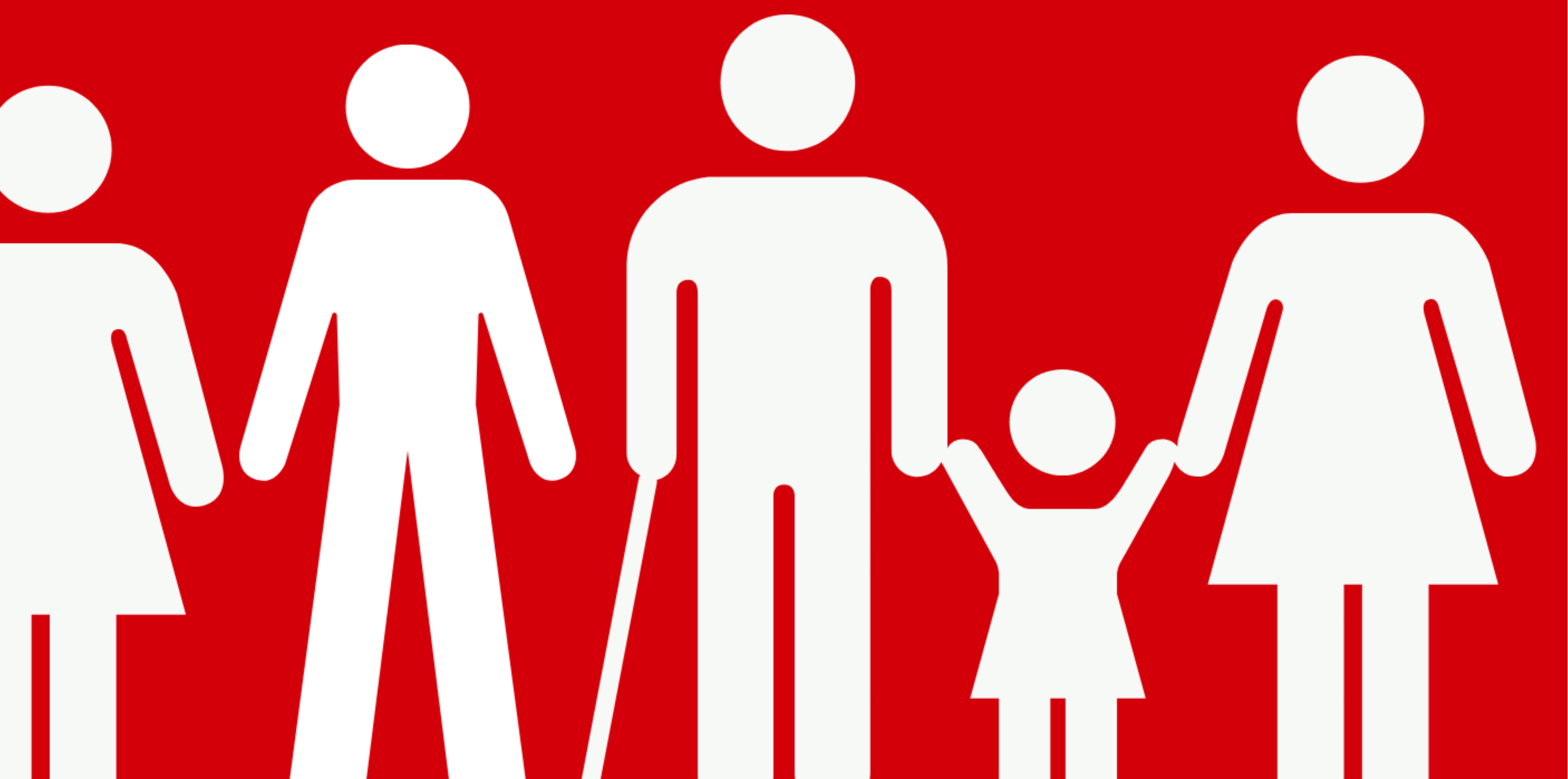
PRE-BUDGET SUBMISSION 2023

ALONE

YOU'RE NOT ALONE

IF NOT NOW, WHEN?



