



Focus Ireland **Budget 2020**

A budget for housing
and homelessness

Challenging
homelessness.
Changing lives.

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Introduction

Ireland has been working towards economic recovery in recent years. However, as we head towards Budget 2020 it is clear that many of our most vulnerable citizens are in worse situations than ever. There are now over 10,270 people homeless and thousands more at risk. Hundreds of thousands of people nationwide are struggling to pay the rent or to even find somewhere to live that is secure and affordable. The reality of buying your own home is still a pipedream for most in society due to rocketing property prices and a lack of housing stock.

Focus Ireland warned in our Pre-Budget Submission in 2012 that many families and single people were at a tipping point between home and homelessness. We warned there would be a crisis of family homelessness unless certain actions were taken. At this time 8 families a month were becoming homeless in Dublin. This has now rocketed, with an average of 90 families becoming homeless in Dublin alone every month this year.

The latest figures issued by the Dept. of Housing (July 2019) reported that 3,778 of the total number homeless are children (in 1,265 families). Meanwhile, the regional figures show that the crisis has spread to many cities nationwide with over 500 families and 1,000 children now homeless outside of Dublin.

Focus Ireland is driven by the fundamental belief that homelessness is wrong. We have been, and will remain, at the heart of the response to this crisis and we acknowledge and respect the hard work and commitment of our colleagues in government departments, and local authorities, across the country as they play their role in addressing the hardship faced by families and individuals. There is much good work being done without which this crisis would be so much worse.

Focus Ireland always acknowledges these positive collaborations. However, we do not shy away from highlighting where and when more must be done. Budget 2020 has the power to make a significant contribution to stemming the flow of families and single people becoming homeless every month. The situation is an emergency and the harsh truth is it will continue to get worse if action is not taken in the Budget to drastically cut the numbers becoming homeless.

The Government must change track to move from managing the crisis towards ending it. The escalating number of people who are homeless has meant that huge resources and energy have been drawn into crisis management and emergency response. This effort has been necessary because successive governments have not addressed the root cause of this homelessness crisis, Ireland's dysfunctional housing system. In fact, their response has been marked by too little too late.

The two critical areas that must be addressed are the provision of public and affordable rental housing to counteract the years of government underinvestment in social housing and the expansion of preventative strategies to keep people in their homes. Of course, many of the policy decisions needed to tackle homelessness are not made in the annual budget. Nevertheless, Budget 2020 represents a critical opportunity to help to prevent more people from becoming homeless, and also support speedy delivery of much needed social housing.

The housing crisis was first acknowledged by the then Minister in 2013, and yet a frequent comment on the crisis is that 'it will take time'. However, the nearly 4,000 children homeless today don't have time. They are children today and need a place to call home. As do their families and many other people who are homeless or at risk.

Focus Ireland had already submitted our full budget proposals to all relevant Government Ministers in recent months. This more concise document outlines 12 key actions which we are calling for the Government to include in Budget 2020. You can review our full Budget Submission at <https://www.focusireland.ie/resource-hub/publications-and-partnerships/policy/>

1 Increasing housing and rental supply

In Budget 2019, Minister Donohoe forecast that 25,000 units of housing would be added to the national housing stock during 2019, the largest increase in housing supply for several years. Most analysts agreed with this forecast but noted that it still fell significantly short of the 30-35,000 that the ESRI estimate will be needed to meet annual need. This year-on-year shortfall in housing supply inevitably leads to increased pressure throughout the housing market and society in general. It is most keenly felt in the private rental market, where it drives rents to increase faster than general inflation - and indeed faster than the legal maximum of 4% for Rent Pressure Zones. In the absence of adequate countervailing measures these pressures result in an increased risk of homelessness and more households living in emergency homeless accommodation. It is essential that the State take a more active role in driving the building of more social housing along with affordable rental accommodation.

