



# **“Brexit Budget not a good deal for Youth Sector”**

## **Budget 2020**

### **Post-Budget Analysis**

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National Youth Council of Ireland**

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## Budget 2020: NYCI Response

### Introduction

In its Pre-Budget submission (PBS) entitled '*A Fair Share for Young People and Youth Work*,' NYCI highlighted key issues affecting the lives of children and young people, and outlined our proposed budget to respond to the needs of children and young people in Budget 2020. NYCI's Pre-Budget submission identified 4 budgetary priorities, which it urged Government to address in Budget 2020. The 4 areas included:

#### 1. Invest in Voluntary Youth Organisations and Youth Work Services

- Increase investment in voluntary youth work organisations and youth work services to ensure the provision of more supports and services for young people and to meet the needs of a growing youth population. In particular, NYCI recommends investment of €3m in the Youth Service Grant Scheme in Budget 2020.
- **Investment €16.6m**

#### 2. Halve Long-term Youth Unemployment

- Increase the investment in the education, training and access to apprenticeships to halve long-term youth unemployment by end 2020.
- **Investment €14.9m**

#### 3. Equality for Young Jobseekers

- Restore the full adult rate of €203 to young people on Jobseeker's Allowance over next two budgets. In Budget 2020 increase rate for young people age 18-24 by €45.10 a week and those aged 25 by €22.60 per week.
- **Investment €29.9m**

#### 4. Tackling Youth Homelessness

- Restore the full rate of Jobseeker's Allowance to young people who are homeless or at risk of homelessness.
- **Investment €2.1m**

## **NYCI Analysis & General Commentary**

The impact and consequences of a no deal Brexit cast a long and dark shadow over Budget 2020. As a result the Budget was cautious and unambitious, with none of the usual positive changes in tax and social welfare that characterised budgets of recent years. The Government, with the support of Fianna Fáil, has argued that a cautious budget is prudent and required, in case there are significant consequences and costs associated with a disorderly Brexit.

### **Youth Work**

While the allocation of €2m additional funding is welcome, in reality it is only a small measure in addressing the disproportionate cuts suffered by the youth work sector and the lack of redress in investment, in recent years. We note that the Department of Children and Youth Affairs (DCYA) received an overall increase of €94m of which the youth work sector received just over 2% for 2020. The DCYA Budget statement refers to €2m additional funding for *“youth services and participation, including a special fund for Youth Action on Climate Action.”*<sup>1</sup> We understand that the exact allocation of the €2m across the different budget lines still has to be determined. We look forward to working with DCYA to ensure that the increased investment is allocated to those areas in most need as set out in our pre-budget submission.

### **Jobseeker’s Allowance**

There was some welcome movement on addressing the discriminatory cuts to young jobseekers with the restoration of the full rate of Jobseeker’s Allowance (JA) to those aged 25 years and to jobseekers aged 18-24 if living independently and in receipt of State supports (e.g. Rent Supplement, RAS, and HAP). While welcome these measures will benefit just 2,000 of the over 14,000 young people currently on the lower JA rates. This is an issue which NYCI has campaign on since 2009 and in addition to benefiting young jobseekers, the reversal of some of these cuts is a tacit acknowledgement by Government that these harsh measures were unfair and discriminatory.

### **Employment Supports**

With a youth unemployment rate at 14.8% and the spectre of Brexit, we are concerned about the cuts in employment support programmes in Budget 2020. Funding for Jobsplus has been reduced from €20.2m to €10.1m, the Youth Employment Support Scheme has been cut from €5m to €3.35m and the Back to Education Allowance has

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<sup>1</sup> DCYA Budget 2020 Press Release <https://www.gov.ie/en/news/44fc52-minister-zappone-announces-a-94-million-budget-package/>

been cut by €5m. We will be seeking clarification from the Department of Employment Affairs and Social Protection on the funding of these employment programmes.

### **Minimum Wage**

We are disappointed that the proposed increase in the minimum wage from €9.80 to €10.10 an hour has been deferred because of Brexit. With almost 4 in 10 of those on the minimum wage under 30 year of age, this delay will punish many young low income workers.