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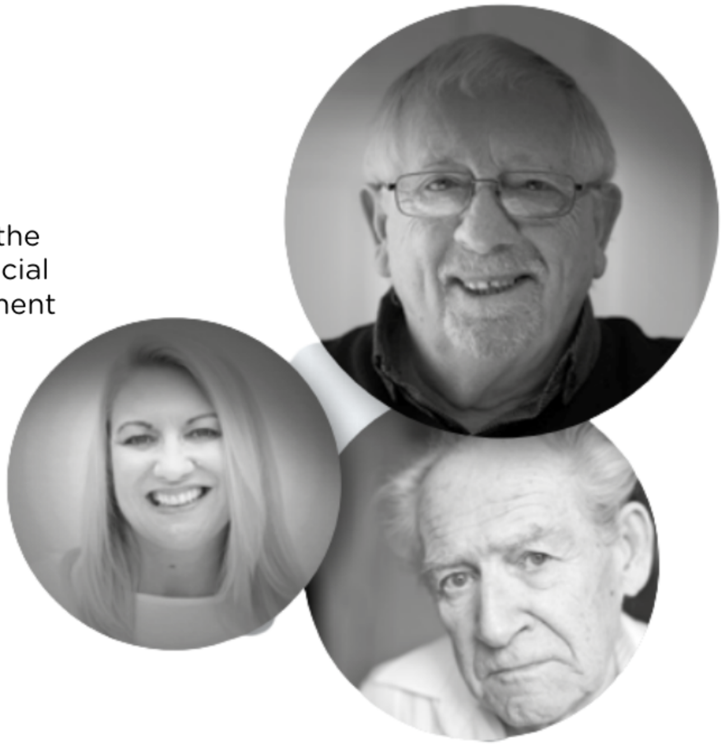

About ALONE

ALONE is a national organisation that supports and empowers older people to age happily and securely at home. We support individuals and their families, work with other organisations, and campaign nationwide to improve the lives of older people. We work with all older people, including those who are lonely, isolated, homeless, living in poverty, or are facing other difficulties. We support them through these challenges to help them find long term solutions. ALONE provide social, practical and housing supports. We use individualised support plans and provide one point of contact for older people to access health, social care, housing and other services to improve physical, emotional and mental wellbeing. ALONE enables outcomes including improved quality of life, community activation, and implementation of national strategies.

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Introduction from Seán Moynihan, CEO

Over the last few months, we have all become aware of the increasing cost of living. It is affecting families, single people, older and younger, renters and homeowners, across all cohorts and groups.

At ALONE we have seen a marked increase in the number of older people extremely concerned about the difficulties they are experiencing in relation to these costs. 92% of older people we work with tell us they are most concerned about heating and energy bills. Two thirds of them are very concerned about rising food costs that are forcing them to change their behavior, often with their nutrition suffering as a result. Household maintenance is proving too costly for over 30% of them, meaning that their living conditions are suffering. Rising transport costs mean that social isolation is increasing, as they cannot afford to get out and about as much as they would like.

At ALONE we have seen a marked increase in the number of older people telling us about the difficulties they are experiencing in relation to these costs. Older people tell us they wear coats and blankets indoors during the day, ration their food, go to bed in the afternoons to save on heating costs, and more. Many are struggling or unable to pay their bills. As we can see in the survey of older people we support (see pages 3-6), nearly three quarters are 'very' or 'extremely' concerned about the cost of living. This survey highlights a worrying situation for many older people, as inflation is not showing signs of slowing down for some time to come.

The difficulties being experienced by older people are increasing. More and more of us are renting into retirement age and beyond as housing costs have skyrocketed. Living costs are increasing. Older people, reliant on fixed incomes, are vulnerable to these changes. At ALONE we are already seeing the sea change coming among the cohort we work with. In the years to come, older people will struggle even more unless significant action is taken. We know this is possible, but we need to see Government make the right choices in Budget 2023. **The question we are asking ourselves is, "if not now, when?"**

Often younger people forget that older people are not a separate cohort with nothing in common with them. We all get older sooner or later. We forget that campaigning for an increase to the pension, or for housing options for older people, is in fact a campaign for all of us. Working to improve the situation is not just for those of us who are at pension age today, but those who will be there next year and in ten years' time and beyond. What do you want for yourself when you are in your seventies and eighties? This is what we must work towards, starting today.

Seán Moynihan
ALONE CEO

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ALONE survey of older people we work with

Over the course of one month, ALONE carried out a survey by telephone and online with 123 older people we work with. This group represents a cross section of older people who use our Telephone Support & Befriending and Visitation Support & Befriending services. The survey results are anonymised.

