

Chapter 29 Department of Social and Family Affairs

Expenditure on Social Welfare

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29.1 Elements of social welfare spending are accounted for separately in the Appropriation Account of the Department of Social and Family Affairs (the Department) or in the accounts of the Social Insurance Fund, which is administered by the Department. In addition, significant social welfare spending also occurs under schemes funded through other Votes.

Report Focus

This Chapter has been compiled to consolidate the information about expenditure on social welfare from the various accounts into a single document to provide an overview against which the Appropriation Account information can be assessed.

Welfare Expenditure

29.2 All expenditure under the Department's Vote and the Social Insurance Fund has been included in the consolidation. The following expenditure under other Votes has also been included

- Early Childcare Payment — funded through Vote 41: Office of the Minister for Children — is administered by the Department
- the Domiciliary Care Allowance (DCA) and Blind Welfare Allowance operated by the Health Service Executive (HSE). A Government decision was made in 2006 to transfer these schemes to the Department. New DCA claims are being accepted by the Department since April 2009 and it is expected that the stock of existing DCA claims will transfer to the Department on 1 September 2009⁸⁸. The Blind Welfare Allowance scheme will transfer after completion of the DCA transfer.

29.3 In order to provide information about trends in social welfare spending, annual expenditure data for the years 2006 to 2009 are given. Audited appropriation account figures are used for 2006 to 2008. Audited Social Insurance Fund data are used for 2006 and 2007. For 2008, provisional outturn figures for Fund expenditure were used because the audit of the 2008 Fund accounts is not yet completed⁸⁹. Figures for planned Vote and Fund expenditure in 2009 are taken from the Revised Estimates for Public Services 2009.

Summary of Expenditure and Funding

29.4 Figure 97 summarises social welfare expenditure on each main category of recipients. It also indicates the sources of that expenditure.

⁸⁸ See Chapter 34 concerning the transfer of functions from HSE to the Department.

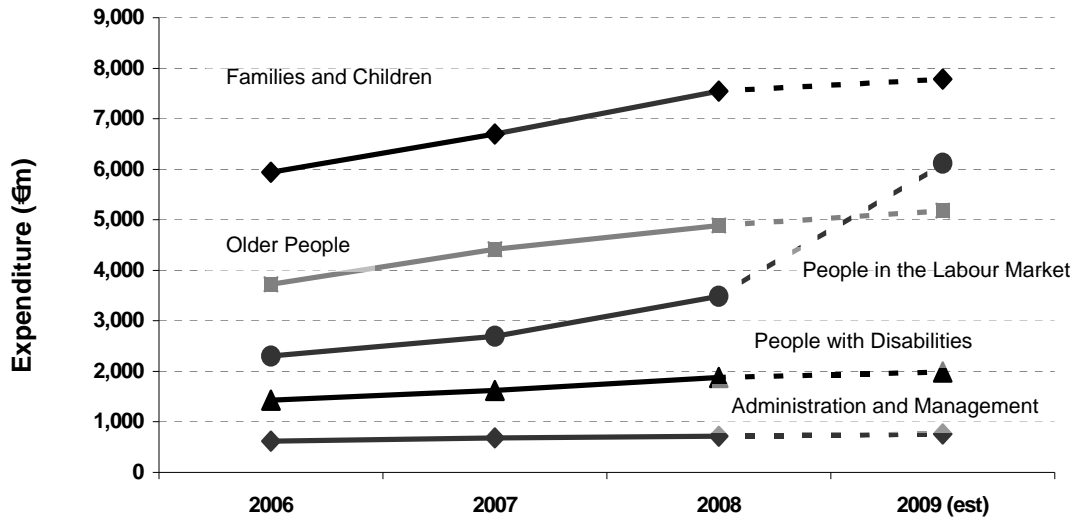
⁸⁹ Based on the experience in previous years, it is not expected that significant changes will be required to the draft account figures.

