help services, etc.

### Cost of General Medical Service

9.63. The numbers covered by medical cards at 31 December 1976 was 1,193,909, or an estimated 37.8% of the total population. The average payment per patient for General Medical Services was £24.54 of which £9.24 was doctors' fees, £11.13 the ingredient cost of medicines, and £4.67 was pharmacists' fees.<sup>12</sup> The administration costs of the General Medical Services (Payments) Board amounted to 1½% of their total expenditure. The administrative costs incurred by health boards and by the Department of Health in assessing eligibility and administering the service are not available. Total expenditure in 1976 was £31.5 million.

### Guidelines

9.64. In recent years, health boards have come together to draw up a system of national guidelines for eligibility for medical cards. While these guidelines have no statutory force, and there is provision for cases of hardship where income exceeds the guidelines, in practice they apply to the vast majority of applicants. The guidelines are at present updated usually once a year broadly in line with movements in the cost of living for low income families. The January 1977 level of the guidelines income limits is as follows:

<sup>11</sup>5.45 1 (a), Health Act, 1970.

<sup>12</sup>Report of GMS Payments Board, 1976.

**TABLE 9.4**

	1977	1978
	£ per week	
1. (a) Single Person Living alone	23.50	26.00
(b) Single Person living with family	20.50	22.50
2. Married Couple	34.00	37.50
3. Allowances:—		
(a) Each child under 16 years	3.10	3.50
(b) Other Dependant Children	4.50	5.00
(c) Outgoings on House (rent, rates, mortgage) in excess of	3.10	3.50
(d) An allowance may be made in respect of exceptional expenses necessarily incurred in travelling to and from one's place of work where these create undue hardship		

9.65. People with incomes above the guideline level may qualify for medical cards in cases of hardship—for example, if they had heavy recurring medical expenses due to some chronic condition—but in practice very few people are granted a medical card under this hardship clause.

*Social Welfare Recipients and Medical Cards*<sup>13</sup>

9.66. People on the maximum rate of social welfare non-contributory pensions qualify automatically for medical cards without any further means test. The vast majority of such recipients are on the maximum rate. However, people who are not on the maximum rate may be asked to submit to another means test before they would get a medical card. Different methods of means assessment are used by Health Board and Social Welfare Officers—there appears to be little liaison between them. The result is that a number of people who have been accepted on means grounds for social welfare payments have been refused medical cards. The problem is particularly acute when there is a question of means from farming to be taken into account as there is no agreed method of measuring this.

9.67. People over 16 are assessed for a medical card in their own right. This provision covers in particular many Leaving Certificate and university students.

<sup>13</sup>See Dáil debates 25 May 1976, Cols. 8–11, 9 March, 1977, Cols. 1049–1053.

9.68. The definition of income used is current gross weekly income but account is taken of fluctuations in income. The income of husbands and wives is aggregated, but not that of other household members. Health boards state that they assess farm incomes "factually", and a rateable valuation guideline is not used. The assessment of farm income allows a great deal of individual judgment, with fluctuations in prices and output from week to week and from year to year. Most health boards say they have no liaison with the Department of Social Welfare on the assessment of farm incomes, and a number are very critical of the social welfare assessment—also stated to be done "factually."

**Increase in Card Holders**

9.69. The number of persons covered by medical cards in recent years is shown below:

**TABLE 9.5**

**Number of Persons covered by Medical Cards on 31 December**

	Number covered	Year to Year Change
1968	894,596	n.a.
1969	888,418	-0.7%
1970	852,717	-4.0%
1971	863,419	+1.2%
1972	864,106	+0.0%
1973	1,010,090	+16.8%
1974	1,083,136	+7.2%
1975	1,162,386	+7.3%
1976	1,193,909	+2.7%
1977	1,233,150	+3.3%

A substantial rise in numbers followed the introduction of the choice of doctor scheme in 1972, which replaced the old dispensary system. The setting of national income guidelines and the publicity they have received has also helped to increase the numbers availing of the scheme.

*Card Holders by Area*

9.70. The number of medical card holders, and the percentage of population covered by medical cards in each county, is as follows:

**TABLE 9.6**

Health Board	Number of Cards Current on 30 June, 1977	Number of Persons (including dependants) covered by Medical Cards on 30 June 1977	Percentage of population covered by Medical Cards on 30 June 1977.
<b>Eastern:</b>			
Dublin	121,019	214,726	25.20
Wicklow	13,397	24,954	37.64
Kildare	13,989	27,877	38.73
<b>Total</b>	<b>148,405</b>	<b>267,557</b>	<b>27.01</b>
<b>Midland:</b>			
Longford	8,041	15,649	55.39
Westmeath	13,165	24,765	46.23
Offaly	13,220	27,791	53.62
Laois	10,178	20,598	45.51
<b>Total</b>	<b>44,604</b>	<b>88,803</b>	<b>49.64</b>
<b>Mid-Western:</b>			
Clare	17,334	31,135	41.51
Limerick	31,340	59,960	42.69
Tipperary (NR)	11,398	20,655	38.01
<b>Total</b>	<b>60,072</b>	<b>111,750</b>	<b>41.42</b>
<b>North-Eastern:</b>			
Cavan	16,119	29,064	55.24
Louth	16,135	32,849	43.83
Meath	15,478	32,112	44.77
Monaghan	13,261	26,252	56.77
<b>Total</b>	<b>60,993</b>	<b>120,277</b>	<b>48.98</b>

**TABLE 9.6 (Continued)**

Health Board	Number of Cards Current on 30 June, 1977	Number of Persons (including dependants) covered by Medical Cards on 30 June 1977	Percentage of population covered by Medical Cards on 30 June 1977
<b>North-Western:</b>			
Donegal	35,684	74,833	69.07
Leitrim	8,801	16,368	57.72
Sligo	15,189	27,836	55.37
<b>Total</b>	<b>59,674</b>	<b>119,037</b>	<b>63.66</b>
<b>South-Eastern:</b>			
Carlow	8,504	17,345	50.66
Kilkenny	16,196	29,358	47.76
Tipperary (SR)	16,693	32,145	46.43
Waterford	18,576	32,527	42.07
Wexford	20,108	39,535	45.78
<b>Total</b>	<b>80,077</b>	<b>150,910</b>	<b>45.92</b>
<b>Southern:</b>			
Cork	75,917	125,875	35.67
Kerry	30,981	54,970	48.74
<b>Total</b>	<b>106,898</b>	<b>180,845</b>	<b>38.84</b>
<b>Western:</b>			
Galway	50,190	91,177	61.10
Mayo	37,505	71,519	65.30
Roscommon	16,513	29,779	55.64
<b>Total</b>	<b>104,208</b>	<b>192,475</b>	<b>61.64</b>
<b>Grand Total</b>	<b>664,931</b>	<b>1,231,654</b>	<b>38.94</b>

Source: Statistical and Analysis Unit G.M.S. (Payments) Board.

9.71. There is very wide variation in the proportion of the population within different areas who are covered by medical cards. This reflects the income levels and demographic structure in each area. It is interesting to compare the rank order in counties in the above table, with the rank order in the Council's Report No. 30, "Personal Incomes by County in 1973".

**TABLE 9.7**

County	Medical Cards 1977 Rank Order (Lowest % of Medical Cards = 1)	County Incomes per capita Rank Order (Highest income = 1)
Dublin	1	1
Cork	2	3
Wicklow	3	7
Kildare	4	5
Clare	5	14
Waterford	6	2
Limerick	7	4
Tipperary (NR & SR)	8	9
Louth	9	6
Meath	10	11
Laois	11	22
Wexford	12	13
Westmeath	13	16
Kilkenny	14	8
Kerry	15	15
Carlow	16	10
Offaly	17	18
Cavan	18	20
Sligo	19	19
Longford	20	23
Roscommon	21	21
Monaghan	22	12
Leitrim	23	26
Galway	24	17
Mayo	25	24
Donegal	26	25

9.72. To test whether the standards applied in the granting of medical cards varied from one health board area to another, a series of regressions was run, linking the proportion of the population covered by

medical cards with county income per head in 1973, the proportion engaged in agriculture, the proportion of the population aged 65 or over, the proportion of county income derived from social welfare payments, and dummy variables representing the individual health boards. (See Appendix 9.1.) The results suggest that the individual health board area is a significant determinant of the proportion of its population who are covered by medical cards. It can be shown, for example, that, other things being equal, the proportion covered by medical cards in the Western Health Board area represents from 5% to 20% more of the population than would be covered in the Eastern Health Board area if there were similar income and population structures in the two areas. Less extreme, but still significant, differences appeared between the proportions covered in other health board areas. These results appear in spite of the fact that over the period studied, standard national income guidelines were in force in all health boards.

*Social Group*

9.73. The following table shows the proportion of households in each social group, with at least one medical card holder:

**TABLE 9.8**

**Percentage of Households with Medical Cards, by Social Group\***

	1	2	3	4	5	6	All
1973 All Areas	2.4	14.3	30.8	23.5	49.1	48.9	33.7
Rural Areas:	6.3	24.3	48.9	34.6	64.2	47.0	46.4
Urban Areas:							
1973	1.7	12.9	26.1	20.4	42.4	56.5	24.8
1974	3.5	11.3	27.6	19.4	36.6	71.9	24.9
1975	5.9	15.4	22.4	25.8	47.5	75.6	29.1

Source: Household Budget Survey 1973. Continuation Urban Household Budget Survey, 1974 and 1975.

- \*Social Group 1 = Professional and Employers
- "  "  2 = Salaried employees and intermediate non-manual
- "  "  3 = Other non-manual
- "  "  4 = Skilled manual
- "  "  5 = Semi-skilled and unskilled manual
- "  "  6 = Farmers and others

*Composition of Medical Card Population*

9.74. A survey<sup>14</sup> carried out at the end of 1973 by the Department of Health shows the distribution of those covered by medical cards by income source of card holders, as follows:

**TABLE 9.9**

	%
Recipients of welfare allowances	45.0
Wage earners	32.8
Farmers	12.9
Students	4.1
Self employed	1.8
Others	3.5
	100

Source: Table 5, Medical Card Survey.

We have reworked this survey to estimate the proportion of people aged 16 and over (counting married couples as a unit) in different categories who are medical card holders, as shown below:

**TABLE 9.10**

**Estimated Percentage in Different Groups holding a Medical Card, 1973**

Wage earners	16%
Farmers	24%
Self-employed	8%
Students	86%
Social welfare recipients	57%
Others	n.a.
Total Population	33%

Calculations performed on more detailed figures supplied for the social welfare group, which excluded the Southern Health Board area, suggest that 66% of recipients of unemployment benefit, 56% of old

<sup>14</sup>Medical Card Survey, Department of Health 1974.

age pensioner heads of family, almost 100% of widow pensioners, and 41% of other social welfare recipients (excluding short-term disability benefit claimants) have a medical card.

9.75. The table shows a number of noteworthy points. First, a much larger proportion of farmers than of wage earners hold medical cards. Second, there is a very high take-up among the student (2nd and 3rd level) group, considering that many might wait until they needed a doctor to apply for a medical card. The third particularly striking aspect is the low proportion of social welfare recipients who hold medical cards, which is not simply a feature of recipients of short-term benefits, but holds true for old age pensioners also.<sup>15</sup>

*Administrative Procedures*

9.76. Medical cards may be valid for six months, 12 months, or three years depending on the category of applicant. The issue of a card takes on average three weeks. The decision to issue a card is taken at local section officer level, while refusals are usually dealt with higher up. There is no formal appeals procedure. No formal method exists for dealing with hardship cases, and the degree to which they are considered will depend on the overall financial stringency.

*Health Contribution*

9.77. A person with a medical card is exempt from paying a health contribution. If he has a job, his employer is liable instead, but it is up to the card holder to inform his employer.

