

Minister Lynch's Statement
Joint Committee on Public Service Oversight
and Petitions
6th February 2013

I would like to echo the thanks expressed by Minister Reilly to the Committee for the opportunity to discuss this issue today. As Minister Reilly has already outlined, the issues with these schemes are complex and ultimately resource limited. While we are continuing to work on these issues I too would sincerely welcome any constructive input the members of the Committee may wish to propose as to how the matter may be resolved. I think it would be helpful to talk in more specific detail about the schemes, in terms of the number of beneficiaries, how they operate, and the implications of a broadening of the criteria for the financing and administration of the schemes.

The Mobility Allowance

The Mobility Allowance was established in 1979 as an administrative scheme by way of Departmental circular.

There have been two further circulars (2002 and 2007) but the basic eligibility criteria for the allowance remains – the person must be unable to walk or be in such a condition that the exertion required to walk would be dangerous to their health.

The Mobility Allowance is payable by the Health Service Executive, subject to a means test, to persons with a severe disability.

Applicants must be 16 years or older and under 66 years.

The allowance was designed to help eligible people to benefit from a change in surroundings - for example, by financing the occasional taxi journey.

The Mobility Allowance is paid monthly and the current rate is €208.50 per month. There are in excess of 4,700 recipients of Mobility Allowance at an annual cost of €9.3m.

While the Mobility Allowance is targeted at the transport needs of those with a severe disability, as it is a payment that is unvouched there is no evidence that the monthly payment is applied to meet a person's transport needs.

The Motorised Transport Grant

The Motorised Transport Grant is also an administrative scheme. It is a means tested Health Service Executive

payment to enable a person with a severe disability to purchase or adapt a car where that car is essential to retain employment. The maximum grant is €5,020 payable once in any three year period. More than 300 people receive the grant each year at an estimated cost of €1.3m.

Eligibility for the Motorised Transport Grant may also be considered in “Exceptional Circumstances” other than for employment retention, for a person with a severe disability who lives in very isolated circumstances and where their disability prevents them from using public transport.

Department’s Position

Mobility Allowance

The Department of Health originally signalled its intention to review the Mobility Allowance Scheme in late-2009. In April 2011, the Department accepted the Ombudsman's findings and recommendation to review and revise the Mobility Allowance Scheme so as to render it compliant with the Equal Status Acts. The Department also noted that the Ombudsman, in a footnote to her recommendation, expressed no view as to the terms of the revision of the scheme other than that the revised scheme should be compliant with the Equal Status Acts.

Notwithstanding the Department's commitment to meet the six month timescale laid down by the Ombudsman in her report *"Too Old to be Equal"*, it has since proved extremely difficult to resolve this matter. A number of

policy options have been considered in the intervening period. These have raised significant issues, including:

- (i) the feasibility of extending eligibility under the scheme, due to the potentially significant cost implications;
- (ii) creating a new scheme available to all those with clear mobility needs because of their disability and keeping within current spending – the resultant payments to the people eligible would be so reduced as to make them almost meaningless
- (iii) the inappropriateness of extending or formalising schemes which no longer accord with the Government's mainstreaming policy on disability, and where alternative transport options are increasingly available for people with mobility difficulties under the relevant State agencies.

The Department is not in a position to amend the circular relating to the Mobility Allowance as recommended by the Ombudsman without significantly reducing the amounts payable to each person under the scheme. The recommendations, if implemented without a reduction in the amounts payable, would ignore the very serious financial constraints on the Department, the HSE and the State generally. Implementation of the recommendations would create liabilities that the State could not afford.

These additional costs would have to be met from current expenditure and would result in a reduction of frontline specialist disability, older people and mental health services to people who need them.

Motorised Transport Grant

Similarly, the Department is not in a position to amend the circular relating to the Motorised Transport Grant as recommended in the Ombudsman's report without reducing the amounts payable to each person. Expansion of the definition of disability would impose serious financial constraints on the Department, the HSE and the State generally. The recommendations, if implemented as outlined would, similar to the Mobility Allowance, create liabilities that the State could not afford.

Minister Reilly has already outlined that we are very conscious of the 4,700 people receiving the Mobility Allowance and the 300 people who receive the Motorised Transport Grant each year. Unfortunately it is not possible to expand these schemes in such a way to achieve compliance with the Equal Status Acts without incurring direct additional costs estimated at €100m per

annum for the Mobility Allowance and €200m over a three year period for the Motorised Transport Grant. It is also very important to note that there will be a large indirect administrative cost to and burden on the HSE, at a time when back office resources are expected to decrease. Meeting such costs would result in severe service cut backs in the disability, older people and mental health services.

By way of an example to the Committee, removing this level of funding (at an average of €170m per annum) from frontline services would:

- Eliminate all day, residential and Personal Assistant services for people with physical disabilities, or,
- Reduce employment levels by approx. 3,400 staff, or, 14% of all staff, or,

- Remove around 2,200 residential places for people with disabilities. That is a quarter of all residential places, or,
- Cut around 10,000 day places for people with disabilities which equates to half of all day places.

Another alternative would be to reduce payments within the available budget. This, however, would reduce them to such an extent as to render the payments almost meaningless – particularly in the context of meeting transport needs.

If the schemes were extended to the widest possible category of persons with disabilities, and the level of available funding remains as is:

- the Mobility Allowance could be reduced from €208.50 per month to €12.20 per month, and,

- the Motorised Transport Grant could be reduced from a maximum of €5,020 in any 3 year period to a maximum of €67.50 in that 3 year period.

Clearly, severe reductions of this nature would not serve to best address the type of supports the schemes were intended to put in place.

Conclusion

As Minister Reilly has outlined, the Department continues to seek a solution which will best meet the aims of supporting the transport or mobility needs of those who most need them, while remaining within the budgetary cap which is in place. I am pleased to have the opportunity to discuss this with the Committee and will be happy to consider any comments members may

make which will assist us in addressing this difficult and complex issue.