Key findings:

Nearly three quarters were 'very' or 'extremely' concerned about the cost of living.
·38% (47) were 'extremely' concerned about the cost of living
·36% (44) were 'very' concerned about the cost of living
·18% (22) were 'concerned' about the cost of living
·7% (9) were 'a little concerned' about the cost of living
·Less than 1% (1) were 'not concerned at all' about the cost of living

Nearly two thirds worry about struggling to pay the bills.
·65% (80) worry about struggling to pay their bills
·35% (43) do not worry about struggling to pay their bills

Heating/energy bills, food prices and household maintenance (such as broken appliances) are the increases in costs that most concern older people.
1. Heating/energy bills (91.87% - 113 respondents)
2. Food prices (66.67% - 82 respondents)
3. Household maintenance (broken appliances etc) (31.71% - 39 respondents)
4. Transport (29.27% - 36 respondents)
5.Healthcare costs (23.58% - 29 respondents)
6. Home care costs (12.20% - 15 respondents)
7. Telephone bills (13.82% - 17 respondents)
8. Other (please specify) (6.50% - 8 respondents)

When asked "What do you think the Government should do in the budget to help older people?", the most popular responses were to reduce costs like energy, closely followed by increasing payments to more vulnerable members of our society.

1.Reduce costs like energy (67.48% - 83 respondents)
2. Increase payments to more vulnerable members of our society (63.41% - 78 respondents)
3. Provide more services like home care, public transport (56.91% - 70 respondents)
4. Reduce taxes like excise duty/VAT (36.59% - 45 respondents)
5. Other (please specify) (12.20% - 15 respondents)

Quotes from older people about the impact of the increasing cost of living on them:

“Couldn't be worse. If I didn't have extra help from family I wouldn't be able to cope financially.”

“Anxiety about having enough money to pay everything - even just going to the shop for groceries, hoping to have enough money.”

“I fear that I won’t be able to heat my home and afford to eat come the winter.”

“Selling off items to support, struggling to pay bills. €50 increase in rent, don’t know where this money will come from.”

“I don't have transport and can't get to cheaper shops like Lidl. So I can't afford much shopping. I had to beg SVDP for a food hamper. I can't afford to buy myself any clothes.”

“I worry that as I get older that the prices will increase more than I'm able to pay and that my current standard of living will fall.”

“Having to make tough decisions on what to spend my money on, and having to dip into savings.”

“My pension is spent immediately so I can't save for any emergency.”

“I have to decide between buying food or paying for heating.”

“Less money to even go out and meet a friend as you are worried you might spend your bill money.”

"My savings are much reduced because of the increased prices of everyday things.”

“Curtailed heating. [I have an] old system and can't afford to update it.”

“I hate opening my post.”

“I cannot afford treats for myself (like a cake or bun) or grandchildren anymore.”

“5 euro extra on pension? - I can’t buy a week’s worth of bread and milk for that.”

“Worried about my future and how I will cope with the cost of living.”

“Where will it stop! And can I cope?”

“Spending more on basic food items, everything went up in price. Had to change supermarkets.”

“Cutting back because of rising prices, no money for haircuts or extras like grandchildren’s’ birthdays.”

“Fear of having no money for any emergencies eg fix car, get electrician, plumber.”

“I'm retirement age but I still work.”

“Hard to cover the household bills, leads to increased stress and anxiety.”

“Ireland is one of the most expensive countries in Europe and inflation is making it harder to live here.”

“I watch my meter and worry that it's wrong. I go out less.”

“Watching every penny and worrying how to manage bills on my own.”

“Worry about having enough to make ends meet.”

“Energy costs hard to control.”

“Waiting on the bills coming home.”

Summary of recommendations

Across all budgetary decisions:

- Poverty, gender, and equality proof all budgetary decisions to assess the likely impact that they will have on poverty rates and at-risk groups.
- Implement the OECD recommendations for Ireland on poverty and equality proofing.
- In general, increase core social welfare rates ahead of projected inflation to ensure people on low and fixed incomes can stay afloat in a sea of rising living costs and to prevent a rise in inequality.

1. Accessing entitlements

- Simplify the processes for applying for entitlements to enable accessibility for older people. Each State body providing supports specific to older people should develop a One-Stop Shop for older people to access their relevant entitlements.
- For the Department of Social Protection, this would mean developing a one-stop shop approach for accessing and applying for pension, fuel allowance, Living Alone allowance, the Household Benefits package and Telephone Support Allowance.

2. State Pension

- Put in place relevant legislation for formally introducing the Benchmarking of the State Pension as committed to in the Roadmap to Social Inclusion 2020-2025 (which had a target of Budget 2021 for its implementation).
- In the interim, increase the State Pension to meet the amount set out by minimum benchmarking. This means an increase to the pension of more than €40, which ALONE recommends should be met over the course of this Budget and Budget 2024, beginning with an increase of €20 in Budget 2023. We ask that this two-year increase of at least €20 in both years is committed to publicly during Budget 2023.
- Legislate for and introduce the Automatic Enrolment System.
- Introduce legislation to implement the Total Contributions Approach.
  - Set the model at 30 years, as suggested in the 2010 National Pensions Framework.
  - Increase Home Caring Credits to 25 years under the model.
- Maintain the current State Pension age.