**Limited Eligibility<sup>16</sup>**

9.78. The 1970 Health Act provides that certain categories of persons have eligibility for a limited range of health services—principally hospital in-patient and out-patient treatment, a full maternity service and assistance towards the cost of drugs. The main categories of people eligible (with their dependants) are as follows:

<sup>15</sup>This may be due to the relatively recent introduction of guidelines for medical cards at the time the survey was done. It is understood that another survey is now in progress.

<sup>16</sup>See NESC No. 29, pp.43-47 for a further discussion of the complexities of limited eligibility.

- (1) A non-manual worker who pays insurance contributions and earns at the rate of £3,000 or less per year.
- (2) A non-manual worker who pays Insurance contributions and whose income rises above £3,000 per year continues to have limited eligibility status for the balance of that contribution year and for two further contribution years after exceeding £3,000 limit. (All insured workers can get refunds on drugs irrespective of income.) This carry-over period is extended by a further year in the case of a person whose remuneration was not more than £2,250 per annum on or after 1 April 1974 but had increased to over £3,000 by 1 July 1976 due to adjustments in pay under the National Wage Agreements.
- (3) A manual worker who pays insurance under the Department of Social Welfare Social Insurance Scheme.
- (4) An insured worker who had been a voluntary contributor who was making voluntary contributions on 31 March 1974, and who has 24 stamps in the contribution year prior to applying for services or 72 stamps in the previous three contribution years.
- (5) A voluntary contributor to the Social Welfare Insurance scheme on the date of application for services. To qualify for limited eligibility a voluntary contributor is required to have at least 24 stamps (including the health contribution) on his card for the last contribution year, or 72 stamps in the previous three contribution years.
- (6) A retired person who was qualified as an insured person for limited eligibility when he reached the age at which the old age pension is granted (e.g. 66 years) retains limited eligibility for life irrespective of means.
- (7) A non-insured person (e.g. a self-employed or retired person) whose income is less than £3,000 per year.
- (8) A farmer whose farm (including farm buildings) has a rateable value of not more than £60.

- (9) People not coming within the foregoing categories who, in the opinion of the Chief Executive Officer of the appropriate health board, would be unable to provide the services for themselves and their dependants without undue hardship.

9.79. Means in group (7) is calculated as follows: the means of a husband and wife are aggregated, unlike groups (1) and (2). The income which is reckoned as means is taxable income in the last complete tax year.

9.80. The presumption is that people outside the full and limited eligibility class are the upper income group who can afford to provide the relevant health care either directly or through insurance cover. However, it is clear that the actual categories used to determine eligibility are very crude indeed as measures of ability to pay. There is no means test for insured manual workers, for voluntary contributors, for the special category (6) of retired persons, or for farmers.

9.81. The rateable valuation limit for farmers, using the multiplier of 65 used for farm taxation purposes, would correspond to an income of £3,900. The 1975 level of farm income, as published in National Income and Expenditure, implies an actual average multiplier of £69 in that year. Income from agriculture, forestry and fisheries as for 1976, published in Review and Outlook, allowing a proportionate adjustment for income from forestry and fishing, implies an average farm income in 1976 of £77.5 per £ valuation. This would imply that a rateable valuation limit of £60 would correspond *on average* in 1976, to an income limit of £4,650 a year for farmers. The use of the rateable valuation limit of £60 is therefore *on average* substantially more generous to farmers than to non-manual workers or retired people. Nevertheless, it is a crude test to employ for eligibility for health services. First, the actual income achieved or achievable with a given rateable valuation can vary enormously. Second, no account is taken of family circumstances—the farmer with a valuation of £61, and a large family is assumed capable of paying for all the health needs of himself and his dependants.<sup>17</sup>

<sup>17</sup>Such a person might receive free treatment under the "hardship" clause (9).

9.82. The manual/non-manual worker distinction is derived from the distinction which existed in their coverage for social insurance prior to April 1974. Prior to 1974 all manual workers were covered for social insurance, and consequently for limited eligibility health care, and they have retained this entitlement without any income limit. At present health boards are drawing up lists of manual and non-manual employments which it is hoped may be combined to serve as a uniform national standard. The previous decisions made by the Department of Social Welfare on what jobs are manual/non-manual no longer necessarily hold—both the bus drivers and train drivers quoted in Report No. 29 are now regarded as manual. The distinction now drawn is described by the Department of Health as "common sense", a combination of the traditional "blue collar" and "white collar" distinction, plus the actual manual content of the job. In deciding on any individual case, it is the nature of the employment rather than the income level, or health status of the individual, which is crucial. Some examples of current classifications are:

<i>Manual</i>	<i>Non-manual</i>
Driver	Typist
Shop assistant	Shop supervisor
Barman	Nurse
Postman	Post Office sorter
Waitress	Head waiter

The manual/non-manual distinction has its roots in traditional attitudes to "staff" and "employees" and in traditional practices in relation to provision of job-related benefits, such as sick leave and pensions which were carried over to a selective social insurance system. But it is pertinent to ask whether such a distinction is relevant to the ability to finance hospital care from one's own resources.

9.83. The income limit of £3,000 a year derives from the income limit for insurability of non-manual workers which existed up to April 1974, and the present level of £3,000 from July 1976 is intended to correspond roughly with the income limit then in force for social insurance, given movements since in average earnings. For employees, the limit applies to the "rate of remuneration", for example, part-time workers

are deemed to be earning a corresponding full-time salary.<sup>18</sup> The two year carry-over period and the National Pay Agreement clause are intended to mitigate the effects of the actual £3,000 limit being overtaken by inflation and movements in average earnings. In practice, they are quite confusing. A different carry-over period applies to men and to women based on the different contribution years used for social insurance. The National Pay Agreement clause providing for an additional year's entitlement is ambiguous, for example, for employees on an incremental salary. The interpretation may vary from one health board to another; for example, the Eastern Health Board interprets this clause to mean that if someone's income would have gone over £2,250 in the absence of wage agreements, they would lose limited eligibility to entitlement. As phrased, however, it is open to the interpretation that if income had remained below £3,000 in the absence of national wage agreements, entitlement would be retained. The National Pay Agreement clause in particular makes it difficult for individuals to ascertain whether they have entitlement to health services.

9.84. The income limit is an individual one, and takes no account of family circumstances, special expenses, or the like. A working wife can qualify in her own right, irrespective of her husband's earnings. A person who is just over the limit, with a large family or heavy rent payments, is nevertheless excluded (unless covered by the hardship clause).

9.85. In June 1976, the nearest date to the date of the introduction of the £3,000 limit in July for which figures are available, the average earnings of adult male manual workers in transportable goods industries was £62.22 a week—or a rate of £3,235 a year. In 1973, 30% of households had a principal earner with gross income of over £35 a week—equivalent to £3,000 a year at May 1976 prices.<sup>19</sup> The Income limit does not simply cut off the "super-rich", but excludes men earning just the average industrial wage, although to date, the National Pay

<sup>18</sup>They may qualify under clause (6) if income does not exceed £3,000 in the previous tax year.

<sup>19</sup>Source: *Household Budget Inquiry 1973, Principal Features and Results*. Paper read by Donal Murphy to Statistical and Social Inquiry Society of Ireland, 1976. Appendix I.



Agreement clause has somewhat cushioned this effect. The low level of the limit makes it all the less justifiable to make no allowance for dependants in setting the limit.

9.86. A family with four children paying £15 a week rent would just qualify for a medical card at an income of £3,031. This family at an income of £3,100 would qualify for *neither a medical card nor limited eligibility*. They would have to pay in full any medical expenses not covered by Voluntary Health Insurance, and appropriate VHI cover would cost £119.44, or a net £89.58 after tax, assuming tax was paid at the 25% rate.

9.87. The eligibility of certain voluntary contributors covers about 6,000 public servants, and 6,000 others who were voluntary contributors prior to 1974, and about 2,000 persons who are currently voluntary contributors, and their dependants. In effect the provisions for voluntary contributors cover employees who were manual workers or were under the then income limit for social insurance for a period of three years at some stage in their employment career, or people who moved from employment to self-employment, having had at least three years social insurance cover, and who opted to become voluntary contributors. No income limit now applies to these. The minimum stamp requirement for a person currently eligible to become a voluntary contributor would cost £47.52 a year for an ex-public servant, or similar, paying a reduced rate stamp, and £93.12 a year for someone who had been fully insured. These payments would of course also maintain the voluntary contributor's insurance record for the appropriate social insurance benefits.

9.88. Persons covered for limited eligibility *must* pay a health contribution. This is paid with the social insurance contribution in the case of employees, paid to the health board by farmers, and direct to the Revenue Commissioners in other cases. Persons with medical cards are exempt from contributions, but if they are employees, their employers must pay the contribution. The payment of a contribution does not in itself entitle a person to health services, and this has led to great confusion. Some people who mistakenly believed themselves to be covered for free treatment have been presented instead with a

refund of their contributions, and a hospital bill. The confusion is compounded by the fact that at present identity cards are being issued to those paying health contributions. At least one health board, the Eastern, is issuing these cards, but says they confer no eligibility for services. Eligibility is instead assessed at the point where a person applies for services, e.g., when he enters hospital. Since the primary onus is on the employer to arrange for payment of health contributions, it is argued that it cannot in effect be left to employers to determine eligibility for health services, in particular for small employers without an adequate personnel department, or where there are complications about whether workers are manual or non-manual.

9.89. The confusion surrounding limited eligibility arises both from the complicated nature of the actual eligibility conditions, and from their interpretation. The effect is that some people may not be receiving the benefit to which they are entitled, and others erroneously believe they are covered, consequently do not take out adequate insurance, and are presented with substantial hospital bills at the point of health care delivery, with resultant hardship. In all the debate on the appropriate method of financing of health services, whether providing free services or financing services through insurance, there is general agreement that at the point of illness, the patient should not be faced with substantial bills, which create unforeseen financial hardship and may prove a deterrent to seeking appropriate medical treatment. Eligibility for hospital services should be clear and not surrounded by confusion, and false security.

9.90. The value of limited eligibility cover to a household can be measured by looking at the hospital costs a family could incur in the absence of such cover, and by looking at the cost of appropriate insurance cover. A person with limited eligibility receives free hospital in-patient services in a public ward, free out-patient services at the public clinic, and there is no restriction on the type of illness covered. The present cost to the individual without a medical card is 39p a week (£20.28 a year) if he is an insured employee, or £18 a year in a lump sum if he is retired or self-employed. This covers a person and his dependants.

9.91. A person without limited eligibility may insure with the VHI. There are, however, important limits to the type of cover provided. First, it does not cover routine maternity treatment or the first ten days of a hospital stay associated with maternity. Second, it does not cover treatment for conditions present at the time of taking out insurance, unless disclosed on the application form, and accepted, without restriction, on entry. Third, out-patient treatment is not covered except under the home scheme, where expenditure on drugs, family doctor and out-patient services totalling less than £50 a year per family is excluded. Allowing for these exclusions, the cost of voluntary health insurance, for the recommended units for public ward treatment,<sup>20</sup> is £31.98 a year for a single man, and £91.28 for a married man with two children. (Group rates are given, as the majority of VHI subscribers are in a group scheme. Individual subscriptions are around 10% higher.) There is full tax relief, so the net cost of VHI subscriptions is lower, and of course a person without limited eligibility cover is not liable for a health contribution.

9.92. The table below compares the net costs of providing public ward treatment for himself and his dependants for eligible and non-eligible persons.

TABLE 9.11

	Covered for Health Act	Not covered for Health Act Marginal tax rate			
		0	20%	25%	35%
Single Person	£ 20.28	£ 31.98	£ 25.58	£ 23.99	£ 20.79
Married man, 2 children	20.28	91.28	73.02	68.46	59.33
Married man, 4 children	20.28	118.60	94.88	88.95	77.09

In addition, the non-Health Act person would have to pay hospital charges of up to £13.50 a day for any services not covered by

<sup>20</sup>As at April 1977.