Use of publicly owned land by the Land Development Agency

The establishment of the Land Development Agency (LDA) in 2019 was an important and welcome development. However, the stipulation that the LDA must produce only 10% social housing and 30% affordable housing means that the primary goal of the LDA, as defined by Government policy, is to provide homes for the private market at non-'affordable' prices. The Government has not yet taken the essential step of setting out what it means by 'affordable' housing, but it is generally interpreted to mean housing to be sold on the market at below prevailing market rents. While there are some welcome plans to deliver 'cost rental' housing on LDA land, it is not clear where this fits into the 10/30/60 provision.

The decision to allow up to 60% of the homes to be built on state land to be un-affordable to the ordinary public seems to be justified on the basis of making the LDA 'commercial'. This implies that the balance of 10/30/60 is primarily a question of finance, and certainly no justification on the grounds of social mix, need or the proper role of Government has been published. Different sites owned by the LDA have different requirements and the proposal from some commentators that all the housing must be social housing would not allow for the needs of particular sites – or indeed for the building of community and shopping facilities. However, a more ambitious overall target for delivery of housing at the prices where the greatest needs is required. In as much as this may need additional state funding to reduce the 'commercial need' to build expensive homes on state land, this should be addressed in Budget 2020.

1 RECOMMENDATION: An increase in the budget allocation to the Land Development Agency should be made to ensure that it has the resources to ensure that a minimum of 15% social, 15% cost rental and 30% 'affordable for sale' be provided on all LDA land.

2 HAP – the Housing Assistance Payment

Most households which exit homelessness find their new home in the private rented sector, usually with the support of the Housing Assistance Payment (HAP). In Dublin, such households can access Homeless HAP (HHAP), which allows a potential 50% 'uplift' above the maximum rent payable under the mainstream HAP scheme. In other cities, homeless families may be able to access up to a 20% 'uplift' on the normal maximum rent level.

For HAP to remain an effective measure to support households into the private rented sector, it is critical that HAP rent caps bear a realistic relationship to actual market rents. Data from the RTB index shows that average rents have increased by 18% since the last increase in the maximum rents payable under Rent Supplement and HAP in July 2016.

A recent survey, conducted by Threshold and the St. Vincent de Paul, demonstrated how far behind real rents the maximum rent thresholds have now fallen: for single people, caps were between 50-70% of market rents, while for a family with three children, HAP rent caps ranged between about 60-75% of actual market rents. Even allowing for the 20% 'uplift' on rent caps that can be applied on a case by case basis, the rent caps mean that most tenancies in the private rented sector are simply out of reach of those who need them. While 'Homeless HAP' can provide a further uplift in the allowable rent, this is discretionary and people who are homeless cannot know in advance what rent level will be subsidised.

The maximum level of rent payable was last increased in July 2016, as part of the Confidence and Supply agreement between the Government and Fianna Fáil, and this increase led to a small but marked reduction in the number of families becoming homeless in subsequent months. However, as rents continued to rise the positive impact of the increase was eroded.

For the private rented sector to be a viable exit route from homelessness, HAP rent caps need to be rebased in relation to actual market rents on an annual basis. Given how far the thresholds have fallen behind market rents, and the existence of RPZs, this change would not have an inflationary impact on rents.

Furthermore, ESRI research has recently highlighted that while HAP was to be implemented alongside a National Differential Rent scheme, this has not been progressed. The research found that implementing a National Differential Rent scheme has the potential to improve financial work incentives for most recipients.

2 RECOMMENDATION: Rebase HAP rent caps to reflect market rents on an annual basis. Implement a National Differential Rent scheme to improve financial incentives to be in paid employment.

3 The Private Rental Sector

The Private Rental sector is important in tackling homelessness because it is both the main route into homelessness and the most common escape route out of it. Changes in the private rental sector, and in particular the decline in the number of housing units available for rent in the sector, are of grave concern.

Given the importance of these changes in the private rental sector, we have remarkably little information about the nature of these changes and the reasons behind them. Recent research by the Residential Tenancies Board is very welcome in this respect, and further, more detailed, work will also be of great value.