3. Living Alone Allowance

- Commit to benchmarking the Living Alone Allowance to one quarter of the State Pension to target older people most at risk of poverty and deprivation and mitigate the decreased spending power experienced by older people living alone.
- In the interim, increase the Living Alone Allowance by €20 to €42.
- In addition, ALONE recommend that an older person should be able to continue to claim at least half of their partner's pension after they have died, to enable them to maintain their standard of living.

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4. Fuel Allowance

- Urgently review the implementation of the Strategy to Combat Energy Poverty 2016-2019, and commit to updating the Strategy (Department of the Environment, Climate and Communications) and commit to implementing new measures (Department of Social Protection), in particular those relevant to the Fuel Allowance.
- Extend the Fuel Allowance season from 28 to 35 weeks, from the beginning of September to the beginning of May, and increase the amount from €33 per week to €53 per week.

5. Exceptional and Urgent Needs Payments

- Review the Exceptional and Urgent Needs Payments schemes, including a note of the total number of applications and rate of success. Streamline the criteria for application nationwide.

Why should Government and the Department of Social Protection implement these changes?

1.Poverty rates for older people are increasing.

The latest CSO Survey on Income and Living Conditions (SILC) data indicates that those aged 65+ were the only group to see increases across all three poverty rates between 2020 and 2021 – at risk of poverty (9.8% to 11.9%); deprivation (8.1% to 8.4%); and consistent poverty (1.0% to 2.5%). [1]

Over 65s were the only age group which saw an increase in those at risk of poverty from 2020 to 2021, increasing from 62,482 people to 75,870 – an enormous 21%. That's more than the entire population of Roscommon (69,995).

2.Older people living alone are among those struggling most.

For older people living alone, between 2020 and 2021, the at-risk of poverty rate increased from 20.5% to 21.5%; deprivation increased from 0.6% to 12.1%; and consistent poverty almost doubled, increasing from 2.2% to 4.3%. [2]

MESL figures show that in 2021, €333.47 was the necessary weekly income for an older person living alone in a rural area to meet the minimum standard of living. This has increased to €383.15 in 2022 [3].
The current State Contributory Pension is €253.30, while the Non-Contributory Pension is €242.

Today, an older person living alone reliant on the pension and other state benefits still does not meet the threshold to reach a minimum essential standard of living in rural areas...and this does not even take into account the ongoing impact of inflation throughout the rest of 2022 and into 2023.

3.Older people are among those feeling the impact of inflation most...

...and are most vulnerable to its impacts, as the majority of older people are on a fixed income. In fact, more than half of those over 66 are solely dependent upon the State pension. CSO data shows that people aged 65+ are experiencing among the highest inflation rates at an estimated 7.2%, the main contributors to this being electricity, fuel and transport [4].

4. More older people are paying for housing costs into retirement.

The State Pension in Ireland is supposed to contribute to the cost of living, but not accommodation costs – costs that many now continue to pay into their retirement. It is based on the assumption that the accommodation costs of older people are either nil, or very low.

It is clear however that older people not only have housing costs, but they are struggling significantly with them.
In 2021, of households containing at least one adult aged 65+, 4.3% had failed to make a mortgage or rental payments on time in last 12 months, and an additional 7.2% had failed twice or more [5].

People are renting later in life due to unaffordability of housing. The 2016 Census indicated that 2.4 per cent of the over 65s and 10 per cent of people between 50 and 54 are renting from private landlords, a proportion we expect to have increased in the 2022 Census. According to the CSO, close to half (49.5%) of tenants who are 65 or over are spending more than 35% of their disposable income on rent [6].

Among social housing applicants, those aged 60-69 and 70+ are the only age groups to have seen an annual net increase in the number of applicants since 2017. More than 1 in 4 applicants for social housing in 2021 were aged 50 or over. [7]

5.Older people have been promised better, and that promise hasn't been kept.

Government committed to introducing benchmarking for the State Pension in the 'Roadmap for Social Inclusion 2020-2025'.
It included a goal to 'Apply the benchmark in adjusting Pension changes for Budget 2021'.

This goal was not met. If it had, older people today would not be struggling to the extent they are with the increase in cost of living.
At ALONE, we believe the Government needs to make the right decision for this year's Budget and ensure that its promises are kept.