Voluntary Health. For example, a routine maternity stay of five days would cost £67.50; an average stay of 12 days in an acute hospital which would cost £162, plus appropriate doctor's fees.

*Comment*

9.93. Limited eligibility for health services is determined in ways which reflect more the historical evolution of the scheme than any rational method of deciding where a cut-off should be made of those who can afford to make provision for these services, from their own resources. The result is a system which is both confused and unfair, and must be expensive to administer. It should not be forgotten that there was a Government commitment to end the system of limited eligibility, and to provide free hospital care for the whole population.

## APPENDIX 9.1

### Medical Card Holders and Health Board Area

A preliminary examination of the statistics by county of medical card holders suggested that the health board area in itself was a significant factor in the proportion of the population covered by medical cards, even after allowing for inter-county differences in incomes, population structure and other relevant variables. This hypothesis was tested by running linear regressions on the quarterly data of the proportion of medical holders in each county.

The variables used were as follows:

MEDCARD = Percentage of the (1971) population covered by medical cards in each county (treating Tipperary North and South Ridings as two separate counties), from the quarterly data supplied by the Statistics Unit of the General Medical Services (Payments) Board. This was the dependent variable. This variable was run against the independent variables at various points in the period March 1975 to June 1977.

Y = County income per head, 1973 at 1973 prices, as published in NESR Report No. 30, Table 9. The overall Tipperary figure was used for both North and South Ridings.

SW = Percentage of 1973 county income derived from social welfare payments. (See Table 4.3). The overall Tipperary figure was used for both North and South Ridings.

Age 65 = Proportion of population in each county aged 65 or over, 1971.

AG = Proportions of persons at work in each county engaged in agriculture, 1971 census.

EHB, MID, ME, NE, NW, SE, S, W = These were dummy variables representing the different health board areas. If a county was in a particular health board area, the value 1 was assigned, otherwise the value 0.

### Form of the Equations

A simple linear form was specified, with the percentages of persons covered by medical cards as the dependent variable, and the equations were estimated using OLS.

### Regression Results

$$\begin{aligned}
 \text{(i) MEDCARD} &= -0.043Y + 1.32SW - 1.67 \text{ AGE } 65 \\
 &\quad (1.38) \quad (2.31) \quad (1.42) \\
 &\quad + 0.16AG + 73.51EHB + 77.72MID \\
 &\quad \quad (0.71) \quad (2.79) \quad (3.15) \\
 &\quad + 74.95MW + 81.77NE + 84.76NW \\
 &\quad \quad (2.83) \quad (3.22) \quad (3.37) \\
 &\quad + 81.21SE + 75.85S + 86.96W \\
 &\quad \quad (3.11) \quad (2.87) \quad (3.27)
 \end{aligned}$$

(t—values are given in brackets)

$$N = 27$$

$$\bar{R}^2 = .81$$

$$F = 11.26$$

To test for the presence of heteroscedasticity, the regression individuals were regressed on the county income variable Y. The results showed no association, with an  $\bar{R}^2$  of  $-0.04$ , suggesting homoscedasticity. The coefficients of each of the health board dummies are significantly different from zero. The coefficients of the individual health board areas are significantly different from each other in some cases, as shown below.

Equation (ii) reformulates (i) above in terms of deviations from the Eastern Health Board pattern. In all cases, the  $t$ -values of the health board coefficients relate to the significance of these deviations.

$$\begin{aligned}
 \text{(ii) MEDCARD} &= 73.51 - 0.043Y \\
 &\quad (\text{Q2, 1977}) \quad (2.79) \quad (1.38) \\
 &+ 1.32\text{SW} - 1.67 \text{AGE } 65 \\
 &\quad (2.31) \quad (1.42) \\
 &+ 0.16\text{AG} + 4.21\text{MID} \\
 &\quad (0.71) \quad (1.19) \\
 &+ 1.44\text{MW} + 8.26\text{NE} \\
 &\quad (0.48) \quad (2.76) \\
 &+ 11.25\text{NW} + 7.70\text{SE} \\
 &\quad (2.31) \quad (2.88) \\
 &+ 2.34\text{S} + 13.45\text{W} \\
 &\quad (0.70) \quad (3.40)
 \end{aligned}$$

Similar results were obtained in the other time periods. The results for the last quarter of 1975 are shown below, again in terms of deviations from the Eastern Health Board pattern.

$$\begin{aligned}
 \text{(iii) MEDCARD} &= 72.69 \\
 &\quad (\text{Q4, 1975}) \quad (2.75) \\
 &- 0.05Y + 1.49\text{SW} - 1.29 \text{AGE } 65 \\
 &\quad (1.64) \quad (2.59) \quad (1.09) \\
 &+ 0.14\text{AG} + 1.74\text{MID} \\
 &\quad (0.61) \quad (0.49) \\
 &+ 0.21\text{MW} + 5.81\text{NE} \\
 &\quad (0.07) \quad (1.93)
 \end{aligned}$$

$$\begin{aligned}
 &+ 7.12\text{NW} + 7.58\text{SE} \\
 &\quad (1.45) \quad (2.82)
 \end{aligned}$$

$$\begin{aligned}
 &+ 4.32\text{S} + 13.13\text{W} \\
 &\quad (1.29) \quad (3.30)
 \end{aligned}$$

$$\begin{aligned}
 \bar{R}^2 &= 0.84 \\
 F &= 13.04
 \end{aligned}$$

*Comment*

While on their own the results of any one regression might not be considered significant, the consistent pattern in each time period, with, for example, the South-Eastern and Western Health Board areas proving consistently significantly different from the Eastern area, would appear conclusive.

The results shown here suggest strongly that, despite the existence of uniform national guidelines for medical cards, the proportion of the population in any county which is covered by medical cards is significantly affected by the particular health board area to which the county belongs. For example, the results show (at the 95% confidence level) that, other things being equal, in the Western Health Board area an extra 5% to 21% more of the population would be covered by medical cards than in the Eastern Health Board area.

As expected, the higher the average incomes in a county, the lower the proportion covered by medical cards and the higher the proportion of income coming from social welfare payments, the higher the number of medical cards.

**CHAPTER 10**  
**HOUSING SERVICES**

10.1. The Department of the Environment operates a number of services mainly through the local authorities to assist people who are trying to house themselves, and to provide houses for those who cannot afford to do so. The principal service is the provision of local authority houses for letting to persons in need of housing: other services are, the sale of local authority houses to existing tenants, local authority house purchase loans, new house grants, and reconstruction grants. Other public bodies—Shannon Free Airport Development Co., Roinn na Gaeltachta and the Industrial Development Authority—also provide limited housing services. The state also subsidises home ownership indirectly through the tax system. For example, the interest content of money borrowed for houses, (as well as other borrowings) qualifies for tax relief.

10.2. The Council has already examined in depth the policy on subsidies, explicit and implicit, to different tenure groups, in its Report on Housing Subsidies.<sup>1</sup> That analysis will not be repeated here, and the present examination concentrates on eligibility for explicit state housing aids.

10.3. The Report on Housing Subsidies calculated state housing subsidies to different groups in 1975, as follows:<sup>2</sup>

<sup>1</sup>NESC Report No. 23.

<sup>2</sup>Since the publication of the report from which these figures are quoted, housing policy has undergone a number of significant changes which affect the figures in this table, but not the broad conclusions.

**TABLE 10.1**

Local authority tenants (113,000 households):	£m.
Subsidies to local authority tenants	26.2
Subsidies at point of sale to local authority tenants who purchase	21.0*
Owner-occupiers (500,000 households):	
Explicit subsidies (grants etc.)	14.8
Implicit subsidies (tax relief etc.)	30.5
Tenants in Rent-controlled dwellings (50,000 households):	
Tax foregone on rents	3.5
Other tenants (47,000 households):	
No direct subsidy:	—
	96.0
Total Subsidies to All Households	

*Source:* NESC No. 23, Table 1.

It is clear that the subsidisation of housing is far from being confined to local authority tenants. It is difficult to be precise about the distributional effects of housing subsidies, but some broad tendencies can be noted. There are substantial subsidies to owner-occupiers, mainly in the form of tax relief. These tend to be regressive, favouring the households with the more expensive houses, and with the higher marginal tax rates. Subsidies to local authority tenants tends to be progressive, favouring tenants with lower incomes. But the real subsidy also tends to favour tenants of long standing, since the maximum rents charged on older dwellings are low. Subsidies in relation to people buying houses are weighted in favour of the early years of the purchase, often the early years of marriage. Such subsidies effect therefore a transfer of resources over the life cycle. State subsidies are directed towards home owners and secure tenants. Those who are in many ways the most vulnerable tenure group, in furnished or uncontrolled tenancies, receive no state subsidy.

10.4. State housing policy has undergone a number of significant changes in 1976 and 1977. There were changes in the local authority housing subsidy in October 1976; introduction of the low-rise mortgage scheme in November 1976; introduction of the £1,000 new house grant,

\*This figure of £21m includes tenant purchase schemes. For details of the calculation see NESC No. 23, p. 64–65.

and new SDA loan limits in July 1977; and the proposed abolition of rates on domestic dwellings from 1978.

**Local Authority Housing**

10.5. Dwellings provided by local authorities form about one-quarter of the total housing stock. More than half of these dwellings have since been purchased from the local authorities. In most cases local authority dwellings provided in the past were physically very distinctive. They were provided in housing estates or in blocks of flats which in many cases are very separate from areas of owner-occupied housing—South West Dublin, from Crumlin to Ballyfermot being a good example. Many of these estates developed in the 'thirties and 'forties are lacking in amenities. Most of these local authority houses are significantly smaller than their private counterparts. In recent years there have been many improvements, and the design and lay out of local authority housing is now generally of a higher standard than comparable private building.

10.6. The questions dealt with below are the allocation of tenancies, and the setting of rents.

*Eligibility*

*Allocation of Tenancies*

10.7. Under the 1966 Housing Act, (S. 60) the allocation of local authority tenancies must be made in accordance with a scheme of letting priorities approved by the Minister for the Environment. Once the scheme of priorities is approved it has statutory force; the letting of housing within the scheme is an executive function of the county manager, who must have regard to the advice of the Chief Medical Officer. In practice, the housing authority has a wide degree of administrative discretion, normally exercised at management level, subject to the statutory requirements of section 60. This section provides inter alia that a scheme of letting priorities made by a housing authority shall have regard to the following primary objectives:

- (i) The repair, closure or demolition of unfit dwellings.
- (ii) Elimination of overcrowding.

(iii) Adequate housing for people (including the elderly or disabled) in need of accommodation and unable to provide it themselves.

(iv) Adequate housing for people with TB.

10.8. The practical provision of a local authority house for a particular family will depend on the supply and demand for local authority houses in the area, as well as where that particular family stands in the scheme of priorities.

10.9. While the majority of housing authorities maintain waiting lists, a number of authorities do not, and instead advertise for applications for tenancies as dwellings are built or become vacant. At September 1976, it was estimated that in the whole country, a total of 30,000 applications for rehousing had been received, and 23,000 of those had been approved for rehousing, around 60% of the approved applications being from families of three or less. Normally a family approved for rehousing would not be awarded a tenancy immediately, but placed in the queue on the approved list.

10.10. In 1975, lettings of new dwellings were divided among categories of applicants as follows:

**TABLE 10.2**

	%	Number
living in unfit dwellings	24%	1,928
living in overcrowded accommodation or involuntarily with other households	53%	4,306
elderly persons	5%	436
other	17%	1,409
	100%	8,079

*Source:* Quarterly Bulletin of Housing Statistics published by the Department of the Environment (QBHS).

10.11. Because of the very large number of local authorities providing housing, and because of the particular nature of allocation of dwellings in isolated rural areas, it was decided to concentrate in this report on the scheme of letting priorities operating in the major urban centres.

