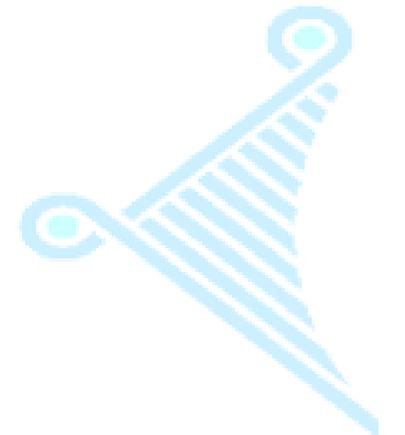


Social Impact Assessment (SIA) Framework

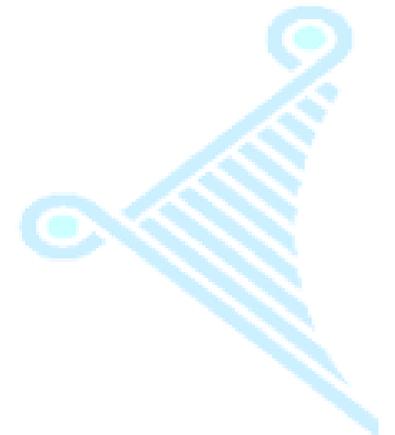
Jessica Lawless

27th October 2016



Agenda

- Background and Context
- Annual Post-Budget SWITCH Analysis
- UK Approach
- New SIA Framework Proposals
- Next Steps



Background and Context

- Develop framework to examine who benefits/loses from Budget policy decisions
- Current approach:
 - Ex-post budget assessment using SWITCH (micro-simulation model)
 - DSP, DPER, D/Finance and ESRI
 - Focus on direct tax and welfare policies
- A more comprehensive SIA - aim of the new framework is to add to existing work in this area by attempting to incorporate the impacts of public expenditure policy on household outcomes
- First step towards progressing the Programme for Government Commitment to develop

“a budget and policy proofing process as a means of advancing equality, reducing poverty and strengthening economic and social rights.”



Annual Post Budget SWITCH Analysis

- Each year after Budget, SWITCH analysis conducted by Departments of Finance, Social Protection, PER and externally by the ESRI
 - Micro-simulation model used to assess impacts of certain tax and welfare measures across different household types based on a SILC data
 - Cannot take account of impacts of indirect taxes and expenditure on public services
- 

Incorporating Public Expenditure

UK Approach

- Estimate the value to households to be equal to the cost of the provision incurred by the State
- Six categories of expenditure for assessment: education, health, housing subsidies, rail and bus travel, school meals
- ESRI paper 2014:
 - Caution when assuming cost of service = value to household. Implies that value is same to all those who use a public service of similar cost. Valuation of certain public services will vary with household characteristics and, in particular, household income.
 - ONS model incomplete as the distributional impacts of much of government activity is not modelled. Just over half of spending on public services could be included (over 80% related to either health or education).
 - However, the approach represents a starting point that is worth considering in order to facilitate a deeper and more complete understanding of the impact of budget policies in Ireland.

New SIA Framework Proposal

- Micro-simulation model not appropriate for assessing impacts of all policy measures, specifically, public spending
- New framework should broaden scope of analysis to include indirect taxes and public spending
- Proposal: to establish an IGEES SIA series of papers to supplement the micro-simulation analysis carried out at Budget time each year. These papers will be published throughout the year
- It is recommended that the framework be established under a two strand approach designed to provide a more informative and comprehensive view of who benefits from Budget policies

New SIA Framework Proposal

Strand 1

- DPER, D/Finance and DSP continue to conduct current SIA exercise on an ex-post basis each year

Strand 2

- Strand 1 supplemented with series of paper focussing on key public expenditure policy areas
- When a policy area is identified for assessment, a baseline position paper should be prepared to identify:
 - Amount of spend in specific policy area
 - Key drivers of spend
 - Profile of recipients
- Following this, it may be possible to conduct a follow up exercise in the event of a policy change
- This exercise should focus on:
 - Has the policy change resulted in gain/loss to existing recipients and who has gained/lost the most?
 - Has the policy change altered the key drivers of spend in this area?
 - Has the policy change altered the profile of the recipients?