6. Our population is ageing.

Our older population is expected to grow from 640,000 to 1.56 million by 2051. [8]
Today, a significant cohort of older people are not receiving the supports they need to be financially secure in their retirement. If not now, when?

References

[1] Central Statistics Office, 'Survey on Income and Living Conditions' 2021. Accessed at <https://www.cso.ie/en/media/csoie/releasespublications/documents/ep/surveyonincomeandlivingconditions/2021/povertyanddeprivation/P-SILC2021TBL3.1.xls>

[2] Ibid

[3] Vincentian Partnership for Social Justice, MESL figures 2022. Accessed at <https://www.budgeting.ie/download/pdf/pen_core_mesl_r_2022.pdf>

[4] Central Statistics Office, 2022. Accessed at <https://www.cso.ie/en/csolatestnews/pressreleases/2022pressreleases/pressstatementestimatedinflationbyhouseholdcharacteristicsmarch2022/>

[5] Central Statistics Office, 'Survey on Income and Living Conditions' 2021. Accessed at <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2021/povertyanddeprivation/>

[6] Central Statistics Office, 'The Rental Sector in Ireland 2021'. Accessed at <https://www.cso.ie/en/releasesandpublications/fp/fp-trsi/therentalsectorinireland2021/tenants/>

[7] The Housing Agency, 'Summary of Social Housing Assessments 2021'. Accessed at <https://www.gov.ie/en/publication/f6119-summary-of-social-housing-assessments-2021-key-findings/>

[8] Central Statistics Office, 'Population and Labour Force Projections' 2018. Available at <https://www.cso.ie/en/releasesandpublications/ep/p-plfp/populationandlabourforceprojections2017-2051/>

Accessing entitlements

One difficulty older people experience is simply accessing their entitlements at all. Other than the State Pension, entitlements available to older people include the Living Alone Allowance, the Telephone Support Allowance, the Household Benefits Package, and the Fuel Allowance. However, there are a range of different qualifications for different benefits, and different ways of applying, so it is not as simple as being entitled to these once you reach pension age.

For the Household Benefits Package, if you are over 70, you are not means tested and don't have to be getting a pension. But for the Fuel Allowance, you are means tested. For the Living Alone allowance, you need to be 66 or over. The GP visit card, which is not means tested, is available for people over 70. Free travel (for those who have access to public transport) is available to people who are over 66.

There are also different ways of applying for each of them. To avail of free travel, an older person needs a public services card. They must send the Living Alone allowance form to the Department of Social Protection. For the GP visit card, they must apply online or download a form and post it to the The National Medical Card Unit.

If they are in receipt or in need of HAP or housing assistance, home care, the drugs payment scheme, housing adaptation grant, carers allowance etc – all supports require different forms, all have different systems and eligibility criteria, and are sent to many different organisations and Government departments. **This makes simply understanding and applying for the relevant entitlements extremely difficult.** It is also administratively burdensome, as the older person must answer the same questions repeatedly across different forms.

It is ALONE's view that by streamlining the documents and processes, older people would more easily engage with the system and the Department would save time and money currently being spent on the administration of various entitlements with complex criteria.

Recommendation:

- Simplify the processes for applying for entitlements to enable ease of accessibility for older people.

For the Department of Social Protection, this would mean:

Developing a 'one-stop shop' approach for accessing and applying for pension, fuel allowance, Living Alone allowance, the Household Benefits package and Telephone Support Allowance. This may mean, for example:

- Adapting the form and process for applying for the State Pension, so that the person does not have to fill out an additional form to apply for the Living Alone allowance, Household Benefits Package and/or Free Travel
- Streamlining of eligibility criteria (eg age at which one becomes eligible for various entitlements) across the entitlements available from this Department, as far as possible.

Pension reform and increase

Benchmarking

Ireland is unusual in that the State Pension is not currently benchmarked against anything – it is at the mercy of political will. It is one of two OECD countries that do not use a formal system of benchmarking. At ALONE, we believe that older people should be provided with an income above the poverty line and this can be achieved through triple-locking and benchmarking the pension system. We believe the benchmark should be to 34% of average earnings, a flat rate of 2.5%, or to match the rate of inflation, whichever is greater.

This will not only help to ensure that older people can receive an adequate income, but also protects pensions when average earnings drop.

A commitment to benchmark the State Pension has been set out. In 2018, a commitment to develop proposals to benchmark the State Pension was published in the *Roadmap for Pensions Reform 2018 – 2023*.

This was expanded on in the *The Roadmap for Social Inclusion 2020-2025*. This states, "This Government has committed to the introduction of a system of benchmarking rates of pension payment both to average wages and to inflation", with a goal to 'Apply the benchmark in adjusting Pension changes for Budget 2021'. This goal was not met. If it had, older people today would not be struggling to the extent they are with the increase in cost of living.