### **Other budgetary measures of benefit and interest to children and young people**

There are however, some budgetary provisions, which will benefit children and young people and progress on issues of importance to them. These budget measures include:

- An additional €27 million (from €142m to €169m) to support apprenticeships. This will support 7,000 apprenticeship registrations in 2020, and a range of new apprenticeship schemes.
- An increase in the qualified child allowance for those aged 12 or over by €3 a week and by €2 a week in the qualified child allowance for children under 12 years.
- The recruitment of 1,064 additional Special Needs Assistants (SNA).
- The Hot School Meals scheme to be extended from September 2020 to 35,000 additional schoolchildren.
- A €1m investment to provide funding for school books in primary schools.
- The extension of free GP care for children up to 8 years (currently 6 years).
- Free dental care for children under 6 years.
- The allocation of €45m to a Transition Fund to assist workers and businesses in sectors at risk from decarbonisation, digitalisation and globalisation.

## Summary of Budget Measures

### Invest in Voluntary Youth Organisations and Youth Work Services

#### NYCI Recommendation

- An additional €16.6m investment in youth work services, to strengthen voluntary youth work organisations to provide more supports and activities for young people and to meet the needs of a growing youth population, including an investment of €3m in the Youth Service Grant Scheme
- **Investment €16.6m**

#### Budget 2020

A welcome, yet small step in the right direction with additional funding of €2m for youth services and participation, including a special fund for Youth Action on Climate Action. This additional investment will make a contribution towards addressing the deep cuts in the 2008-2014 period and limited investment since then, but does fall a long way short of the investment which is required to support the youth work sector to address the needs of young people. We understand that the exact allocation of the €2m across the different budget lines has yet to be determined.

In our 2020 Pre-Budget Submission (PBS), NYCI noted that one of the positive indicators in Ireland is our growing youth population. We noted that Census 2016 indicates that the number of young people aged 10-24 will grow by 13.2% between 2015 and 2025.<sup>2</sup> We noted that with adequate resources, voluntary youth work organisations are well placed to support young people to reach their potential and make Ireland the best country in the world to be a young person. Unfortunately the current investment in youth work following Budget 2020 at approximately €62m is still almost 15% below the 2008 levels.

We highlighted that voluntary youth organisations are active in almost every community reaching over 383,000 young people and that they are particularly active in supporting young people from economically or socially disadvantaged communities, with 53.3% of all participants coming from these areas.<sup>3</sup> We noted that voluntary youth organisations work in a broad range of areas such as promoting active citizenship, social and political education, and supporting the participation of young people in education and training. While also delivering programmes to promote positive mental health, school completion and employability and run projects in youth

<sup>2</sup> E3003, Population 2011-2016 by Single Year of Age, Sex, County and City, CSO, <https://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=E3003&PLanguage=0>

<sup>3</sup> Assessment of the Economic Value of Youth Work by Indecon Economic Consultants, pp 49 November 2012

justice, equality and alcohol and drug awareness. Our submission also noted that voluntary youth organisations organise international exchange programmes for young people, allowing them to meet, engage and work with young people from other countries and cultures. The submission also highlighted the track record, credibility and reach of the youth sector is demonstrated by the fact that we have the highest level of involvement in youth services in the EU, with 26% of young people active in a youth club/organisation.<sup>4</sup> This is demonstrated in the Indecon Report<sup>5</sup> on the economic value for youth work in Ireland which estimated that for every €1 invested in youth work the economic benefit/costs saved by the State in the long run are €2.20.

Our submission set out how investment in youth work services from the Department of Children and Youth Affairs (DCYA) had decreased by 31.8% over an eight year period, from €73.1m in 2008 to €49.8m in 2014. It further set out that while funding for youth work from DCYA has increased in recent years and now stands at €60.4m in 2019, it is €12.7m or over 17% below that of over a decade ago. With the additional investment of €2m in Budget 2020, that leaves the overall funding envelope at €62.4m.

Budget 2020 is a welcome but small step in the right direction, but falls well short of what is required to address the severe cutbacks between 2008 and 2015 that left significant deficits and continues to put substantial strain on volunteers, staff and organisations to deliver quality youth services and supports for the increasing number of young people.

In Budget 2020 the Government and the Department of Children and Youth Affairs have unfortunately not addressed the underlying and overall funding deficits in youth work. The additional funding announced will help, but many voluntary youth organisations are reaching a crisis point as they stretch already diminished budgets to meet ever growing governance and compliance requirements such as Children First, the National Quality Standards Framework (NQSF) for the Youth Work Sector, vetting, charities regulation, the companies act, lobbying regulation, GDPR, etc. while also responding to the changing and growing needs of young people in their programmes and activities. Furthermore, if we are to achieve the outcomes set out in the National Youth Strategy, to cater for the increased youth population and to meet the new regulatory demands it is vital and urgent that the Government invests much more in young people and youth work.