10.12. There is no formal means test for local authority housing. In practice the authorities say they get very few applicants whom they would reject on income grounds. As in the days prior to 1966 when public housing was administered under the Housing of the Working Classes Acts, few people in white collar employment seek housing from the local authorities.

#### Dublin Corporation

10.13. A complicated 24 page booklet describes the scheme of letting priorities, which was introduced early this year following detailed consideration by the local elected representatives. A points system applies to the letting or the letting on transfer of dwellings. On the basis of their points rating, applicants are placed on the Housing List, which remains in force for six months. During that six months, only people on the list are considered, except in emergencies. Applicants (or their wives) must have either been born within the Corporation area, or have lived there for two years.

The main points are awarded as follows:

TABLE 10.3

	Points
Unfit:	
Unfit order under S.66 of Act	30
Overcrowding:	
Sharing living room and kitchen with another family	10
Number of bedrooms short of minimum standard	10
	per bedroom
No separate living room	10
Living Apart:	
Husband and wife separated for minimum 6 months due to lack of accommodation	5
Children living apart from parents for minimum of 3 months— 1 point per child	5
	(maximum)

TABLE 10.3—(Continued)

	Points
Amenities:	
Inadequate kitchen, 1 point per person	5
	(maximum)
No inside W/C, 1 point per person	5
	(maximum)
Length of Time on List:	
1 point for 2nd and each subsequent year continuously on list	5
	(maximum)
Local Preference:	
Work in or beside area where seeking housing	5
Live in or beside area, 1 point per year of residence	5
	(maximum)
Medical Reasons:	
On advice of Chief Medical Officer	10
	(maximum)

10.14. A separate points system operates for elderly persons—those aged 60 or over—which, as well as overcrowding, local preference, and amenities, takes into account the age of the person, and the amount of steps a person may have to climb to the present dwelling. Applicants are ranked in points order within each of the 34 separate housing areas of the applicant's preference. After rehousing urgent cases, and displaced elderly people, houses are allocated 50/50 to new applicants, and on transfer. An applicant who refuses an offer of a dwelling without a satisfactory explanation can have consideration of his application deferred for a further period at the discretion of the Manager. The overall main priority seems to apply to people in structurally unfit accommodation, and to emergency cases such as dangerous buildings, or evictions. While cases may be rare, the splitting up of a family due to lack of accommodation merits relatively few points.

#### Dun Laoghaire Corporation

10.15. The housing list here is also on a points system. Preference is given to applicants who are resident in the borough, and who are either natives of the borough, or who have lived there for four years. Applicants who have lived elsewhere in the last five years have to

wait one year before they will be considered. An applicant (other than an elderly person) who refuses a tenancy offer will not be considered again for another six months.

10.16. The highest points are awarded to people living in unfit dwellings. Points are awarded, graded by size of family, for overcrowding, lack of amenities, family living apart, waiting period, and rent paying capacity—this last relates the rent currently being paid to the rent which would be payable to the local authority. The information on rent paying capacity enables the corporation to weigh any factor of hardship on applicants arising from the payment of rents for this accommodation prior to rehousing. Nobody is denied rehousing because of inability to pay rent.

#### **Dublin County Council**

10.17. The Dublin County Council operates a points system also. The residence requirement is that the applicant or his wife is a native of County Dublin; or that either has lived there for ten years; or for a continuous period of four years prior to the allocations meeting. Overall priority is given to families living in dangerous buildings, families who are homeless because of emergencies, families where there is TB, and families evicted through no fault of their own. The points system awards points for overcrowding, insecurity of tenure, number of children, and length of time on the waiting list. Lack of amenities accounts for very few points.

#### *Comment*

##### *Tenancy Allocation in the Greater Dublin Area*

10.18. The three local authorities in Dublin operate different points systems although the emphasis in all three seems to be fairly similar. One striking feature is that each authority seems to regard itself as a self-contained unit for the purpose of allocating tenancies—residence in Dundrum (Co. Dublin) can debar someone from applying for a tenancy in Sallynoggin (Dun Laoghaire), and residence in Milltown (Co. Dublin) from applying for a tenancy in Rathmines (Dublin Corporation). As Dublin people themselves think of Dublin as a unit, and think nothing of moving across council boundaries to work or to change

house, it might be more desirable to operate a uniform scheme for the whole Dublin area, or at the very least to allow residence in one part of the city to qualify one for housing in another part run by a different authority.

#### **Cork Corporation**

10.19. The approved scheme of letting priorities is not based on a formal points list. Instead priority is given in the following order:—

- (i) Emergency cases—people homeless as a result of fire, etc.
- (ii) People living in unfit accommodation which is required to be closed or demolished.
- (iii) People living in overcrowded conditions.
- (iv) Applicants in need of housing on medical, compassionate, or other similar grounds.

If an applicant refused an offer of accommodation without sufficient reason, he may not be offered accommodation again for at least a year.

#### **Limerick Corporation**

10.20. The approved scheme of letting priorities is not based on a formal points list. Instead priority is given in the following order:—

- (i) Applicants living in dangerous accommodation.
- (ii) Applicants living in unfit accommodation.
- (iii) Applicants living in overcrowded conditions.
- (iv) Applicants unable to provide adequate and suitable accommodation from their own resources.

#### **Galway Corporation**

10.21. The approved scheme of letting priorities is not based on a formal points list. Instead priority is given in the following order:—

- (i) Unfit dwellings.
- (ii) Overcrowded conditions, where one of the family has TB.



- (iii) Sex overcrowding in sleeping accommodation.
- (iv) Space overcrowding.
- (v) Applicants unable to provide adequate and suitable accommodation from their own resources.
- (vi) Applicants in need of rehousing on medical etc. grounds.

#### **Other Areas**

10.22. We examined a number of schemes of letting priorities for other areas. Most seemed to be in line with Limerick Corporation's scheme. This scheme follows closely the wording in Section 60 of the Act.

#### *Definition of Overcrowding*

10.23. The definitions of overcrowding used are fairly standard, based on those in the Housing Act. What is termed sex overcrowding is where two people (other than husband and wife) over ten years of age and of opposite sexes have no separate sleeping accommodation. Space overcrowding is where the free air space per person in a bedroom is less than 400 cubic feet, i.e., less than 50 sq. ft. of floor space. The emphasis on relief of overcrowding means that most letting schemes are heavily weighted in favour of larger families. This makes it particularly difficult for a group like unmarried mothers, who find accommodation a particular problem, to qualify for a local authority house.

#### *Inheritance of Tenancies*

10.24. Generally speaking, once allocated a tenancy, the tenant may retain possession for life. On the death of a principal tenant, the tenancy normally passes to his widow, if any; if not, to a son or daughter who has been living in the house for a recent continuous period; and in certain circumstances, to other relatives who have been living in the house.

#### *Rent Subsidy*

10.25. The subsidisation of local authority rents, and the relationship this has to subsidies given to other tenure groups, has already been fully discussed in the Council's Report on Housing Subsidies. Here we deal simply with the details of rent calculations.

#### *National Differential Rent Scheme*

10.26. This scheme was introduced in July, 1976 to replace the national differential rent scheme introduced in 1973 which in turn had replaced the various differential rent schemes operated by individual local authorities. All new lettings made by local authorities after April, 1967 are on a differential rent basis. Of over 100,000 rented dwellings about 21,000 are let on fixed rents. Fixed rents tend to be very low and in some areas have not been revised for many years—on average they are substantially lower than the rents of houses let on differential rent scheme. The differential rent scheme operates up to the maximum rent which is generally based on the economic rent of the dwelling. These maximum rents vary greatly as they are related to the age and standard of the accommodation and in the case of older dwellings would not cover the replacement cost. A comprehensive review of the scheme is currently being carried out in the Department in consultation with the Department of Finance, the National Association of Tenants Organisations (NATO) and local authorities.

10.27. Rents are calculated as follows:<sup>4</sup> first the basic income of the principal earner is taken (this is the earner in the household with the highest basic income, not necessarily the tenant). Basic Income is the income on which percentage increases under clause 3 of the National Wage Agreements are calculated. In general, basic income is income exclusive of overtime, shift allowances and bonus payments. Assessable income is basic income reduced by any social insurance payments and any income tax payable on any basic income. Income from children's allowances, scholarships, allowances from boarding out of children, DPMA, supplementary welfare allowances and allowances from charitable organisations are disregarded.

<sup>4</sup>Department of Local Government Circular H23/76. For a very clear treatment, see RELATE, October/November 1976.

10.28. Income from unemployment, pay-related and disability benefits in respect of new claims received after September 17, 1976 is assessed in full, and 50% of income from redundancy weekly payments. Income from social welfare pensions, social assistance payments, AnCO training allowances, also income from unemployment, pay-related and disability benefits (where these benefits were payable prior to September 17, 1976 and continually after that date) is assessed at 50%.

The rent payable is calculated on the basis of the following scale:

**TABLE 10.4**

Assessable Income of Principal Earner	Less Personal Allowance	Less Allowance Per Child	Rent Fraction
Up to £13	£7	83p	1/12th of balance
£13-£17	£6	83p	1/10th of balance
£17-£20	£4	83p	1/9th of balance
£20-£28	£3	83p	1/8th of balance
£28 +	£2	83p	1/7th of balance

A proportion of the income of subsidiary earners is also taken into account in determining rent. The addition of the rent payable on foot of this is 1/7th of the basic income or social welfare payment of each subsidiary earner, which exceeds £10 and does not exceed £17 per week. Tenants are obliged to inform the local authority whenever there is a change in their financial status or family circumstances. In any event, rents are reviewed generally once a year.

10.29. Three examples of rents payable are given as follows:

**TABLE 10.5**

Example 1	
Old age (non-contributory) pensioner:	
Weekly income	£ 12.35
Assessable income	6.17½
Allowance	7.00

In this case, a nominal rent of 5p a week would normally be charged.

**TABLE 10.6**

Example 2	
Old age pensioner couple:	
Weekly income	£ 24.70
Assessable income	12.35
Allowance	7.00
Assessable income less allowance	5.35
Rent fraction	1/12th
Rent payable	45p

**TABLE 10.7**

Example 3	
Married man, two children, on basic pay* of £73 a week:	
Weekly basic income	£ 73
Less tax, social insurance income	14.92
Allowances (£2 plus 83p X 2)	58.08
Balance	3.66
Rent fraction	54.42
Rent payable	1/7th
	7.7
	subject to maximum rent applicable to dwelling

\*This is close to the present national average earnings figure. Where such earnings include overtime, basic pay and therefore rents payable would be lower than as shown above.

### Some Aids to House Purchase

#### New House Grants

10.30. The new grants scheme introduced in July 1977 provides for a state grant of £1,000 per house for first-time owner-occupiers of new houses. It replaces the scheme of new house grants in operation from January 1976, which had applied to farmers with a valuation of under £60, and to other persons with incomes under £1,950 to £2,350, depending on the number of dependants. Unlike former schemes of

new house grants, the present state grant is not payable direct to the builder. Many people had argued that previously the state grants had been absorbed by builders, and no benefit was passed on to house purchasers. The effective incidence of a benefit of a subsidy like a new house grant depends on the relationship between the price elasticities of supply and demand for housing.

#### *Comment*

10.31. A measure like this is partly designed to help young couples, and partly to help the building industry, in being directed at new houses only. But confining the grant to new houses can have serious social repercussions. Few young couples can afford to disregard a grant of this size. The result will be to accentuate what always operated to a lesser extent on former grant schemes, that the majority of such couples will buy a new house. This can create a serious age imbalance in different areas of towns and cities, with city centres and inner suburbs denuded of young people, and a corresponding shortage of older people in new housing estates.

10.32. It is understood the main private lending agencies are basing their percentage loans on house prices net of the new grant, so that the main impact of the scheme will not be on the house deposit, but will be received gradually over the period of the loan. However, where the loan is obtained from a local authority, the grant may substantially reduce the deposit required.