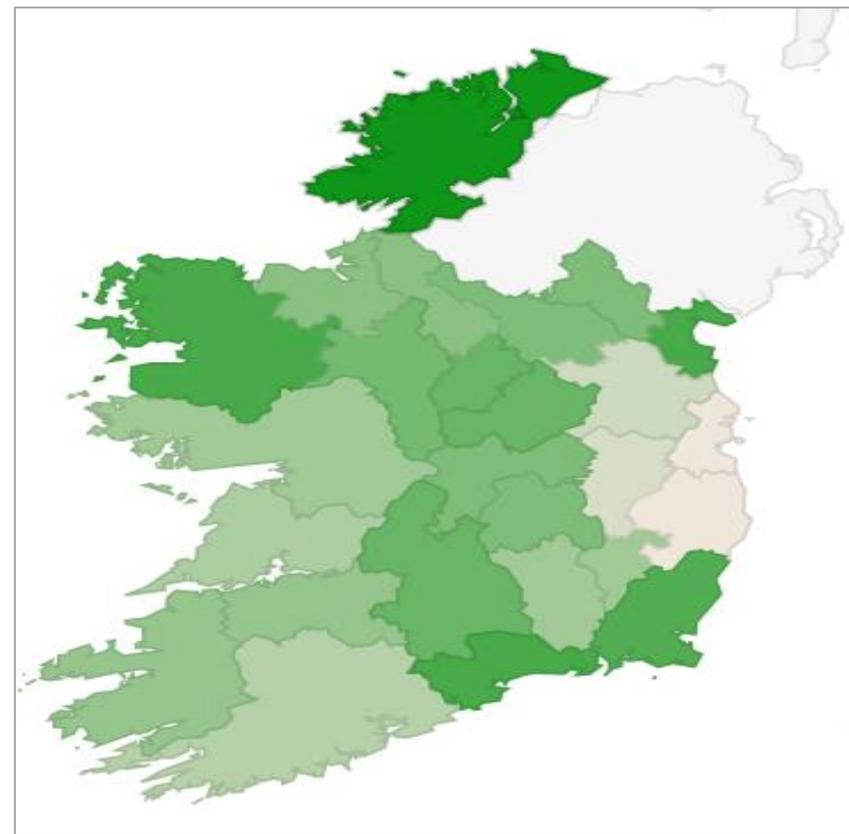
General Medical Services Scheme

In 2014, 40% of the population held a Medical Card

Profile of Medical Card Holders

- The largest share of cards held by children and the elderly
- Cardholders tend to be more concentrated in rural areas
 - Donegal had the greatest coverage of cards with 50% of the population holding a Medical Card as illustrated in **Figure 1**
- The greatest share of cards held by lower income deciles
 - 2nd lowest income decile held the highest proportion at 19%
- Cardholders report poorer health status than persons without a Medical Card
 - Health status is measured by self reported health status and whether individuals suffer from a chronic illness

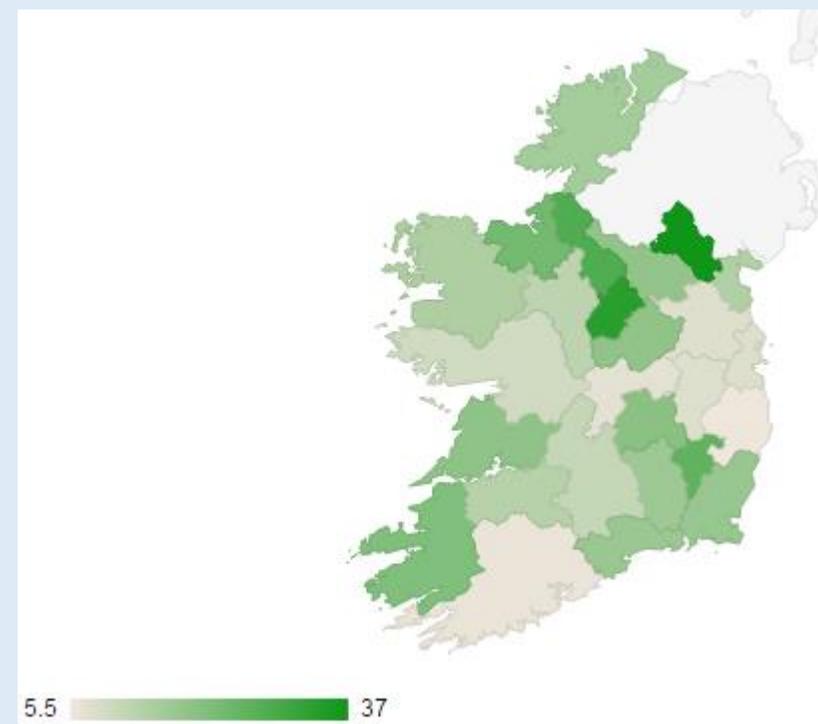
Figure 1: Medical Card Coverage across Ireland, ranging from lowest coverage 0.3 to highest coverage 0.5.



Targeted Childcare Schemes

Profile of Affordable Childcare Recipients	
<p>Community Childcare Subvention</p> <ul style="list-style-type: none"> ▪ Age: Mean 5, Mode 3, Median 3 ▪ Geographic profile: Low concentration in Dublin & Cork with very high concentration in some areas such as Monaghan & Longford. 	<p>Childcare Education & Training Support</p> <ul style="list-style-type: none"> ▪ Age: Mean 5, Mode 2, Median 4 ▪ Geographic profile: Low concentration in Dublin & Cork with very high concentration in Carlow, Longford & Monaghan.
<p>After-School Childcare</p> <ul style="list-style-type: none"> ▪ Age: Mean 7, Mode 7, Median 7 ▪ Geographic profile: Low concentration in Dublin/Cork with very high concentration in some areas such as Monaghan & Longford. 	<p>Community Employment (After-school) Childcare</p> <ul style="list-style-type: none"> ▪ Age: CEC Mean 3, Mode 3, Median 3 CEAS Mean 7, Mode 5, Median 7 ▪ Geographic profile: Low concentration in Dublin/Cork with very high concentration in some areas such as Monaghan & Longford.
<ul style="list-style-type: none"> ▪ Income: Childcare supports are more concentrated in the lower income ranges. ▪ Gender: Broadly even across all schemes. 	

Geographic Distribution all schemes (number registrations per thousand child (0-14 yrs.) population)



Source: DCYA Pobal PIP, CSO Population Estimates.

Next Steps

- Framework designed to supplement existing approach to SIA. Additional features include:
 - Incorporation of indirect tax measures
 - Examine public spending to identify where money is spent, key drivers of spend and generate profile of recipients
 - Progress commitment under Programme for Government
- **Next Steps / Other public expenditure areas to be considered for future SIAs:**
 - Education
 - Social Housing
 - Transport
 - Other policy areas e.g. Agricultural supports