Figure 97 Expenditure on Social Welfare by Main Category of Recipient and by Source of Funding, 2006 to 2008, and Estimated for 2009

Expenditure Category	2006	2007	2008	2009
	€m	€m	€m	Estimated €m
Support for Families and Children	5,941	6,700	7,545	7,786
Support for People in the Labour Market	2,304	2,692	3,500	6,117
Support for People with Disabilities	1,428	1,622	1,875	1,988
Support for Older People	3,724	4,414	4,885	5,181
Administration, Management, Research etc	619	679	713	759
Total Expenditure	14,016	16,107	18,518	21,831
Funded through:				
Social Insurance Fund	6,326	7,251	8,400	10,322
Voted Expenditure				
Vote 38 Social and Family Affairs	7,339	8,351	9,518	11,130
Vote 40 Health Service Executive	70	87	120	148
Vote 41 Office of the Minister for Children	281	418	480	231
Total Funding	14,016	16,107	18,518	21,831

29.5 Figure 98 shows the trend in expenditure by main category of expenditure. The fastest increase is in the level of expenditure on welfare support for people in the labour market, reflecting rapidly increasing numbers unemployed.

Figure 98 Trend in Expenditure on Social Welfare by Main Category of Recipient, 2006 to 2008, and Estimated for 2009



29.6 Figure 99 presents a breakdown of social welfare expenditure by recipient category and by scheme.

Figure 99 Expenditure on Social Welfare by Scheme and Category of Recipient, 2006 to 2008, and Estimated Expenditure for 2009

Expenditure Category	2006	2007	2008	2009 Estimated
	€m	€m	€m	€m
Support for Families and Children				
Child Benefit	2,056.3	2,233.0	2,454.0	2,500.1
Widow/er Schemes/Guardian's Payments	1,212.2	1,238.9	1,341.7	1,377.0
One Parent Family Payment	834.3	962.4	1,067.2	1,101.3
Supplementary Welfare Allowance	686.4	739.8	866.9	1,114.6
Carer's Payment	301.3	388.2	484.0	524.2
Maternity Benefit	180.8	257.9	315.9	355.1
Treatment Benefit	95.0	91.6	97.1	92.4
Family Income Supplement	107.1	140.0	170.3	211.6
Respite Care Grants	50.5	72.5	98.2	112.2
School Meal Grants	13.6	28.2	32.4	35.0
Bereavement and Widowed Parent Grants	15.9	21.0	23.9	24.2
Deserted and Prisoner's Wives	105.2	107.6	111.2	105.3
Adoptive Benefit	0.8	1.3	1.7	1.7
Early Childcare Payments	281.4	417.7	480.0	231.0
Total Expenditure	5,940.8	6,700.1	7,544.5	7,785.7
Support for People in the Labour Market				
Jobseeker's Benefit	455.1	545.0	928.8	2,422.6
Jobseeker's Allowance	768.6	875.1	1,158.9	2,190.2
Illness Benefit	627.6	755.1	852.3	889.1
Employment Support Services	115.6	145.0	160.5	180.4
Occupational Injury Benefit	96.0	104.3	112.0	112.4
Farm Assist Scheme	71.1	78.7	84.9	87.7
Redundancy and Insolvency	170.0	188.2	202.2	234.0
Health and Safety Benefit	0.4	0.5	0.6	0.6
Total Expenditure	2,304.4	2,691.9	3,500.2	6,117.0
Support for People with Disabilities				
Disability Allowance	738.4	901.1	1,052.7	1,091.0
Invalidity Pensions	602.4	618.1	685.7	691.5
Blind Pensions	17.0	15.0	16.3	16.5
Domiciliary Care Allowance	61.9	78.3	109.6	179.0
Blind Welfare Allowance	8.1	9.2	10.5	10.0
Total Expenditure	1,427.8	1,621.7	1,874.8	1,988.0