#### *Local Authority House Purchase Loans*

10.33. Two schemes of house purchase loans are operated by local authorities, the main loan scheme, which originated with the SDA Act 1899 and which is operated under S.39 of the Housing Act, 1966 for those who satisfy the means test, and the low-rise mortgage scheme, introduced in November 1976.

#### *Main Loan Scheme*

10.34. The income limit for this scheme was revised with effect from 27th May 1977, to a level of £3,500. Previously, the limit had been £2,350 since May 1973. Eligibility is decided on the basis of a

statement from the employer as to gross earnings in the last tax year or, in the case of the self-employed, an audited statement of account. The inclusion of a wife's earnings or such items as overtime and bonuses is a matter for the individual local authority. There is no income limit for a local authority tenant surrendering the tenancy of a local authority dwelling. Farmers qualify if their land valuation is £60 or less, without reference to income. Like a number of other schemes—e.g. the former new house supplementary grant scheme, higher education grants—where fixed income and valuation limits remained in force for a number of years, the effect was that the income limit was completely outdated by movements in average earnings, while farm incomes were assessed by reference to a fixed absolute standard, so that in recent years usually only farmers were in a position to avail of the scheme. In 1976, 6,732 loans were paid, and 2,400 new applications were received. The maximum loan payable was raised from £4,500 to £7,000 with effect from 27th May, 1977. Unlike private loan agencies, local authorities operate a fixed interest rate, which in periods of accelerating inflation may involve a special bonus to the borrower.

#### *Low-Rise Mortgage Scheme*

10.35. The purpose of this scheme is to encourage people, who would otherwise be housed by the local authority, to erect or buy their own homes instead. The loan repayments are subsidised, on a declining scale, over the first 9 years. Eligible people are those who have been allocated a new local authority house, or who wish to surrender an existing local authority house, and families of at least three persons who have been on an approved waiting list for local authority housing for at least one year and whose need for rehousing has arisen because of the dangerous, structurally unfit or overcrowded conditions of their existing dwelling. The scheme is confined to people who would be unable to get an alternative loan from a commercial lending agency.

#### *Sale of Local Authority Houses to Existing Tenants*

10.36. Under the Housing Act, 1966 local authorities are empowered to sell their houses to existing tenants in accordance with purchase

schemes approved by the Minister. Under the recent scheme which expired on 30th June, 1977, the sale price of a local authority house was based on the original all-in cost of the house updated to August, 1976 values less:—

- (a) a discount of 3% a year for length of tenancy up to a maximum of 30% in built-up areas and 45% in other areas, plus
- (b) a discount of £900, representing the then State and supplementary new house grants and the capitalised value of a remission of rates over nine years.

The purchase price could be paid by deferred payments over a period of up to 30 years at the interest rate then applicable to local authority house purchase loans (12.5%). As in the case of the national differential rents scheme, a revision of the terms of sale of local authority houses is presently being undertaken in consultation with the Department of Finance, the National Association of Tenants' Organisations (NATO) and local authorities.

#### *Numbers and Cost*

10.37. It is estimated that to date a total of 115,000 local authority dwellings have been purchased from local authorities.

## CHAPTER 11

### EDUCATION SERVICES

11.1. Primary education and post-primary education are provided free of charge.<sup>1</sup> In addition there are a small number of fee-paying schools which in the post-primary sector are state subsidised. Third level education is provided on a fee paying basis, but in institutions which are largely financed by the state. There is a means-tested grants scheme at third level. A number of support services for pupils are operated on a selective basis at first and second level—free school transport, school meals, free school books.

11.2. The provision of basic education, free of charge, has long been recognised in this country. The extension of the principle of free education to second level was made in 1967, and the vast majority of the previously fee-paying secondary schools joined this scheme. At present 95% of pupils of primary school age attend the free state-financed national schools. The remaining 5% are drawn almost exclusively from the professional and managerial social group.<sup>2</sup> About 7% of secondary school pupils, or 5% of all post-primary pupils, attend fee paying schools.

#### **Free Education—Comment**

11.3. Some recent criticism<sup>3</sup> has suggested that the provision of free education to all children, including those of wealthy parents, is wasteful. So perhaps it is worthwhile here to spell out the merits of providing

<sup>1</sup>But local communities must provide school sites.

<sup>2</sup>See Household Budget Survey 1975, Table 14, Code 368, showing negligible expenditure on primary education for all social groups except group 1.

<sup>3</sup>Finola Kennedy, Public Social Expenditure in Ireland, ESRI Broadsheet No. 11.

education for all, without charge. First, education is a human right. It is the right of the child, not of the parent. To place a child in the position where he would be denied an adequate education because of the unwillingness or inability of his parents to pay, would be unacceptable. Second, education is viewed by many as an important national task; it is felt the burden of rearing the next generation should be spread over all taxpayers and not borne by parents alone. Third, schools are an important social force; through schools, children learn to mix with others, and acquire many of their social values. While it would be naïve to suggest that, for example, all schools in middle class areas are full of dockers' children, or the children of poor farmers, many Irish schools have a balanced social mix, and this is valuable. To provide separate facilities, at different degrees of luxury, for public and private hospital patients may be acceptable to some; but separate facilities for the education of fee-paying and non fee-paying children can be a socially divisive force at a formative stage in a child's development, and much less acceptable. Fourth, free education works—more people are likely to avail of free education than of education at a charge, however nominal. The introduction of the free post-primary education scheme in 1967 provides ample evidence for this. Prior to the scheme, working class participation in post-primary education was very low, despite what the secondary schools maintained were fairly low fees—often £15–£20 per pupil per year—which could be abated in cases of hardship. The explosion in post-primary numbers following the introduction of the scheme cannot be attributed entirely to the removal of fees, but must also be attributed to some psychological reaction to a free as opposed to a fee-paying system, and to the build-up of a bandwagon effect among groups who had previously availed little of post-primary education. Fifth, if it is considered that wealthy parents benefit too much from free education, the tax system is always available as a corrective, without repercussions on the children's schooling.

#### **Primary Education**

11.4. State financed primary education is provided free in national schools. With the exception of a very small number, national school buildings are in local ownership. The preponderance of the cost of the building and equipment of the schools, and of the running expenses, is

met by state grants, but grants are not given towards the cost of school sites, which are usually provided by Church authorities. Each school is conducted by a Board of Management, composed generally of representatives of the clergy, parents, and teachers. The salaries of the teachers are paid in full by the State, and a high percentage of the running costs is met by state grants, the balance being generally provided out of parish funds.<sup>4</sup> National schools have enjoyed an excellent reputation, and the very high proportion of children attending them has been evidence that these free public schools have not been considered in any way second rate. Private primary schools are few in number, and cater for only 5% of primary school pupils; some parents have valued private schools for lower pupil-teacher ratios, special teaching approaches such as Montessori or as an easier avenue of access to associated secondary schools.

11.5. National school pupils are entitled under the 1970 Health Act to free medical care in respect of defects discovered at school medical examinations. The free transport, free books, and school meals schemes also apply to national school pupils only, and not to private primary school pupils.

#### *Comment*

11.6. The levying of local contributions for the cost of school sites, and towards heating and maintenance costs in schools, seems to be at variance with the principle of free primary education. The provision of school sites creates particular problems in developing urban areas, where the cost of land is high. It makes it very difficult to start a national school without official Church backing.

#### **Post-primary Education**

11.7. Post-primary education is provided in three main types of school. First, academic secondary schools, which take over two-thirds of post-primary pupils. Second, vocational schools, which take a further quarter of pupils, and provide continuation education, mainly up to

<sup>4</sup>A local contribution of £1.50 per child per year towards running costs is required

Group Cert level at age 15; technical education, mainly for boys; and secretarial training mainly for girls. Third, comprehensive and community schools, which are being set up on amalgamation of existing schools in country towns, and in developing urban areas and provide a mixed academic and practical curriculum. Vocational, comprehensive, and community schools are publicly owned, with vocational schools under the control of local Vocational Education Committees.

### Secondary Schools

11.8. Secondary schools are privately owned and run, but the bulk of teachers' salaries are paid by the state, and 93% of secondary schools are members of the free education scheme.

#### *Comment*

11.9. Secondary schools, even those which are almost entirely state-financed, have complete control over their own enrolment. As a result of pressure on school places due to the expansion of post-primary education, some schools have become increasingly selective about their intake. Where schools have an associated *private* junior school, preference has been given in many cases to pupils from this school for places in the *free* secondary school. The result has been, in some areas of Dublin in particular, to reduce the numbers attending national schools. Another result of increased selection by secondary schools has been a proliferation of entrance examinations for such schools, when public policy, by the abolition of the Primary Certificate, has been going in the opposite direction.

11.10. Attendance at vocational schools has traditionally been almost exclusively working class. Technical education in the schools has been almost exclusively male. Before 1967, secondary schools were predominantly middle class, and a higher proportion of girls attended. Since then, two-thirds of the increase in numbers in post-primary education has been in secondary schools, and they have become more socially mixed.

11.11. In 1962, almost one-third of primary school leavers did not proceed to any second level education. Since then, the introduction

of free post-primary education, and the raising of the school leaving age from 14 to 15 has meant that by 1973, only 3% of primary school leavers did not proceed to any second level education.

### Protestant Schools

11.12. Protestant secondary schools are financed in a different way from Catholic secondary schools. While both types of school receive the basic capitation grant, the grant in lieu of tuition fees, which was introduced in 1967 to finance the free education scheme, operates for Catholic schools only. For Protestant schools, a block grant is issued to the Secondary Education Committee representing these schools, and they distribute this grant at their discretion in the form of subsidies towards school fees based on a parental means test. The means test takes into account the number of children and the stage of education, and deductions for income are allowed for items like rent, mortgage interest, and income tax. The scale of means test used is not publicly available. The maximum grant payable in 1977/78 is £140 a year to a day pupil and £290 a year to a boarding pupil. The minimum grant is £25. In fact, only two Protestant schools in the country charge fees as low as £140—the average is £200 to £250. It is of course open to Protestant pupils to attend a Protestant community school where one is available, or the non-denominational vocational schools; or a Catholic secondary school. But while a Catholic child can attend a Catholic secondary school free of charge, irrespective of parental income, the Protestant child attending a secondary school of his own denomination must generally pay fees, and the subsidy towards these fees depends on a means test.

### Third Level Education

11.13. Third level education is provided in various institutions—universities, regional technical colleges, colleges of education—on a fee paying basis, but as the state pays most of the cost of these institutions, the fees are heavily subsidised. In universities, fee income accounts for around 20% of current costs, and less in other institutions. In addition, a means-tested higher education grants scheme operates for those who reach the required educational standard. In 1974/75,

over a quarter of all university students qualified for a grant. University education, which accounts for 71% of all third level students, is extremely selective by parental income and class,<sup>5</sup> and this has persisted despite the introduction of the grants scheme, as shown below:

TABLE 11.1

1st year UCD Students Classified by Social Group of Parents

	Parents of UCD Students		General Population 1971 Census (c) %
	1964-65 (a) %	1975-76 (b) %	
Working class	16.2	10.5	45.2
Lower middle class	19.2	20.1	9.5
Upper middle class	50.6	53.9	13.8
Farmers	13.2	13.9	26.2
Unknown	.8	1.5	5.3
Total	100	100	100

(a) Survey by Monica Nevin, JSSISI, 1966.

(b) Survey by Ann Burns, UCD News, 1976.

(c) Census of population, distribution of married and widowed men aged 35 and over.

Source: Ann Burns, *op. cit.*

So the benefits of the heavily subsidised university system flow back largely to the highest income groups in the country. It is instructive to compare the estimated average annual subsidy per third-level student in 1975/76 at £917.98,<sup>6</sup> with the then annual cost of maintaining a person on unemployment assistance, at £442.