In 2008, the investment in youth work services was €76 per young person. By 2014, this had collapsed to €58 per young person. As outlined earlier, while there has been

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<sup>4</sup> European Commission 2011, "Youth on the Move" - Analytical Report of Flash Eurobarometer Number 319a

<sup>5</sup> Assessment of the Economic Value of Youth Work by Indecon Economic Consultants, pp 18 November 2012

an increase in funding, the youth population is also growing significantly; therefore the actual investment in 2020<sup>6</sup> comes to just €65 per young person. From this data it is clear, that while the additional €2m is welcome it falls far short of the €16.6m which we estimated was required to ensure youth work and young people got their fair share in Budget 2020.

### **Allocation of Investment**

In our pre-budget submission NYCI outlined how any new funds should be allocated, including an investment of €3m in the Youth Service Grant Scheme. We understand that the exact allocation of the €2m across the different budget lines still has to be determined. We look forward to working with DCYA to ensure that the increased investment is allocated to those areas in most need, as set out in our pre-budget submission.

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<sup>6</sup> Census 2016, CSO  
<http://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=EY007&PLanguage=0> (925,582 young people and a budget of €58.9m)

## Halve Long-term Youth Unemployment

### NYCI Budget Recommendation

- Increase the investment in the education, training and access to apprenticeships to halve long-term youth unemployment by end 2020.
- **Investment €14.9m**

### Budget 2020

- Some progress on apprenticeships with an additional €27m provided, but no progress on the national “Access to Apprenticeship” programme. It is disappointing that there are cuts in funding to Youth Employment Support Scheme, Back to Education Allowance and JobsPlus. It would appear that funding for these programmes were cut to meet the need to allocate €365m to provide for extra social protection expenditure on the Live Register and related schemes in the event of a No Deal and disorderly Brexit.

In our PBS we welcomed job growth in the Irish economy and the consistent trend of reduced youth unemployment, which in April 2019 stood at 10%.<sup>7</sup> We pointed out however, that the rate of youth unemployment (15-24 years) is nearly three times that of those aged 25-74 years which stands at 3.7%. We noted that there were 19,639 young people under 26 years receiving Jobseeker’s Benefit, Jobseeker’s Allowance and/or signing for credits<sup>8</sup>. In particular, we expressed our concern about the 5,939<sup>9</sup> young people, who are now long-term unemployed (for 12 months or more), and made a number of costed and detailed proposals (below) to reduce and halve long-term youth unemployment by the end of 2020.

### NYCI Budget 2020 Youth Employment Proposals

Name	Participants	Investment
National Access to Apprenticeship	500	€2.5m
Increased Investment in YESS	1,000	€5m
Additional Places on BTEA	1,000	€4.4m
Additional Place on JobsPlus Youth	500	€3m
Totals	3,000	€14.9m

<sup>7</sup> CSO, Monthly Unemployment Report, May 2019,

<https://www.cso.ie/en/releasesandpublications/er/mue/monthlyunemploymentapril2019/>

<sup>8</sup> Dáil Éireann, Parliamentary Questions 1482-1483, May 8<sup>th</sup> 2019

<https://www.kildarestreet.com/wrans/?id=2019-05-08a.4027>

<sup>9</sup> Dáil Éireann, Parliamentary Questions 1482-1483, May 8<sup>th</sup> 2019

<https://www.kildarestreet.com/wrans/?id=2019-05-08a.4027>

## **National Access to Apprenticeship (ATA) Programme**

In our PBS, we recommended the investment of €2.5m in a national access to apprenticeship programme. There has been expansion and growth in apprenticeships in the last number of years. The number of apprentices in training in 2019 was 16,000<sup>10</sup> up from 10,445 in 2016<sup>11</sup> driven by a 110% increase in the number of new entrants between 2013 and 2018.<sup>12</sup> Funding has also increased by 131% from €52.7m in 2014 to €122m in 2018. We endorsed the overall Government commitment to increase the number of new entrants to 9,000 per annum by next year, with the introduction of a range of new apprenticeships including in areas such as animation, horticulture and healthcare,<sup>13</sup> but outlined our concern about the lack of action to address the participation of disadvantaged and under-represented groups in apprenticeship programmes. We noted that at present only 2% of apprentices are young women and 2.8% have a disability and that there is no data available on other categories such as young people who are socially and economically disadvantaged or those from a minority ethnic background. We called for action to ensure that the number and range of apprenticeships expands and that these opportunities remain open to all young people, especially disadvantaged and underrepresented groups.