Much of the discussion of the declining number of private landlords has revolved around the assumption that this is driven by choices currently being made by landlords, influenced by regulation and taxation etc. Discussions of policy options to respond to this issue have similarly reflected a short-term consideration of yield and regulatory burden.

However, this debate largely ignores the large number of buy-to-let landlords who are in long-term arrears on their loans and who are essentially being taken out of the market as a result of decisions which took place several years ago.

As of March 2019, there were 16,275 buy-to-let mortgages in arrears for over 90 days – accounting for 15% of all buy-to-let mortgages. The detailed statistics for repossessions and rent receivers give no clear insight onto the fate of the tenants, but with 5,398 properties currently with rent receivers, and over 1,000 repossessed properties disposed of during 2018, it is clear that a significant proportion of the ‘withdrawal’ of landlords can be explained by the policies related to the treatment of buy-to-let arrears.

3 RECOMMENDATION: Establish a fund to take into ownership buy-to-let units which are being repossessed due to landlord arrears and the tenant is already in receipt of HAP/RS and is at risk of homelessness. Link this fund to reform of tax treatment of such transfers to create an incentive for landlords to sell without evicting tenants.

4 Proactive and collaborative homelessness prevention

Prevention is always better than cure, and successful approaches to preventing homelessness have been developed such as Focus Ireland's Family Homelessness Prevention Team, the collaborative initiative with the Department of Employment Affairs & Social Protection (DEASP) in Dublin 15 and also Threshold's Tenancy Sustainment Service.

Recent Focus Ireland research has identified that, despite the extensive work by many agencies, more than a third of families that become homeless have not sought advice or support before losing their homes, with young parents and non-EU migrants being the least likely to seek help. Along with the continued growth in the number of families becoming homeless, this demonstrates that there is further potential for such innovative prevention initiatives.

In order for preventative measures to succeed, they must achieve two goals (i) capacity to connect with at risk families in a timely manner (ii) access to remedies which can prevent the planned eviction or provide alternative accommodation.

Three important lessons emerge from evaluations of prevention programmes:

- ▶ Targeting is most effectively delivered by collaborative partnerships which involve both state and NGO actors (harnessing the potential of administrative databases to generate personalised communications to at risk families).
- ▶ Appropriately skilled and resourced Housing and Information services can prevent homelessness in many cases.
- ▶ Prevention initiative must work closely with policy makers: in a significant number of cases, homelessness is caused by circumstances that need policy change rather than information/advocacy (e.g. landlords evicting to sell etc.).

4 RECOMMENDATION: Establish and resource a Homelessness Prevention Unit in the Department of Housing, Planning and Local Government, linked to the Homeless Inter Agency Group, with an initial fund of €500,000 to support effective prevention actions.

Family homelessness

5 Housing First for Families

Focus Ireland – in partnership with the State – helped over 500 families to leave homelessness last year. However, the crisis has continued to deepen as the number of families who are homeless has shot up by 27% over the last two years.



Data on the duration of family homelessness clearly shows there is a growing share of families becoming trapped for longer periods of time in 'emergency' accommodation. The share of families living in 'emergency' accommodation for over two years has grown by over 300% in the same period – with 184 families homeless for more than 24 months at the end of May 2019. These families are likely to have more complex needs which can make accessing a home, and sustaining a tenancy, much more of a challenge.

This is damaging families and it is hurting children. No child should have to live in 'emergency' accommodation for years. It has a damaging impact on children at all stages of development – the recent report from the Ombudsman for Children's Office highlighted many of the harms involved – and leaves children more likely to experience homelessness as adults.

Neither is this an efficient resolution in an economic sense: emergency accommodation for a family in a hotel costs approximately €67,000 per annum – or just over €2 million per annum for 30 families.

Housing First has been adopted in Ireland as a response to homelessness among single people with high support needs, and is achieving success in addressing long term and entrenched homelessness.