<sup>5</sup>Monica Nevin, *Class Background of Irish University Students*, JSSISI, 1966; Ann Burns, *The Socio-Economic Background of Students in UCD*, UCD News, Summer 1976.

<sup>6</sup>Dail Debates, 29 March 1977.

Finance

11.14. Estimates of current spending per pupil in the different sectors of Irish education in 1975 are as follows:

TABLE 11.2

Primary	Secondary	Vocational	Comprehensive/ Community	Third Level
£ 179.21	£ 324.97	£ 465.60	£ 376	£ 917.98

Positive Discrimination

11.15. It is difficult to assess whether education in Ireland is being used as a vehicle for positive discrimination. Overall spending on different educational sectors is not an adequate guide; it is difficult to measure the total resources going to any sub-group of pupils, including that most important factor, the quality of the teachers. But observation would suggest that the amount of positive discrimination is not very great. The Rutland Street project—the only one of its kind in Ireland—has up to now been mainly geared to evaluation and research. There is no policy as such of Educational Priority Areas. Primary education, where the problems of educational disadvantage should be attacked at the start, has been understaffed and underfinanced in relation to other sectors of education.

Remedial Teaching

11.16. Remedial teachers at primary level are sanctioned at the discretion of the Department of Education. In 1975 there were 322 remedial teachers providing education for around 16,100 pupils, or 3.1% of the primary school population. About 14% of children are estimated to be in the IQ region 70-85, and survey data indicates that about 10% of children suffer from educational retardation.<sup>7</sup> So this service is only available to about a quarter of those who require it and the chances of an individual child receiving remedial teaching can depend on the pressure his school is able to exert on the Department of Education.

<sup>7</sup>Oideas No. 17, Department of Education 1977, p. 9-10.

## Support Services

### 11.17. Higher Education Grants

#### Background

This scheme was introduced in 1968-69 under the 1968 Local Authorities (Higher Education Grants) Act, replacing previous schemes of university scholarships. The scheme was extended to cover all third level education in 1972. It is administered by individual county councils and county boroughs.

#### Eligibility

11.18. To be eligible for a grant, an applicant has to reach a certain standard in the Leaving Certificate and satisfy a means test based on his parents' income. The grant is scaled according to means, and the family size, and the amount also depends on whether the applicant is living in a university town or not. If an applicant has been working for a period, he may be assessed on his own income only, and not that of his parents, at the discretion of the Department. The means test is based on the gross income of the candidate and his parents, excluding only children's allowances, and holiday earnings in the last tax year. Farm income is assessed on the basis of £70 per £1 valuation.

11.19. The overall means limit for the scheme is £4,200, for a person from a family of six or more children, or a rateable valuation limit of £60 in the case of farm families. At this level, fees only would be covered by the grant. The maximum grant—£350 + fees outside a university town, or £140 + fees in a university town—would be payable to a family with one child, and income under £2,625, or to a family with 6 children, and income under £3,500. These new limits were introduced in June 1977.\* Under the previous limits, farm income was calculated at approximately £26.70 per £ valuation, with an overall means limit for a family with six children of £2,950, or £110 r.v. Under that previous scheme, the means limits for non-farmers had been very much outpaced by movements in average earnings.

11.20. There is great variation between the different university institutions in the proportion of students who qualify for a grant, as shown below. The higher proportion of grant holders in Cork and Galway may

\*The maximum granted was raised to £500 plus fees in December 1977.

be attributable to the higher proportion of students from farm families in these colleges, and to the special grants, tenable at UCG only, for students taking a degree course through Irish.

TABLE 11.3

	(A) Grant holders	(B) Full-time students	(A) as % of (B)
Trinity College Dublin	1,132	4,305	26.3
University College Galway	1,430	3,131	45.7
University College Cork	1,661	3,980	41.7
University College Dublin	1,666	8,860	18.8
Maynooth College	44	997	4.4
Total	5,933	21,273	27.9

### 11.21. Higher Education Grants/Loans Scheme for Training College Students

#### Background

This scheme was introduced in 1971/72. The grants scheme is part of the Higher Education grants scheme. In addition to providing grants and loans, the scheme provides training college students with free board and lodging in the colleges, and provides extern students living outside Dublin with a weekly allowance (£27.25 in 1974/75) towards the cost of maintenance, irrespective of whether they are eligible for Higher Education grants.

#### Eligibility

11.22. For the grants, eligibility is the same as for Higher Education grants. Training college students not eligible for grants will be considered for loans.

#### Numbers availing of Service

11.23. In 1976, 42 students received loans while 1,111 students benefited from grants, representing 74% of the total number of student teachers.



### *Cost*

11.24. The cost in 1976 was £256,000, excluding maintenance costs. A recent article by Kevin McDonagh,<sup>a</sup> "The Way the Money Goes", shows the much higher unit cost to the state of training college students over university students, which results largely from the free maintenance for these students.

### **11.25. Free School Books**

#### *Background*

Separate schemes of free school books operate in primary, secondary, and vocational schools. The present primary school scheme was introduced in 1968/69, replacing a previous scheme on which expenditure has been negligible. The post-primary schemes were introduced on the introduction of free education in 1967/68. The scheme is administered through principal teachers who have discretion as to which children benefit. No formal means test operates—the guidelines issued by the department refer to families where there is genuine financial hardship because of unemployment, prolonged illness, large family with inadequate means, mother widowed, or similar degree of hardship.

11.26. The target scope of the scheme is to provide free books for not more than 25% of pupils. In primary schools, where more than a quarter of pupils in any one school are considered necessitous, special application must be made for grants; they are not automatic. In post-primary schools when the proportion of "necessitous" pupils exceeds a quarter, schools are asked to operate a loan rather than a grants scheme.

#### *Numbers and Cost—primary schools*

11.27. In primary schools, the amount of the grant is £2 per necessitous pupil for children from first class up. The school principal decides how the grant is to be spent. The rate of £2 was set in July 1974. In 1976/77, 2,370 schools with 109,000 pupils—about three-fifths of all schools—benefited at a cost of £218,000.

#### *Eligibility—secondary schools*

11.28. Here again, the school principal has discretion as to how the money is spent—pupils may receive a full or part grant towards the cost

<sup>a</sup>Oideas No. 17, pp. 33–35.

of books, as circumstances warrant. The scheme is confined to day pupils of free secondary schools. It is interesting to note that the scheme goes to the trouble of excluding from its scope pupils who have been boarded out by health boards, on the grounds that it is up to the health boards to pay for their books—all from the same government funds.

#### *Numbers receiving Benefit*

11.29. In 1976, 460 out of 480 secondary schools participated in the scheme, and it benefited 52,000 pupils, or 27% of the total.

#### *Cost*

11.30. The cost in 1976 for secondary schools was £561,000, or on average £11 per eligible pupil.

#### *Vocational schools*

11.31. Details of the scope and operation of free school book schemes administered by different vocational Education Committees are not centrally available. Expenditure in 1976 was £225,000.

### **Free Travel**

#### *Background*

11.32. Public transport for primary school pupils living a distance from school dates back to 1955; travel services for children following closure of a local school dates back much longer. Free post-primary transport was introduced in 1967 with the advent of free post-primary education, and at the same time the primary school transport services were reorganised, and made free of charge. The services are run for the Department of Education by CIE.

#### *Eligibility*

11.33. The eligibility conditions are very complex, particularly as regards the minimum number of pupils in a district who must avail of free transport before a service is provided.

#### **(i) Primary Schools**

11.34. Generally speaking a primary school child is eligible if he is:

- (a) between 4 and 10, and over two miles from the nearest suitable national school,
- (b) over 10 years, and over three miles from the nearest national school,
- (c) a pupil living in a district where his nearest school has been closed down and amalgamated with another.

Special conditions apply to Protestant children attending Protestant National Schools. Where a transport service is not provided, the parents may receive an annual grant scaled by the distance from the school, towards the cost of private transport—this grant, for example, is £95 a year for a family living over 10 miles from the nearest suitable school. Certain pupils may avail of the special school transport on a fare-paying basis.

#### *Numbers*

11.35. In 1976, 66,000 primary pupils—about 12% of the total—qualified for free transport, all but 3,000 on special services.

#### (ii) **Post-primary Schools**

##### *Eligibility*

11.36. To be eligible for post-primary transport, a post-primary pupil must:

- (a) be over 12 years by the January of the school year,
- (b) live 3 miles or over from the nearest post-primary school (as measured by shortest walking route).

Special conditions apply to pupils attending all-Irish schools.

#### *Numbers receiving Benefit*

11.37. In 1976, 90,000 pupils benefited, 18,000 of them on scheduled services. This is about one third of post-primary pupils.

#### (iii) **Transport for Handicapped Children**

11.38. Free transport for these children is paid for by the Department

of Education. 73 out of 90 special schools participate in the scheme, but to quote from the Department's circular (10 m 4/76, p. 27):

"In Dublin city only a few special classes are included in the transport scheme because the Department has not been completely satisfied with the method of selecting children for the classes."

The normal maximum payment to those providing this transport is £10.27 per child per week.

#### (iv) **Concessionary Fares on CIE Transport**

11.39. School children generally pay reduced fares on CIE services when travelling to and from school. This concession applies to all children, irrespective of means or distance from school. The Department of Education paid £334,000 to CIE to subsidise those fares in 1974/75.

##### *Cost*

11.40. The overall cost of the free transport scheme in 1976 was £9.3 million, of which an estimated £550,000 was for administration, not including administrative costs incurred in the Department.

##### *Comment*

11.41. The free transport scheme, along with the free education scheme, has been very successful in increasing the number of pupils availing of post-primary education, particularly the increase in rural areas. There have been many criticisms about the practical operation of the scheme—the Dáil debates are full of them. The scheme is administered rigidly according to the guidelines, particularly in regard to distances from schools. The feasibility of services, and their routes, have also generated criticism. In this the primary investigation lies with CIE, and the Department makes the final decision. The vocational education authorities arrange with CIE for all post primary services. If the circulars governing the operation of the scheme are any guide, the administration of the scheme is very cumbersome; and the overall cost of the scheme is now very high.

## CHAPTER TWELVE

### OTHER SOCIAL SERVICES

12.1. This chapter describes a number of social services not coming within the scope of previous chapters.

#### Social Services under the Control of the Department of Social Welfare

##### Free Travel

###### *Background*

12.2. This scheme was introduced in 1967 for social welfare pensioners aged 70 and over, and extended in 1972 to all of pension age. In 1977, the scheme was extended to recipients of disabled person's maintenance allowance, and invalidity pension. Free travel is available on normal CIE bus and train services, and certain private services, e.g. Londonderry and Lough Swilly Transport Company, in areas where no CIE services exist. Travel is confined to off-peak hours, for example, on Dublin city buses outside 7 to 9.45 a.m. and 4.30-6.30 p.m. on week days.

###### *Eligibility*

12.3. All people aged 66 or over are eligible, as well as invalidity pensioners and recipients of DPMA, War of Independence veterans, and widows of such veterans. Social welfare pensioners are automatically issued with a travel card, and non-pensioners must apply themselves. The spouses of card holders are eligible for free travel when travelling with their husbands/wives. The main free travel scheme is administered by Social Welfare, and free travel for veterans of the War of Independence is administered by the Department of Defence, who issue their own travel cards.

###### *Numbers and Cost*

12.4. The latest figures available on passenger journeys date back to 1973 when some 25,214,000 journeys were made and when some 240,000 people aged over 69 were eligible for free travel. The total number now eligible, i.e., aged 66 or over, is around 305,000. The cost of the social welfare scheme in 1976 was £4.38 million, and of the veterans' scheme, £464,000. There were 16,237 card holders in the veterans' scheme.

##### Free Electricity

###### *Background*

12.5. This scheme was introduced in 1967 principally for old age pensioners and its scope has been extended somewhat since. The unit allowance provided was increased in 1972.