We called on Government to roll out the pilot TU Dublin Access to Apprenticeship<sup>14</sup> (ATA) programme nationally. The TU Dublin ATA programme funded by the private sector, supports young people aged 16-24 from disadvantaged backgrounds, and with limited educational qualifications in Dublin City. The TU Dublin ATA programme supports the participants over a 12 week period to sample a range of apprenticeship opportunities, assists with CV and interview preparation and also includes two weeks work experience. We estimated that the anticipated costs of such a national ATA scheme in 2020 is €2.5m based on a cost per participant of €5,000 and an additional 500 places.

While Government did increase the overall funding to apprenticeship by €27m, we are disappointed that they did not provide any funding for a national ATA programme. We will continue to campaign for a national “Access to Apprenticeship” scheme as we believe it will ensure greater access for disadvantaged and underrepresented young people.

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<sup>10</sup> Dáil Éireann, Parliamentary Questions 367-377, May 8<sup>th</sup> 2019

<https://www.kildarestreet.com/wrans/?id=2019-05-08a.1001>

<sup>11</sup> Dáil Éireann, Parliamentary Questions 114, 117-119, 18<sup>th</sup> January 2018

<https://www.kildarestreet.com/wrans/?id=2018-01-18a.295>

<sup>12</sup> Dáil Éireann, Parliamentary Questions 367-377, May 8<sup>th</sup> 2019

<https://www.kildarestreet.com/wrans/?id=2019-05-08a.1001>

<sup>13</sup> <https://www.education.ie/en/Press-Events/Press-Releases/2017-Press-Releases/PR17-12-08.html>

<sup>14</sup> <https://www.dit.ie/colleges/collegeofengineeringbuiltinenvironment/accesstoapprenticeship/>

## **Youth Employment Support Scheme**

NYCI recommended an investment of €5m in the Youth Employment Support Scheme (YESS) in Budget 2020. We supported the announcement in Budget 2018 of the new Youth Employment Support Scheme (YESS),<sup>15</sup> which is targeted at young people aged 18 to 24 who are long-term unemployed or who face barriers to employment. We noted that YESS is designed to provide the long-term unemployed with the opportunity to learn basic work and social skills in a supportive environment while on a work placement. We expressed our disappointment with the slow rate of progress, as it took twelve months to set up the scheme and in March 2019 only 225 young people had commenced on the YESS.<sup>16</sup> More recent information from the Department indicates that over 400 young people have commenced the YESS programme. In our PBS we recommended that Government invest a further €5m in the scheme in 2020, to meet the needs of at least 1,000 long term jobseekers.

We are disappointed that funding for the YESS programme appears to have been cut from €5m in 2019 to €3.35m in 2020 based on the Departmental estimates published following the Budget. We will raise this issue with the Department and seek clarification and advocate to have this funding restored in order to address long term youth unemployment.

## **Back to Education Allowance**

NYCI recommended an investment of €4.4m in the Back to Education Allowance (BTEA) in Budget 2020. The BTEA is an educational opportunities scheme that facilitates those in receipt of social welfare payments to retain welfare supports, while undertaking an educational programmes at second or third level. We argued that many young people who end up as long-term unemployed have left school early. Therefore, the BTEA is an excellent vehicle to support young people with limited educational qualifications to upskill and improve their chances of decent employment. Based on the most recent available data, 2,209 young people<sup>17</sup> under the age of 26 are on the BTEA scheme. We noted that with increased awareness and promotion this number could be increased. We proposed that the Department should aim to increase the number of long-term unemployed young people on BTEA by 1,000 to 3,200 in 2020. On the basis that 86% of young people are on the €112.70

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<sup>15</sup> Department of Employment Affairs and Social Protection, Budgetary Measures, October 2017, <https://m.welfare.ie/en/Pages/Budget-2018.aspx>