The Roadmap for Social Inclusion puts forward a 'smoothed earnings' system, where payments would, as a default, be benchmarked against the average earnings measure using the 34% target benchmark commitment of the *Roadmap for Pensions Reform*.

> Going off the Government target for benchmarking:
>
> The seasonally adjusted average weekly earnings, as per Q1 2022, were €870.10.[1]
>
> 34% of this figure amounts to €295.83. This would mean an increase to the Contributory Pension (which stands at €253.30) of more than €42.

Government representatives have stated that we cannot engage in chasing inflation. However, going by the Government's own commitment to benchmark the pension, the pension must be increased by a rate which is actually greater than that of the current rate of inflation.

Automatic enrolment

ALONE has noted that an automatic enrolment system is to be introduced in Ireland, as outlined in the Programme for Government. However, this has been repeatedly delayed. ALONE encourages the prompt introduction of the system. Research shows that automatic enrolment can increase the number of workers saving into a pension, contributing to higher saving levels. However, it must be noted that Automatic enrolment and resulting increased

[1] https://www.cso.ie/en/statistics/earnings/earningsandlabourcosts/

savings of older people should not be used in the years to come as an excuse to reduce the amount of the state pension.

Total Contributions Approach

ALONE also acknowledges the proposed Total Contributions Approach (TCA) model that is due to be implemented by Government this year. Under this model, a person is required to have 40 years of full contributions to qualify for a full Contributory State Pension. The model will also include up to 20 years of a new Home Caring Credits for periods spent in homemaking/caring roles. ALONE acknowledges that this method is an improvement as people who take career breaks will be given lower rates when they retire. However, ALONE is concerned around the lack of knowledge as to how the new system will operate.

ALONE believe that 30 years, which was suggested in the 2010 National Pensions Framework, and in the submission to the Pensions commission by the Joint Committee on Social Protection, Community and Rural Development and the Islands, is a more appropriate amount for the TCA model. ALONE also believe that the number of Home Caring Credits should be greater, at 25 years under this model. This will help minimise the gap between those who provide valuable caring duties with those in employment.

Pension age

We have welcomed the commitment from Government not to increase the pension age to 67 and to defer further increases. Working into our late 60s and beyond should be an option, not an obligation, particularly for older workers engaged in labour-intensive work, such as construction and manufacturing.

Proponents of pension age increases point to an increase in the quality of life, allowing for people to work longer into old age. However, this point of view fails to take into consideration the fact that 126,100 adults over 55 (11 per cent) are living with frailty, which impacts their need to retire early and could also impact their ability to meet contributions for a full pension[2]. Additionally, over 17,000 of these individuals over 55 living with frailty live alone[3].

It is also pointed out that maintaining that the current pension age will be financially unsustainable for the State. However, increasing the pension age would not cover the difference in the cost of the pension for the increased population.

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[2] The Irish Longitudinal Study on Ageing, 2020. *TILDA Report on Population Estimates of Physical Frailty in Ireland to Inform Demographics for Over 50s in Ireland during the COVID-19 Pandemic*. [online] Dublin: The Irish Longitudinal Study on Ageing, p.1. Available at: <https://tilda.tcd.ie/publications/reports/pdf/Report_Covid19Frailty.pdf>

[3] The Irish Longitudinal Study on Ageing, 2020. *TILDA Report on Population Estimates of Physical Frailty in Ireland to Inform Demographics for Over 50s in Ireland during the COVID-19 Pandemic*. [online] Dublin: The Irish Longitudinal Study on Ageing, p.1. Available at: <https://tilda.tcd.ie/publications/reports/pdf/Report_Covid19Frailty.pdf>

Recommendations:

- Increase the State Pension by a minimum of €20 per week, and commit to reaching the minimum benchmark of €295.80 for Budget 2024. We ask that this two-year commitment is made publicly as part of Budget 2023 to reassure older people currently struggling with the impact of inflation.
- Put in place relevant legislation for formally introducing the benchmarking process, as committed to in the *Roadmap to Social Inclusion 2020-2025*.
- Legislate for and introduce the Automatic Enrolment System.
- Introduce legislation to implement the Total Contributions Approach.
    - Set the model at 30 years, as suggested in the 2010 National Pensions Framework.
    - Increase Home Caring Credits to 25 years under the model.
- Maintain the current State Pension age

Living Alone Allowance

As evidenced earlier in this document, older people living alone are most susceptible to being at-risk-of poverty, experiencing deprivation, and experiencing chronic poverty.

