



# POLICY SUBMISSION

## **Initial comments on the review of Supplementary Welfare Allowance**

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Combat Poverty Agency  
Bridgewater Centre  
Conyngham Road  
Islandbridge  
Dublin 8

Tel: 01 670 6746  
Fax: 01 670 6760

Email: [info@combatpoverty.ie](mailto:info@combatpoverty.ie)  
Web: [www.combatpoverty.ie](http://www.combatpoverty.ie)

## 1. Introduction

SWA is distinguished as an income support by two main features:

- its structure as a scheme of last resort, helping those whose needs are not met by the mainstream system of income support;
- its delivery as part of a multi-faceted community-based welfare service.

SWA is a crucial element of the social welfare system as the scheme of last resort. It was designed to be at the cutting edge of responding to new needs among low-income households. Over time, however, dependence on SWA has grown enormously. Thus, by the end of 1999, there were over 68,000 recipients of SWA, in excess of a threefold increase on the late 1980s. Over a full year, there are an estimated 300,000 recipients of SWA. Expenditure in 1999 was £190 million. This growth has transformed the function of SWA from residual scheme to an extension of mainline income support, picking up its inadequacies on a long-term basis. The most recent example of this is with regard to asylum-seekers. In effect, SWA has become the safety valve of the welfare system and not a residual support as originally intended.

At the same time, the administrative framework for SWA - the community welfare service - was never designed with such an expanded welfare role in mind. As dependence on SWA has grown, the capacity of the community welfare service to administer SWA has been gravely over-extended. This has given rise to major, effectiveness, efficiency and equity issues in regard to SWA.<sup>1</sup> The result is a dual welfare system, with quite different standards of treatment depending on which category claimants fall into. In addition, the potential of SWA as a social support for people who are marginalised has never been realised as the payment aspects of the scheme have dominated. At the same time, welfare policy has supported the emergence of an extensive system of social supports in the community and voluntary sectors, which in effect have replaced the intended social function of SWA.

Crucially, these fundamental policy changes in the role and administration of SWA have occurred in an unplanned manner and without the knowledge base derived from systematic monitoring and evaluation of the scheme. Interestingly, most reviews of SWA have emanated from bodies not directly involved in administering the scheme: the Combat Poverty Agency, the Comptroller and Auditor General, the European Union, Free Legal Advice Centres, Focus Point (now Focus Ireland) and the National Economic and Social Forum. The one exception is the Review Group on the role of SWA in relation to housing. Despite this information lacuna, policy has not ignored completely the problems confronting SWA. However, the main policy responses have been short-term, mainly with the aim of regularising eligibility within an SWA context, eg rent and mortgage supplements, clothing and footwear allowance scheme, exceptional needs payments and an appeals system, rather than addressing more fundamental issues. Consequently, the external pressures on SWA forcing it to function as a safety valve for an inadequate mainline welfare system remain.

It is therefore quite urgent to undertake a strategic review of the role and administration of SWA. Furthermore, with the improvement in economic circumstances together with an enhanced mainline system of welfare provision, there

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<sup>1</sup> These are documented in some detail in the Agency's 1991 study of SWA: Mills, F (1991), *Scheme of last resort? A review of Supplementary Welfare Allowance*, Dublin: Combat Poverty Agency, and in the CAGs value for money examination of the scheme: Comptroller and Auditor General (1998), *The administration of Supplementary Welfare Allowance*, Dublin: Stationery Office

is a window of opportunity to look at these issues in less demanding circumstances. This short paper highlights five main aspects of SWA:

- guarantee of a minimum income
- meeting mainstream needs
- provision of a quality service
- monitoring and evaluation
- delivery as part of a community welfare service.

## **2. SWA as a minimum income guarantee**

A key motivation for the introduction of SWA was to provide a basic minimum payment in place of the arbitrary and variable payments under its predecessor, the home assistance scheme. How well does SWA guarantee the basic right of citizens to a minimum standard of living, as set down by the 1992 EU recommendation on a minimum income?<sup>2</sup> This recommendation calls on member states to:

*recognise the basic right of a person to sufficient resources and social assistance to live in a manner compatible with human dignity as part of a comprehensive and consistent drive to combat social exclusion, and adapt their social protection systems, as necessary, according to specified principles and guidelines.*

Underpinning this guarantee is a number of practical guidelines:

- comprehensive coverage, including asylum seekers, students and the employed;
- take-up of entitlement, ensuring that all those eligible receive benefit;
- adequacy of payment, based on external indicators (and not political judgements as to the amount of resources available) and including an objective means of uprating the level of payment on an annual basis;
- transparent administrative procedures based on mainstream provision (eg access to information and advice, straightforward application procedures, clear eligibility criteria, independent appeals provision and efficient payment systems);
- integration into mainstream society, in terms of mainline welfare provision, access to labour market and social programmes and general transition to work.

A key starting point in the review of SWA is to measure the extent to which the scheme is meeting these guidelines. Unfortunately, there is no regular reporting on these guidelines, which is required in order to inform an assessment of the extent to which SWA is fulfilling its role as the safety net of the welfare system. At the same time, there are a number of aspects of SWA which point to possible areas of weakness as a minimum income guarantee. These are:

- evidence that a proportion of the population is living on incomes below the SWA standard (suggesting non-take up and/or exclusion of needy groups);
- the low level of the payment compared to other welfare schemes, a problem exacerbated in recent times;
- the long duration on SWA dependence, suggesting that SWA is used as a permanent dumping ground for groups who fall through the system;
- claimant dissatisfaction with the administration of SWA;
- exclusion of SWA recipients from eligibility for labour market programmes.