<sup>16</sup> Dáil Éireann, Parliamentary Question 1469, May 8<sup>th</sup> 2019 <https://www.kildarestreet.com/wrans/?id=2019-05-08a.4002>

<sup>17</sup> Dáil Éireann, Parliamentary Question 1464, May 8<sup>th</sup> 2019 <https://www.kildarestreet.com/wrans/?id=2019-05-08a.3993>

and 14% on the €157.80 rate of Jobseekers Allowance, we estimated that the annual cost of an increase to €203 per person per week would be approximately €4.4m.<sup>18</sup>

We are disappointed that funding for the Back to Education Allowance scheme appears to have been cut by €5m from €61.6m in 2019 to €56.9m in 2020 based on Departmental estimates published following the Budget. We will seek clarification on funding for this scheme from the Department of Employment Affairs and Social Protection.

### **JobsPlus Youth**

NYCI recommended an investment of €3m in JobsPlus Youth in Budget 2020. We noted that JobsPlus Youth is an employer incentive, which encourages and rewards employers who recruit young jobseekers under the age of 25 from the live register. Since 2015, 3,494 young people<sup>19</sup> have participated on the scheme, with the numbers declining from 816 in 2016 to 414 in 2018. We argued that while the decline in youth unemployment and upturn in the economy, given the level of long-term youth unemployment there is still a need for the scheme. We proposed greater promotion of the scheme among young jobseekers and employers, with the aim of supporting 1,000 long-term unemployed young people in 2020. We estimated based on figures available from the Department of Employment Affairs and Social Protection that the additional investment required for 500 additional participants in 2020 would be in the region of €3m.<sup>20</sup>

We are disappointed that funding for the overall JobsPlus scheme appears to have been cut from €20.2m in 2019 to €10.1m in 2020 based on Departmental estimates published following the Budget. It is not clear how the cut will impact Jobsplus Youth, but it is very likely it will reduce the number of young unemployed people who can avail of the scheme. We will seek clarification on funding for this scheme from the Department of Employment Affairs and Social Protection.

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<sup>18</sup> (860 x annual cost per person of €4,695 + 140 x €2350 annual cost per person)

<sup>19</sup> Dáil Éireann, Parliamentary Questions 1466-1468, May 8<sup>th</sup> 2019

<https://www.kildarestreet.com/wrans/?id=2019-05-08a.3997>

<sup>20</sup> Average cost per participant in 205-2017 was €5,800 x 500 additional participants over 2018)

## Equality for Young Jobseekers

### NYCI Budget Recommendation

- Restore the full adult rate of €203 to young people on Jobseeker's Allowance (JA) over next two budgets. In Budget 2020 increase rate for young people age 18-24 by €45.10 a week and those aged 25 by €22.60 per week.
- **Investment €29.9m**

### Budget 2020

- NYCI welcomes the decision to restore full rate of Jobseeker's Allowance (JA) to young people aged 25 years and to jobseekers aged 18-24 if living independently and in receipt of State supports (e.g. Rent Supplement, RAS, and HAP). These measures will benefit just 2,000 of the over 14,000 young people currently on the lower JA rates.

In our PBS, we called for full restoration of the payment to young JSA recipients. We have consistently opposed the decisions of previous Governments to reduce welfare payments to young unemployed persons under 26 years of age and have called for the full rates to be restored. We acknowledged the decision of Government in Budget 2017, in line with a proposal made by NYCI at the time to restore the full adult rate to young people engaged in education, training and work experience. We argued that the imposition of lower rates on young jobseekers is contrary to the provisions of Article 40.1 of the Irish Constitution,<sup>21</sup> which dictates that all citizens should be treated equally and must be addressed.

We set out the most recent data on the numbers of young people on JA, which indicates that 69% or 11,944 of the 17,310 young people in receipt of Jobseekers' Allowance (JA) in April 2019 were on €112.70 a week, 10.5% or 1,841 were on €157.80 with 17% or 2,917 on the full rate of €203 per week.<sup>22</sup>

NYCI commissioned from the Vincentian Partnership for Social Justice (VPSJ) on the Minimum Essential Standard of Living for young people on Jobseekers' Allowance aged 18-25 years. The results from the MESL of young people aged 18-25 years set out in our PBS indicated that the current levels of Jobseekers' Allowance payments creates economic poverty, hardship and social exclusion. The analysis from VPSJ demonstrates that for all those on the lower rates of Jobseeker's Allowance with the