The Living Alone Allowance is a targeted benefit that supports those struggling most. However, like the State Pension, it is not currently benchmarked against anything. The €22 per week does not adequately protect older people against the added cost of living alone. This is surely evidenced by the fact that the rates of poverty are so much greater among this cohort.

MESL figures show that a 'pensioner couple' only need to spend 1.27 times that of a 'pensioner living alone' to meet the MESL. However, older people living as couples have double the pension income of a single person. This is not indicative that older people living as couples have a significant amount of income to spare, but rather that older people living alone, particularly those in rural areas, experience serious income inadequacy. The Vincentian Partnership for Social Justice MESL figures indicate that an older person living alone in 2021 experienced weekly income inadequacy of €55.32 to meet their minimum essential expenditure needs. Figures released in June by the Vincentian Partnership for Social Justice indicate minimum expenditure required for this group has increased further, by just under €50, to €383.15[4]. As mentioned previously, these figures do not take into account the projected impact of inflation for 2023. Therefore, we at ALONE feel it is vital that older people living alone receive substantial additional support.

There is no reference to the Living Alone Allowance in the *Roadmap for Social Inclusion*. However, **given the significantly increased costs involved in living alone, ALONE would recommend that the Living Alone Allowance is made equivalent to one quarter of the state pension.**

Working off an increased State Pension figure for Budget 2023 of €273.30, this would mean an increase to the Living Alone Allowance from €22 to €68.

We recognise that this is a substantial increase which may not be feasible to achieve in this year's budget. Therefore, we would recommend that this be implemented over a number of years by increasing the Allowance by €20 this year, and making up the difference to reach one quarter of the State Pension in the 2024 Budget.

Provision must also be made for older people who due to death of a partner, now qualify as living alone but find themselves with a significantly reduced household income. Where a partner has died, ALONE recommend that an older person should be able to continue to claim at least half of their partner's pension. This would target older people who may newly find themselves in extreme financial difficulty and will enable them to maintain their standard of living.

[4] https://www.budgeting.ie/download/pdf/pen_core_mesl_r_2022.pdf

Recommendation:

- Increase the Living Alone Allowance by €20 to €42. Commit to benchmarking the Living Alone Allowance to one quarter of the State Pension to target older people most at risk of poverty and deprivation.
- In addition, ALONE recommend that an older person should be able to continue to claim at least half of their partner's pension after they have died, to enable them to maintain their standard of living.

Fuel Allowance

In 2021, 78,378 older people on the Contributory State Pension and 56,640 people on the Non-Contributory State Pension received the Fuel Allowance. The number of recipients of Fuel Allowance in 2021 aged 60 years and older was 214,568.[5] That is 57% of the total 374,861[6] recipients of the Fuel Allowance. It is a lifeline for older people.

The Fuel Allowance is €33 per week, and is paid from the end of September to April for 28 weeks.

An extra payment of €125 was paid to people getting Fuel Allowance in the week beginning 14 March 2022. In addition, another extra payment of €100 was paid to people getting Fuel Allowance in the week beginning 16 May 2022. These payments are equivalent to roughly seven additional weeks of payment of the Fuel Allowance. The entire fuel allowance paid to recipients, including additional payments, was €1,149.

We believe these additional payments, which are required, should be formalised so as to provide certainty to people in receipt of the Fuel Allowance. We believe the best way to do this is to extend the Fuel Allowance season to 35 weeks, from the beginning of September to the beginning of May.

The recent ESRI report on 'Energy Poverty and Deprivation in Ireland' stated that energy inflation between January 2021 and April 2022 increased the cost of estimated households' consumption by €21.27 per week, on average[7]. This is a total increase of €1,106 per year. Should energy prices rise by a further 25 per cent, the ESRI also estimate this would increase by an average of €36.57, or €1,901.64 per year.

These figures indicate that the entire Fuel Allowance payable between September 2021 and April 2022, and the additional payments (a total of €1,149), was practically wiped out by the average increase in costs (€1,106) alone – not to mention the base costs. It does not take into account any further increases that may come in 2023, or the base costs.