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<sup>2</sup> See B Nolan (1995), *Ireland and the minimum income guarantee*, Dublin: Combat Poverty Agency

SWA would appear to fulfil its minimum income guarantee function in a minimalist way. This is out of keeping with the philosophy underlying the mainstream welfare system, ie enabling people to participate in society in a positive manner. There is a clear need to refocus and extend the role of SWA as minimum income guarantee. This is best achieved by:

- incorporating interim payments and long-term dependence categories, eg those relating to illness, are catered for within mainline provision;
- providing an intensive programme of support to ensure that remaining recipients are linked to relevant service providers (eg homeless services), with a long-term goal of integrating them into mainline provision;
- introduce a co-ordinated promotional campaign on SWA;
- narrow the income gap between SWA and other welfare payments.

### **3. SWA as provider of assistance with mainstream needs**

SWA has expanded in recent years to cover obvious deficits in mainstream welfare system. It has become a shadow welfare system for people whose income needs are inadequately met under mainline provision. The most obvious of these are:

- rent and mortgage supplements
- dietary and other supplements for people with disabilities
- clothing and footwear allowance
- childcare payments
- maternity payments
- essential housing equipment payments
- funeral and burial payments

It is an abuse of SWA to use it as an ongoing mechanism to deliver these core supports. In addition, there are higher administrative costs from the provision of these core welfare services under SWA as compared to the mainline welfare system. The goal should be to transfer the more routine of these payments into mainstream provision (rent and mortgage, diet, heating, clothing and footwear, childcare) and to introduce an occasional payment scheme for the others (eg by extending the current death grant), to be administered under the mainline system. While more expensive - in that more people in need of help would probably get it - there would be administrative savings, as well a better quality of service for claimants. In turn, this change would leave SWA to cater for those who require immediate and flexible assistance.

### **4. SWA as a quality service**

An important theme in recent reform of welfare services has been the delivery of a high quality service which meets the needs of clients. There are many areas in which SWA would seem not to provide a quality service, both in terms of acceptable minimum standards<sup>3</sup> and comparable service under the mainline welfare system. The main weaknesses are:

- limited provision of information on entitlements
- poor quality of premises
- archaic administrative procedures (forms, payments)
- inadequate procedures for recruitment, induction and training of staff

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<sup>3</sup> See critique of SWA in NESF (1995), *Quality delivery of social services*, Dublin: Stationary Office.

- absence of mechanisms for client feedback
- lack of transparent eligibility criteria
- absence of an independent appeals system.<sup>4</sup>

There are particular issues pertaining to Travellers and asylum seekers, where the propensity for segregated provision can be perceived as discriminatory.

A basic problem here is the regional administration of SWA by the health boards. There is a clear need for the Department of Social, Community and Family Affairs to restructure the administration of SWA by introducing service agreements with the health boards. These agreements should set out minimum quality standards, with appropriate performance indicators and monitoring procedures. It is primarily the department's responsibility that these elements are identified and achieved. Central to this service agreement would be the establishment of a quality assurance unit in each health board which would oversee staff induction and training, undertake client surveys, provide information material and enhance administrative procedures.

Recently, there have been moves to introduce one-stop shops for public services at a local authority level. It would be important that information on SWA is readily available in such centres, along with other welfare entitlements. Similarly, staff in local social welfare offices should actively inform claimants about SWA as a natural extension of their welfare information service.

## **5. Monitoring of SWA**

There is an absence of regular reporting on SWA, together with a lack of research on the issues impacting on SWA. This knowledge gap greatly hinders the policy making process, as illustrated in the recent (external) value-for-money audit of SWA. Recent technological advances provide the capacity for better reporting systems. Such data should be collated annually by the department and produced as a separate SWA report, which would also include information on service quality. There is also scope to develop an SWA research programme, which would be overseen by the department in conjunction with the health boards. This would investigate policy issues within SWA, such as quality of service, work incentives, duration of dependency.

## **6. Community welfare service**

SWA was originally intended to be part of a localised community care structure, which would provide social services in addition to cash payments for vulnerable groups. In the main, this broader welfare service role has not materialised. Consequently, many of the services appropriate to SWA have been developed under other structures, eg citizens' information service, money advice, homelessness, family support. At this stage, it is not feasible for SWA to seek to provide these services - the gap has since been met by other organisations. The added-value of involving voluntary and community groups in welfare policy is strongly endorsed in the recent government white paper. Furthermore, CWOs are now too associated with the assessment and payment of welfare benefits for them to play an independent support role. However, there are two specific welfare roles that could be developed:

- provide information on welfare services:

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<sup>4</sup> Combat Poverty Agency (1994), *Submission to the Minister for Social Welfare on the reform of the SWA appeal system* and Combat Poverty Agency (1997), *Views on complaints and appeals procedures for health board services* (submitted to the Eastern Health Board).

This would involve a stronger information-giving role for CWOs, as well as the assignment of specific community welfare information officers whose job would be twofold: promoting entitlements under SWA and health board schemes and resourcing CWOs to inform SWA clients about relevant welfare services.

- linkage with other service providers:

This would involve a pro-active role for CWOs in assessing the broader needs of recipients. In essence, they would counsel and refer the most vulnerable groups in need of other services, eg employment, money advice, homelessness, addiction counselling, school absenteeism, relationship guidance. This would involve a collaborative approach to clients' welfare needs, with CWOs having an active engagement with other service providers in meeting these needs. However, this should only take place with the consent and active involvement of the client. Already, such an approach is evident in regard to money advice and there is scope to extent this engagement with other social service providers.

Obviously, these wider roles would be dependent on changes in the current responsibilities of CWOs. In particular, there should be a diminution in the role of CWOs as providers of income support (which would arise from the proposals to integrate core payments with mainline provision outlined above). The shift from a largely financial support to a broader welfare role should in turn be reflected in a reorientation in the job description, induction and training of CWOs.