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<sup>21</sup> Irish Constitution [http://www.taoiseach.gov.ie/eng/Historical\\_Information/The\\_Constitution/February\\_2015\\_-\\_Constitution\\_of\\_Ireland\\_.pdf](http://www.taoiseach.gov.ie/eng/Historical_Information/The_Constitution/February_2015_-_Constitution_of_Ireland_.pdf)

<sup>22</sup> Dáil Éireann, Parliamentary Questions 1484, May 8<sup>th</sup> 2019 <https://www.kildarestreet.com/wrans/?id=2019-05-08a.4031>

exception of young people aged 25 living in the family home, the current payments are wholly inadequate. For the vast majority of recipients, the current payments are a fraction of what is required to live with dignity. NYCI called on Government to reverse these cuts over the next two Budgets, beginning in Budget 2020. We estimated that the cost of our proposals would be €29.9m.

NYCI warmly welcomes the decision of Government to reverse the cut and restore the full rate of JA (currently €203 per week) to young people. Based on our projections, this will benefit 1,800 young jobseekers. We also welcome the decision to restore the full rate of JA for young people aged 18-24 years, if they are living independently and in receipt of State supports (e.g. Rent Supplement, RAS, and HAP). It is important to note, however that the Government anticipates that this measure will benefit in the region of 200 young jobseekers. This means that based on the most recent data, that almost 12,000 young jobseekers aged 18-24 years will remain on the lower rate of €112.70 a week. NYCI will continue to campaign for the restoration of the full rate of JA for all young jobseekers.

## Tackling Youth Homelessness

### NYCI Budget Recommendation

- Restore the full rate of Jobseeker's Allowance to young people who are homeless or at risk of homelessness.
- **Investment €2.1m**

### Budget 2020

- NYCI welcomes the decision to restore full rate of Jobseeker's Allowance (JA) to young people aged 25 years and to jobseekers aged 18-24 if living independently and in receipt of State supports (e.g. Rent Supplement, RAS, and HAP). These measures will benefit just 2,000 of the over 14,000 young people currently on the lower JA rates. The decision to restore the full rate aged 18-24 to some recipients living independently will assist a small number of young people at risk of homelessness, while welcome a lot more needs to be done and more resources made available to meet the needs of all young people who are homeless or at risk of homelessness.

The NYCI PBS noted that in April 2019, 10,378<sup>23</sup> people were recorded as homeless, which included 6,584 adults and 3,794 children under 18 years. The document also pointed out that the number of young people aged 18-24 who are homeless was 903 in April 2019 representing a rise of 42% in the three years since February 2016.

The submission notes that the cuts in welfare payments has had a significant impact on young people at risk of homelessness. Between 2007 and 2015, the rate of severe deprivation amongst 18 to 24 year-olds increased by almost 157% (4.6% to 11.8%), twice that of the general population.<sup>24</sup> NYCI argued that it was now time to protect young people experiencing homelessness and restore the full rate of Jobseeker's Allowance to this cohort in Budget 2020. We pointed out that the current policy of reduced Jobseeker's Allowance payment means that young people who do not come from a care background and have become homeless will not be able to support themselves out of homelessness and into accommodation. In the vast majority of cases, the causes of their homelessness mean that returning to the 'family home' is not a viable option. Given the priorities in the allocation of social housing, the most likely route for a young person to secure accommodation is through rent supplement. We welcomed the changes in Budget 2017, which reduced the contribution of young people under 26 (on the lowest rate of Jobseeker's Allowance rate) to rent

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<sup>23</sup> The Department of Housing, Planning, Community & Local Government Homelessness Report April 2019, [https://www.housing.gov.ie/sites/default/files/publications/files/homeless\\_report\\_-\\_april\\_2019.pdf](https://www.housing.gov.ie/sites/default/files/publications/files/homeless_report_-_april_2019.pdf)

<sup>24</sup> European Survey of Income and Living Condition 2016. Eurostat Indicator: ilc\_mddd11

supplement from €30 to €10,<sup>25</sup> however, this still left the young people on the lowest rate with a disposable income of just over €97 per week. As a result of this limited income, it is almost impossible for young people to secure viable rental accommodation.