###### *Eligibility*

12.6. The free electricity scheme provides 200 free units of electricity in the six winter months, and remission of the fixed charge, to qualified households. These are broadly speaking households with an invalid or pensioner head, and no more than one earning adult, or more specifically:

- (1) Persons receiving old age pensions (contributory or non-contributory), blind person's pension or invalidity pension from the Department of Social Welfare.
- (2) Persons aged 66 or over receiving contributory widows' pensions or retirement pensions or deserted wife's benefit from the Department of Social Welfare.
- (3) Persons aged 66 or over receiving Garda Widow's pension.
- (4) Persons aged 66 or over from October 1977 receiving retirement pensions from the British Department of Health and Social Security or the Northern Ireland Department of Health and Social Services.
- (5) Persons receiving a disabled person's maintenance allowance.
- (6) Veterans of the War of Independence and their widows.

who are registered consumers of electricity and who either live alone or with a dependent spouse; other pensioners as described above; dependent children under 18, or over 18 and at school full time; with an invalid; or if an invalid, with one other person, other than those above, who provides care and attention. Invalidity pensioners and DPMA recipients were first included in the scheme in April 1977. Where a pensioner is living with one younger person, unless the pensioner is say in his nineties, a certificate from a doctor, priest, social worker etc. is required by the Department to the effect that the pensioner needs the younger person to live with him to provide care and attention. In practice this certificate is almost always forthcoming.

#### *Bottled Gas Scheme*

12.7. People who live in rural areas where there is no electricity supply, or where the cost of providing a supply would be twice the normal level, can qualify for a grant of £35 towards the cost of installing bottled gas equipment. From April 1978, they will receive the equivalent in bottled gas of the free electricity allowance to which they would ordinarily be entitled.

#### *Numbers receiving Service*

12.8. In November 1976, 100,000 households benefited from the scheme; in June 1977, after the extension of the scheme, there were 110,777 households benefiting, of whom 7,740 were invalidity pensioners and DPMA recipients. 4,140 people benefited from the scheme for veterans.

#### *Take-up*

12.9. It is not possible to check directly on the total number of eligible households in order to see how many of them avail of the free electricity scheme. However some rough idea can be gained by looking at the census data.<sup>1</sup> In 1971, there were 236,280 private households with someone 65 or over living there. Of these, some 86,082 households involved people 65 and over only, or people 65 and over living with a spouse only. 101,059 households had persons of 65 and over, and only one other member. These households would not corre-

<sup>1</sup>1971 Census, Volume VII, Household composition, Table 14.

pond precisely to those qualifying for free electricity—the slightly different age groups involved, for example—but would seem to suggest that there is little evidence of low take-up in terms of registering as a free consumer of electricity in the November 1976 figure of 100,000 free consumers. The extra 9,500 recipients qualifying after April 1977 seems low. This may be partly due to "initial" difficulties with the extension of the scheme, as the application procedure was somewhat tortuous. The figure of 9,500 extra applicants must be viewed in the context of 10,000 recipients of Invalidity pensions, half of whom are married, and 28,000 recipients of DPMA, about a third of whom are married—14,000 married invalid households, and a further number of independent households where the invalid would not be married.

12.10. There is clearer evidence of non take-up in relation to the actual amount of electricity used. A survey carried out by the ESB in 1975, for which they have kindly supplied us with the results, shows the consumption of electricity by free consumers as follows:

TABLE 12.1

Percentage of Consumers using Free Electricity

		0-100 Units	100-200 Units	200-300 Units	Over 300 Units	All users
Winter:	Urban	20%	20%	17%	42%	100%
	Rural	32%	26%	19%	23%	100%
Summer:	Urban	33%	23%	16%	28%	100%
	Rural	49%	27%	12%	12%	100%

Source: Accounts Department, ESB.

In other words 40% of urban free consumers and 58% of rural consumers used over 100 units less than their winter free allowance in 1975, and a third of urban and one half of rural consumers used over 100 units less than their full summer allowance. To give an idea of what this means in terms of actual use of electric appliances, the winter allowance of 300 units per 2 months allows the following daily consumption:

TABLE 12.2

Light — 100 watt bulb for 7 hours	$\frac{2}{3}$ unit
TV — 7 hours black and white TV	$\frac{2}{3}$ unit
Kettle — 4 pots of tea a day	$\frac{1}{2}$ unit
Heat — 1 bar of an electric fire for 2 hours	2 units
Cooking—Cook for one person per day	1 unit
5 units a day = 300 units per 2 months	

12.11. Confusion among elderly people as to what they are entitled to, and fear of exceeding the allowance have been cited as causes for the low take-up; this was borne out by a recent survey by UCD Social Science students.<sup>2</sup> It is interesting that in spite of the free electricity scheme and the limited free fuel scheme, spending by pensioners on fuel and light remains high. In 1973, households consisting of one person over 70 paid an average of £1.08 a week, equivalent to £2.60 a week at August 1977 fuel prices, or 13% of total expenditure, on fuel and light. Two-person households where the head was over 70 paid £1.81 a week on fuel and light, equivalent to £4.36 at August 1977 fuel prices, or just 10% of total weekly spending.<sup>3</sup> This compares with 5% of income for households in general. These households were overwhelmingly social welfare recipients, and thus entitled to free electricity. More recent figures from the 1975 Household Budget Survey showed households with an income of £10–£15 a week—again overwhelmingly social welfare recipients—spending an average of £2 a week (equivalent to £2.75 at August 1977 prices) or 17% of income, on fuel and light, compared to 6½% for the general population.

#### Cost

12.12. In 1976 expenditure by the Department of Defence on the veterans' scheme was £19,000. Expenditure by the Department of Social Welfare on the main scheme was £3.183 million.

<sup>2</sup>See *Relate*, July 1977.

<sup>3</sup>Source: 1973 Household Budget Survey, special tabulation.

TABLE 12.3

#### Expenditure on Fuel and Electricity for Households where the Head is Aged 65 and over, 1973

	One-person households		Two-person households	
	Head aged 65–69	Head aged 70 +	Head aged 65–69	Head aged 70 +
Number in sample	162	362	148	230
% who are social welfare pensioners	48%	86%	30%	74%
Average weekly expenditure (A)	£10.70	£8.44	£26.40	£18.22
Average weekly expenditure on electricity	.34	.19	.59	.20
Average weekly expenditure on coal	.33	.42	.58	.41
Average weekly expenditure on all fuel and light (B)	1.16	1.08	1.93	1.81
B as % of A	10.8%	12.8%	7.3%	9.9%
% of households with electricity	85%	88%	98%	96%
% of households with TV	44%	43%	82%	69%
% of households with washing machine	7%	5%	27%	20%
% of households with fridge	18%	19%	45%	41%

Source: Household Budget Survey 1973, special tabulation.

#### Free Television Licences

12.13. This scheme was introduced in July 1968, and provides a free black and white television licence, or the equivalent value to households with a colour set, to eligible households.

#### Eligibility

12.14. Households who are entitled to free electricity are entitled to this benefit on production of a "free electricity" ESB statement at the post office.

#### *Numbers availing of Scheme*

12.15. In 1976, 60,164 free licences were issued, and 93% of the 10,600 new applicants qualified. Only 60% of "free electricity" households in 1976 were claiming the free TV licences. This seems consistent with the fairly low level of pensioner households with TV in 1973 shown in Table 12.3. The relatively slow build-up of claimants— from 18,700 in November 1968, to 27,000 in November 1971, to 60,000 at the end of 1976 may indicate either low initial take-up, or a relatively low number of pensioner households with TV in the early years of the scheme. The parallel slow build up of claimants of the free electricity scheme suggests that low initial take-up was the more important factor. It is interesting to note from Table 12.3 that in 1973, relatively few one-person pensioner households had a television, when presumably it is primarily these households who would derive greatest social benefit from having a television, and who would be the prime target for the scheme.

#### *Cost*

12.16. Expenditure in 1976 was £982,000.

#### *Free Telephone Rental*

12.17. This service was announced in July 1977, and provides for free telephone rental for certain pensioners.

#### *Eligibility*

12.18. The applicant must be aged 66 or over, receiving a social welfare benefit or pension, and living entirely alone. In practical terms, the major restriction on numbers qualifying is that few such pensioners have telephones.\*

#### *Numbers receiving Benefit*

12.19. It is estimated that around 6,000 pensioners will benefit from the scheme.

#### *Cheap Fuel Scheme*

12.20. This scheme was introduced in the winter of 1942. It was designed to provide turf or timber for needy persons in urban "non-turf"

\*From April 1978, War of Independence veterans will also qualify for this benefit.

areas. At present, 17 urban authorities operate the scheme, as follows:—

Dundalk	Kilkenny
Drogheda	Gorey
Dublin	Enniscorthy
Balbriggan	New Ross
Dun Laoghaire	Cork
Bray	Limerick
Wicklow	Wexford
Arklow	Waterford
	Dungarvan

The scheme is confined to the functional area of the borough council, urban district council or town commissioners and is administered by these local authorities. For example, County Dublin is excluded from the scheme, and there have been many complaints from areas like Ballymun, which straddle the corporation boundary, that people in one area are covered, and people in adjoining houses are excluded.

#### *Eligibility*

12.21. The scheme operates from October to April, and during this period there is a weekly allowance of 1 cwt. of fuel for eligible persons. Recipients of unemployment assistance (with dependants) are eligible, and pay a contribution of 5p a week; old age (non-contributory) pensioners, blind pensioners, and widow pensioners obtain the allowance for 2½p a cwt. and recipients of supplementary welfare allowance receive it free. Other needy families may qualify, at the discretion of the local authority; they would pay 10p a cwt. The turf is made available in central depots, and it is up to the pensioners to arrange for transport. In cases of hardship, the Eastern Health Board may arrange for free delivery; in some areas, local social service councils organise a delivery service. Private contractors also arrange delivery, and in winter 1976 generally charged 25-30p per delivery.

#### *Numbers and Cost*

12.22. In 1975/76, 46,355 persons benefited from the scheme, at a cost of £900,000 from the State, about £50,000 from local authorities,

and £29,000 in administration. This number benefiting can be compared with the 100,000 benefiting from free electricity in the same period.

*Comment*

12.23. The scheme has come in for a lot of criticism. First, the limited geographical coverage of the scheme, and in particular the exclusion of areas like County Dublin from the scheme, has been criticised. Second, the choice of fuel—mainly turf—which is governed by statute. Turf is bulky, and gives out less heat than coal, and in any case the use of a solid fuel excludes those households living in more recently built houses which have no fireplace. Third, the necessity to arrange for delivery, and the delivery charge, is thought to deter a number of people from availing of their free fuel entitlement. Some improvement in delivery problems in the Dublin area is expected from the direct running of the scheme by Dublin Corporation in 1977/8.

12.24. The free fuel scheme was originally conceived in the light of war-time turf production, and does not operate as a comprehensive home heating service for the elderly. Two other schemes offer some help with this problem—the free electricity scheme, and now the possibility of obtaining some assistance from supplementary welfare allowance towards special heating costs. The free electricity scheme units are hardly sufficient to supply the heating needs of an old person using only electric heating—in addition to normal cooking and light, the winter allowance would allow a maximum of 3 hours heat per day from a one bar electric fire. The heating allowance with supplementary welfare allowance was introduced on July 1 1977 and is at the discretion of the local Community Welfare Officer.

12.25. Despite the free fuel scheme, spending on solid fuel for people over 70 living alone in 1973 averaged 60p a week equivalent to £1.45 at August 1977 fuel prices; for married couples aged over 70, it was £1 a week, equivalent to £2.40 at August 1977 prices.<sup>4</sup> Despite its defects, the cheap fuel scheme is designed to meet an important social need, the need for adequate heating, particularly for the elderly. A review of the scheme, to ensure this need will be effectively met throughout the whole country, is necessary.