Expenditure Category	2006	2007	2008	2009 Estimated
	€m	€m	€m	€m
Support for Older People				
State Pensions	3,166.3	3,754.0	4,182.7	4,396.7
Pre-retirement Allowances	113.1	124.5	117.7	105.8
Free Travel	58.0	64.1	68.4	76.4
Electricity Allowance	108.4	147.1	156.7	199.8
Telephone Allowance	90.3	98.9	112.2	108.3
Fuel Allowance	124.2	152.6	170.0	216.7
Free TV Licence	49.0	51.7	55.7	56.7
Natural/Bottled Gas Allowances	8.5	15.3	15.6	21.1
Smog Allowance	6.0	5.9	6.0	—
Total Expenditure	3,723.8	4,414.1	4,885.0	5,181.5
Administration, Management, Research etc				
Administration and Management ^a	544.0	590.8	621.0	669.6
Grants ^b	54.6	67.2	69.6	67.9
Money Advice and Budgeting Service	13.6	14.6	16.2	17.9
Other	6.8	6.8	6.6	3.7
Total Expenditure	619.0	679.4	713.4	759.1
Expenditure on all Schemes	14,015.8	16,107.2	18,517.9	21,831.3

Notes:

- a Includes the expenses of the Office of the Pensions Ombudsman.
- b Grants were paid to Comhairle, Family Support Agency and Combat Poverty.

Schemes not included in Consolidation

29.7 Other departments and agencies also provide welfare-type supports to individuals under schemes they administer which have not been included in the consolidated figures. These include

- medical card expenditure totalling €1,772 million was incurred under the HSE's Vote for 2008
- the Rural Social Scheme, operated by the Department of Community, Rural and Gaeltacht Affairs, which cost a total of €49 million in 2008
- expenditure by FÁS on Community Employment Scheme allowances at a cost of €274 million in 2008
- the school books schemes, funded by the Department of Education and Science at a total cost of €14.5 million in 2008.

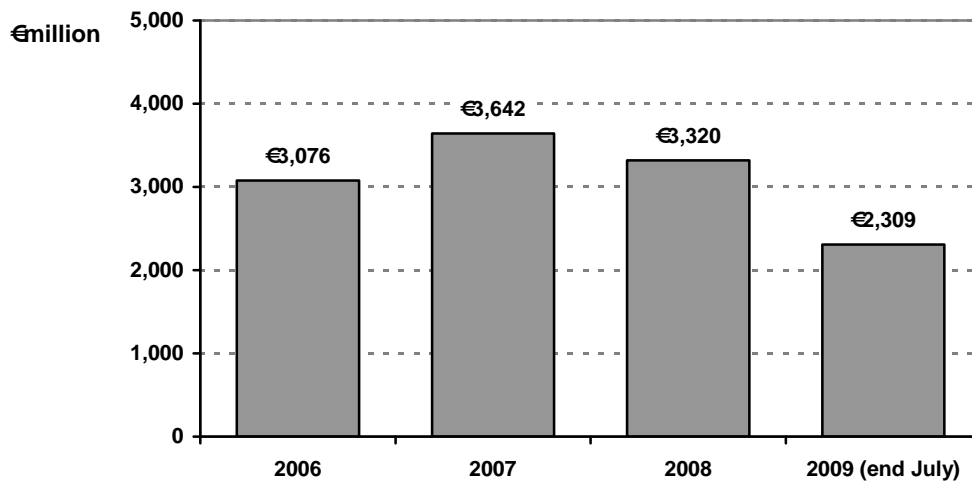
29.8 Certain educational expenditure could also be considered to have a welfare objective, in that it has the potential to reduce child poverty and to improve the life chances of individuals and create improved social outcomes. However, no apportionment of this spending was made.

Social Insurance Fund Reserves

29.9 Pay-related social insurance contributions collected by the Revenue Commissioners from employers, employees and self-employed persons are paid into the Social Insurance Fund, which comprises a current account and an investment account. Benefits under social insurance schemes are paid for out of the Fund's current account. Surplus funds (i.e. those not required to meet current expenditure of the Fund) are transferred to the investment account, which is managed and controlled by the Minister for Finance. The money in the investment account is a reserve available to be transferred back to the current account when expenditure on schemes exceeds current income.

29.10 Figure 100 shows the balance in the Social Insurance Fund's investment account at the end of each year 2006 to 2008, and at the end of July 2009.

Figure 100 Balance in the Social Insurance Fund Investment Account at the end of each year, 2006 to 2008, and end July 2009



Note: The first printed version of this report showed an incorrect figure in relation to the end July 2009 balance. The correct balance is now shown.