NYCI endorses Focus Ireland's proposal that where a young person under 26 years has been assessed as being homeless or at risk of becoming homeless, they would qualify for the full rate of JSA under the discretions allowed as part of the supplementary welfare payments procedure. We argued that this proposal could be a last hope and resort for many young people who are homeless and desperate to secure accommodation. The investment proposed would actually save the state significant resources, as otherwise homelessness supports would have to be provided to the young person. NYCI estimated that the cost of implementing this new policy would be €4,695<sup>26</sup> per qualifying young person. We estimated that up to 50% of the current cohort of 903 young people who are homeless could qualify for the increased rate at a cost of €2.1m in 2020.

NYCI welcomes the decision to restore full rate of Jobseeker's Allowance (JA) to young people aged 25 years and to jobseekers aged 18-24 if living independently and in receipt of state supports (e.g. Rent Supplement, RAS, and HAP). This decision will assist young people who are aged 25 to access accommodation. While NYCI is pleased to see progress on this issue, it is important to point out that these measures will benefit just 2,000 (1,800 aged 25 years and 200 aged 18-24 years) of the over 14,000 young people currently on the lower JSA rates. NYCI will continue to campaign for the full reversal of the cuts and restoration of the full rates of JSA for young jobseekers. The decision to restore the full rate to those aged 18-24 living independently will assist a small number of young people at risk of homelessness. While welcome a lot more needs to be done and more resources made available to meet the needs of all young jobseekers who are homeless or at risk of homelessness.

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<sup>25</sup> <http://www.welfare.ie/en/Pages/Rent-Supplement.aspx>

<sup>26</sup> €90.30 per week x 52 weeks = €4,695.60

## Other Budgetary Measures of Interest

### Tax Measures

- An increase in the Home Carer Tax Credit from €1,500 to €1,600.
- An increase in the Earned Income Credit from €1,350 to €1,500.
- Increase in the rate of Carbon Tax by €6 to 26 euro per tonne.
- Increase of 50c on pack of 20 cigarettes with pro-rata increase on other tobacco products.

### Children and Youth Affairs

- Overall increase in DCYA funding of €94m.
- An additional allocation of €89m to fund a new Affordable Childcare Scheme.
- TUSLA received €33m in additional funding for 2020.

### Education and Skills

- 2.5% increase in the state's capitation grant per child from September 2020.
- Recruitment of an additional 581 new teachers, of whom 408 will be working with children with special needs.
- The recruitment of 1,064 additional Special Needs Assistants.
- The Hot School Meals scheme to be extended from September 2020 to 35,000 additional school children.
- A €1m investment to provide funding for school books in primary schools.

### Employment Affairs and Social Protection

- A €365m fund to deal with additional social protection expenditure on the Live Register and related schemes to deal with the impact of a disorderly Brexit.
- An increase in the qualified child payments in all weekly payments, by €3 for children aged up to 12 and by €3 for children over age 12 to 18.
- A new €2.5m fund for targeted activation measures.
- The 100% Christmas Bonus will be paid in early December 2019 to 1.2m social welfare beneficiaries.
- An increase in the number of hours carers can work or study every week outside the home without affecting their allowance, from 15 hours to 18.5 hours.

### Other Brexit Measures

- The introduction of the following four schemes and other initiatives, which will be activated in the event of a No Deal scenario:
  - €42m Rescue and Restructuring Fund,
  - €45m Transition Fund,
  - €8m Transformation Fund,
  - €5m Support for Micro Enterprises from Micro Finance Ireland.

## **Conclusion**

In the NYCI Pre-Budget 2020 submission, we called on Government to give young people and the youth sector a fair share in Budget 2020. In relation to investment in youth services, while the additional €2m in funding is welcome, it falls well short of what is required to meet the needs of young people and to address the chronic under investment of the sector and to implement our budgetary recommendations. The Budget package to address youth unemployment, in particular long-term youth unemployment is disappointing. It appears funds to support the unemployed are being siphoned off to address the potential consequences of Brexit. While funding should be allocated to support workers who may lose their jobs as a result of Brexit, this should not be done at the expense of young people, who are currently unemployed and who as an age group, evidence shows need the most support and intervention to assist them to access the labour market. We welcome the decision of Government to reverse the cuts to young people on JSA, which will assist almost 2,000 recipients. Despite the changes, we estimate that over 14,000 young people will still be on the lower rate of the payment. NYCI will continue to campaign for the restoration of the full rate to all young people aged 18-24, until the measure is completely reversed and equality across all age groups in receipt of the payment is restored.