<sup>4</sup>Household Budget Survey 1973.

**Cheap Footwear Scheme**

12.26. This scheme was introduced in November 1944 under the 1936 Public Assistance Act. The scheme operates from November to March, and is administered by health boards or county councils. The scheme is now being incorporated into the supplementary welfare allowance scheme. Application is made through Community Welfare Officers. In the past, special footwear was supplied under the scheme, stamped with the initials "CP"—cúntas poiblí. Now, this has been almost completely overtaken by a voucher system, and parents can present the voucher, plus additional payment if necessary, in return for the footwear of their choice. The amount of the voucher depends on the particular welfare payment being received, and the shoe size. In the period 1976/77, for example, in the Eastern Health Board area, the voucher for size 6 or 7 was £5.30 per child for home assistance recipients; £3.71 for unemployment assistance recipients; £3.50 for widows; and £3.23 for recipients of unemployment benefit. Corresponding contributions ranging from nil for a recipient of home assistance, to £2.07 for a recipient of unemployment benefit, would have been expected if the special footwear had been used.

*Eligibility*

12.27. Under the scheme, footwear is provided for the children under 16 of social welfare recipients, the children of recipients of other welfare payments, and children of other needy parents. From 1977/78, the age limit is being extended to 18 years, and entitlement to benefit will be discretionary.

*Numbers receiving Benefit*

12.28. In 1975/76, 42,693 benefited, out of a total of 333,000 children (under 18) of welfare recipients. If the children of recipients of unemployment and disability benefit are excluded, on the grounds that these payments may be of short duration, and if a further reduction is made to exclude children over 16, the number of potentially eligible children comes to about 200,000, or five times the number at present benefiting from the scheme.

*Comment*

12.29. This is a service which has been very highly stigmatised in the past—the links with public assistance, and the special "branded"

footwear did not help in this respect. It is understood that a review of the scheme is now taking place.

### **School Meals**

12.30. Two schemes for school meals are in operation—the urban school meals service for needy children, and the Gaeltacht school meals scheme for all children attending Gaeltacht national schools. In each case, the schemes are administered by local councils, and there is a contribution from central state funds, under the auspices of the Department of Social Welfare. The meals provided are not full dinners, but snacks such as cocoa, bread and butter. In 1975 the average cost per meal was 3.9p in urban areas, and 1.45p in Gaeltacht areas.

12.31. The urban scheme was introduced in 1914, and there is a reference in the legislation to children who, by reason of lack of food, are unable to take full advantage of the education provided for them.<sup>4</sup> The scheme covers national school children in the functional area of the urban local authorities only—areas like County Dublin are excluded. To cater for specific problems in County Dublin, the legislation was amended in 1975 to permit the provision of meals in a school outside the urban boundary where at least half of the children lived within the functional area of the local authority, or in houses provided by the authority. It is up to the Headmaster of each school to decide on eligibility for the scheme. In 1976, 68,478 children in 417 schools benefited, at a total cost of £484,000 (excluding administration costs borne by local authorities).

12.32. The Gaeltacht school meals scheme applies to all children in Gaeltacht schools: 8,850 in 1975, in 157 schools. The scheme was introduced in 1930. Expenditure on the scheme in 1976 was £9,000.

### **Comment**

12.33. If these services are worthwhile, they should be provided in all schools, not simply in urban and Gaeltacht areas. The tortuous amendment in 1975 to bring in certain County Dublin national schools high-

lights the outmoded nature of the urban/rural distinction in the provision of this service.

### **Department of Defence**

#### *Veterans' Pensions and Other Benefits*

12.34. War of Independence veterans also qualify for special pensions—service pensions, disability pensions, and special allowances. Income from such pensions is not reckonable as means for the purpose of qualifying for social welfare old age pensions. 4,500 service pensioners receive an average weekly payment of £4.80. 140 veterans receive average disability pensions of £18.70 a week.

12.35. The special allowances are a means-tested payment which may be payable in addition to a social welfare pension. For example, a married couple whose sole income was an old age pension would receive £7.45 a week extra by way of special allowance. Other veterans would receive a special allowance sufficient to bring their total income up to a corresponding total. Other services provided for veterans are free treatment at a special clinic in St. Bricin's Military Hospital—a total of 1,539 veterans hold clinic cards. A funeral grant of £50 is payable on the death of a veteran who had been receiving a pension or special allowance (increased to £100 from April 1978).

#### **Disabled Drivers**

12.36. The Revenue Commissioners operate a number of schemes for disabled motorists. These are motorists who cannot use their legs and have to use adapted vehicles for travel to work. These drivers are exempt from paying a road tax; they can buy duty-free petrol up to a maximum of 350 gallons a year; they receive a refund of VAT on new cars; and they pay a reduced rate of VAT on imported cars.

12.37. About 400 people benefited from the petrol tax refund in 1976, at a cost of £50,590, or £126 per head. 129 new applications were received of which 102 were successful. 100 people benefited from the VAT refund on new cars, at a cost of £49,000, and 63 benefited from a reduction in the excise duty on imported cars, at a cost of £3,000.

<sup>4</sup>Education (Provision of Meals Act) 1914, S.3.



### Department of the Gaeltacht Services

12.38. The Department of the Gaeltacht operates schemes of housing grants and loans, to people living in specified Gaeltacht areas where the language of the home is Irish. In 1976, expenditure on grants was £351,000, and on administration, £76,000. In 1976, 914 households benefited from these grants.

### Legal Aid\*

#### Background

12.39. A right to sue "in forma pauperis" existed in Ireland in the nineteenth century, but had lapsed by the time that Dáil Éireann came to power and was not renewed under subsequent rules of Court. A procedure was introduced in 1924 (under Criminal Appeals Rules (1924) S.O. 43 24/7/1924), which gave permission to the Court of Criminal Appeal to assign legal aid to an applicant who had been sentenced to death. In 1928 an amendment was added regarding retrials. This procedure fell into abeyance after 1962 although it was once revived for a brief period during a barristers' strike in relation to the legal aid scheme.

12.40. *Legal Aid* was introduced in its present form on 1 April 1965 under the Criminal Justice (Legal Aid) Act 1962 which provided that 5 different types of legal aid certificates could be granted. These were as follows: Legal Aid (District Court) Certificate, Legal Aid (Trial on Indictment) Certificate, Legal Aid (Appeal) Certificate, Legal Aid (Case stated) Certificate, Legal Aid (Supreme Court) Certificate. The scope of the 1962 Act was curtailed in certain respects by the Criminal Procedure Act 1966, but was later restored by the Criminal Procedure (Amendment) (No. 2) Act 1973.

12.41. A Committee is sitting under Mr. Justice Pringle to study the provision of civil legal aid and advice. A committee is sitting under District Justice Tormey to study criminal legal aid.

\*This section was written by Claire Carney, lecturer in Social Science at UCD, and contains material prepared for a PhD thesis.

### Eligibility

12.42. Eligibility for the legal aid scheme was based on two requirements:—

- (a) *A Means Test*. The courts were empowered to grant free legal aid provided that "the means of a person charged before it with an offence are insufficient to enable him to obtain legal aid." (Section 2 (1) (a).) A form for the declaration of means was laid down by schedule.
- (b) *The Gravity of the Charge or Exceptional Circumstances*. Where a person was returned for trial on a charge of murder, a legal aid certificate automatically was granted. Otherwise the judgment as to eligibility rested with the Court. Where a legal aid (trial on indictment) certificate was concerned, the nature of the defence (if any) could be disclosed.

In 1967, the Attorney General gave an informal undertaking that free legal aid could be granted in the High Court and the Supreme Court in certiorari and habeas corpus cases.

### Administration

12.43. The District Court clerk and the registrars of the Higher Courts were to hold a list of the names of solicitors and barristers who were willing to act for litigants who were granted the certificates. The solicitors and barristers who participate in the scheme are entitled to fees and, in some circumstances, to travel and subsistence expenses. A person could be required to pay back any monies which had been paid out incorrectly on his behalf, and could be imprisoned for a period of up to six months or fined up to £100 if convicted of obtaining the legal aid under false pretences.

### Appeals

12.44. There was no appeal against the refusal of a legal aid certificate in a District Court. If a convicted person were refused a certificate he had the right to review this application in the Court wherein lay the appeal from the conviction.

### *Expenditure*

12.45. The expenses of the scheme were to be defrayed from the Central Exchequer. Expenditure in the year ending 31 December 1975 was £54,771. The number of cases in which aid was granted in 1975 was 2,171.

### *Comment*

12.46. No requirement was laid down in the Act that the existence of the scheme must be made known to litigants, but the Supreme Court recently has quashed sentences on the grounds that the accused had not been informed of this right. A sentence also was quashed where a case had been heard in the absence of the appointed legal aid solicitor. The means test which may be applied is not known in advance, and the granting of legal aid is at the discretion of the individual judge. While the majority of legal aid applications are in fact granted, there have been a number of cases of refusal, and the position cannot be considered satisfactory.

## CHAPTER THIRTEEN

### CONCLUSIONS

13.1. It is difficult to draw overall conclusions from an examination of so many different social services covering such a spectrum of activity. Many of the conclusions to be drawn are specific to individual services, and lose much of their relevance if they are made more general; these conclusions can be found in the "Comments" section after the description of individual services in Part II.

13.2. The title of the present study is "Universality and Selectivity: Social Services in Ireland" and it has concentrated on the selection process—who is eligible for, and who receives a service. The factual information presented here, however, supports the theoretical arguments in NESC Report No. 36<sup>1</sup> that "universal" and "selective" are over-simplified terms. For example, the proportion of the relevant age group who receive "selective" social welfare old age pensions is higher than the proportion of the relevant age group availing of "universal" free post-primary education in the senior classes.

13.3. The very variety, number and complexity of social services in Ireland, as evidenced by the length of the present report, can create problems in themselves. For administrators, there are problems in co-ordinating the services, in trying to maintain a consistency of approach in linked services, and in taking care of interactive effects when any one service is changed. For recipients, there may be difficulties in finding out about the range of services available, together with eligibility conditions, and in trying to deal with the number of different agencies providing the services.

<sup>1</sup>Universality and Selectivity: Strategies in Social Policy.

13.4. The report has highlighted a number of anomalies, but without making any recommendations, as this will be the task of the third report. The elimination of anomalies, however, brings with it costs—either the political cost of disempowering existing recipients in order to achieve equality at a lower level of service, or more realistically, the financial costs of improving services or extending their scope in order to eliminate undesirable differences in treatment. It may not be considered practicable or desirable to devote the necessary resources towards the elimination of some of these anomalies at present, given the many competing demands on Government funds. Indeed, it is this financial constraint in many cases, rather than oversight or deliberate policy which has resulted in the persistence of many of the anomalies which have been noted.

13.5. A number of anomalies and curiosities which have been mentioned would, however, cost relatively little to remedy, and their removal would help reduce the complexity of the welfare system. In order to show up such cases, it is worthwhile to re-examine services periodically in the light of their original intentions, the relevance of those intentions today, the actual results being achieved, and the interactions with other services.

13.6. The problem of coping with limited finance overshadows the provision of the social services. Despite the fact that social services have been absorbing an increasing share of Government spending and of GNP, the level of provision in relation to total need remains low in a number of areas. Very many services therefore are selective in intent in a bid to concentrate resources where they are felt to be most needed.

13.7. To conclude, there is the traditional plea for further research. First, there is the question of who pays for, and who receives, benefits. An analysis of the distribution of income before and after all taxes and benefits is in progress by the Central Statistics Office, based on the 1973 Household Budget Survey, but there appears to be a long delay in producing results. This is an important piece of policy-oriented research, central to the issues of universality and selectivity. Second, there is a need for more research here into the neglected problem of take-up, again a crucial issue in the policy debate.

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