The Fuel Allowance is payable to a wider cohort than older people on pensions alone, which is why we are looking at average figure for households here. However, we know that 10% of people aged 75+ live in homes with the lowest energy rating (G) compared to just 3% of households with a reference person aged 35-44 years.[8] About 57% of people aged 75 and over live in BER EFG rated properties.[9] We also know that among the older population, people living alone, with chronic illness and/or disability, on low incomes, and without central heating or living in poorly insulated homes are most at risk of energy poverty[10]. As referenced previously, CSO data shows that people aged 65+ are experiencing among the highest inflation rates at an estimated 7.2%, the main contributors to this being electricity, fuel and

[5] https://www.oireachtas.ie/en/debates/question/2022-02-15/495/

[6] https://www.oireachtas.ie/en/debates/question/2022-05-17/488/

[7] https://www.esri.ie/system/files/publications/RS144.pdf

[8] Central Statistics Office, 2021, Domestic Building Energy Ratings from a Social Perspective 2016. [online] Available at Domestic Building Energy Ratings from a Social Perspective 2016 - CSO - Central Statistics Office

[9] ESRI, Working Paper 249: Estimating Building Energy Ratings for the Residential Building Stock: Location and Occupancy (August 2014). [online] Available at https://www.esri.ie/system/files?file=media/file-uploads/2016-12/WP489.pdf

[10] CARDI, Understanding Fuel Poverty in the Older Population, November 2011, http://www.cardi.ie/userfiles/Fuel%20Poverty%20(web%20version)%20(2)(1).pdf

transport.[11] It should be considered therefore that the average increase in the cost of energy calculated by the ESRI may be significantly higher for households in receipt of Fuel Allowance.

As of Wednesday 1st June, Minister Eamon Ryan stated that "a review of the implementation of the *Strategy to Combat Energy Poverty 2016-2019* will be completed in the coming weeks to inform future policy in this area"[12]; however, it has not been updated post-2019. We would urge that the current strategy is updated as soon as possible, but do not expect this to be completed and recommendations introduced ahead of Budget 2023.

Therefore, in the interim, ALONE would urge that the Fuel Allowance period is extended to 35 weeks, and the amount is increased by a minimum of €20 per week – in effect, doubling the current Fuel Allowance.

Recommendations

- Urgently review the implementation of the Strategy to Combat Energy Poverty 2016-2019, and commit to updating the Strategy (Department of the Environment, Climate and Communications) and implementing new measures (Department of Social Protection).
- Extend the Fuel Allowance season from 28 to 35 weeks, from the beginning of September to the beginning of May, and increase the amount from €33 per week to €53 per week.

[11] https://www.cso.ie/en/csolatestnews/pressreleases/2022pressreleases/pressstatementestimatedinflationbyhouseholdcharacteristicsmarch2022/

[12] https://www.oireachtas.ie/en/debates/question/2022-06-01/71/?highlight%5B0%5D=strategy&highlight%5B1%5D=combat&highlight%5B2%5D=energy&highlight%5B3%5D=poverty

Exceptional and Urgent Needs Payments

ALONE staff have highlighted that in recent years, access to HEOs in the Department of Employment Affairs and Social Protection (formerly Community Welfare Officers or CWOs) has become limited, decreasing the ability for people to access the Exceptional and Urgent Needs Payments.

Granting of the Exceptional Needs Payment *"are at the discretion of the officers administering the scheme"*[13]. Since 2019, the number of Exceptional Needs Payments and Urgent Needs Payments granted have decreased from 92,198 in 2019, to 67,589 in 2020, down to 55,552 in 2021[14].

However, the average payment has increased. Expenditure on the Additional Needs Payments is relatively stable, at €43.2m in 2019, €41m in 2020, and €42.4m in 2021. These figures would indicate an increase in the average grant amount from €469 in 2019, to €763 in 2021. This is an increase of almost 63%.

Government has provided €45.75 million for the exceptional and urgent needs schemes in 2022. It is noted that the scheme is "demand-led" and that "the payments target those most in need of assistance". However, considering the increase in inflation and other costs, it is surprising that individual application demand for the Exceptional Needs Payment could have fallen so dramatically.

ALONE is concerned that the reduction in the number of Exceptional and Urgent Needs Payments granted, while the amount of the average grant increased, does not indicate a reduction in demand, but a reduction in the number of successful applications and a higher level of need for these grants. In ALONE's experience, successful applications for the Exceptional Needs Payment can depend on individual HEOs as well as geographical location.

Anecdotally, ALONE staff have highlighted that in more rural areas the criteria for granting the payment is higher compared to more urban areas. The process lacks consistency and there needs to be a unified approach to the payment.
With additional hardship being experienced by older people than before, ALONE believes that a review of the Exceptional Needs Payment is needed to ensure that it is operating effectively, especially in light of increased cost of living.

Recommendations

- Review the Exceptional and Urgent Needs Payments schemes, including a note of the total number of applications and rate of success. Streamline the criteria for application nationwide.

[13] https://www.oireachtas.ie/en/debates/question/2022-06-21/616/
[14] Ibid