There is considerable international interest in applying the proven practice of Housing First to support families with complex support needs. In this context, Focus Ireland proposes a structured 'Housing First for Families' pilot to address the needs of families who have been homeless for more than 24 months. Some of these families will have complex needs which present particular barriers to securing a home, and need intensive support to address these issues and sustain their housing. Focus Ireland estimates the cost of providing these supports at €1.2m.

5 RECOMMENDATION: Allocate €1.2m to develop, implement and evaluate a pilot 'Housing First for Families' response for 30 families with who have been homeless for more than two years.

6 Supporting children in families which are homeless

There is a solid body of evidence that child support workers play a crucial role in mitigating the adverse impacts of homelessness on children. The integration of dedicated child support workers within a multi-disciplinary team was successfully piloted as part of the Government's Social Impact Bond initiative from 2013/14. *Rebuilding Ireland* recognised the importance of this role, and committed to increasing the number of child support workers; additional posts were resourced through Tusla in Budget 2017, adding to the three workers who continued to be funded by HSE (Social Inclusion).

Children and parents, consulted by the Ombudsman for Children's Office, reported that child support workers were one of the few positive aspects of being in a Family Hub; the Ombudsman recommended that *"further attention should be given to identifying additional practical measures (for example, an increase in therapeutic supports and child support workers) that could be implemented to support the resilience, dignity and self-worth of children and parents while they are living in emergency accommodation."*

Some children need this support to cope with the trauma of homelessness, either as a result of challenges they were facing before becoming homeless, or as a result of being homeless, or both.

Rebuilding Ireland (p.36) noted that around 25% of the children in emergency accommodation are assessed as needing this support. The number of children who are homeless has increased by over 50% since October 2016, when funding was provided for an additional three workers; there are now a significant number of children with assessed needs who are unable to access child care supports.

Each qualified Child Support Worker has a case load of about 20 children. An allocation of €280,000 would allow Tusla to resource an additional four Child Support Workers, to support to over 100 vulnerable children per year.

The best approach to the deployment of these workers should be considered in a review of family homeless services, as recommended above and by the Ombudsman for Children in *No Place Like Home*.

6 RECOMMENDATION: Provide €280,000 funding to Tusla for four additional Child Support Workers for children who have been assessed as in need of such support.

7 Support young people leaving state care

It is well established from national and international research that care experienced young people are at an increased risk of homelessness upon reaching adulthood.

Planning and resourcing aftercare can play a critical role in helping vulnerable young people avoid homelessness, and establish independent lives. In this context, the Government has made a welcome commitment to ensuring that every young person leaving state care who needs an aftercare worker should be allocated one.

However, in order to reach this laudable goal, the caseload of aftercare workers in some areas has been increased to a level where it is not possible to provide meaningful aftercare support, particularly to those young people with complex needs who are most vulnerable to homelessness.

Focus Ireland aims to maintain a caseload of 15–20 young people per aftercare worker, in line with international best practice. However, funding constraints have forced us to operate a case load of 22–25. In the case of aftercare services run directly by Tusla, a caseload of up to 50 young people per aftercare worker is not uncommon.

This is a false economy. Vulnerable young people leaving care need meaningful aftercare support to realise a sustainable and independent life. In the absence of such support, the risks of a life of social exclusion, with associated costs, are high.

7 RECOMMENDATION: Resource Tusla to provide an aftercare worker for every 20 young people who need one in 2020, and to every 18 by 2021.

8 Support vulnerable young people

Young people aged 18–24 who are homeless rarely have access to youth-specific emergency accommodation or supports, leaving them with little option but to rely on mainstream adult services, an option described as “one of the most significant contributors to ongoing or prolonged homelessness among young people.”

Mayock et al’s (2014, p.180–2) research on youth homelessness illustrates the extreme vulnerability of young people in mainstream adult homeless services, noting that “*problem behaviours, including substance use and criminal activity, invariably intensified subsequent to young people’s first contact with the homeless service system and, in particular, following their entry to adult systems of intervention.*”

In contrast, those who had accessed supported temporary accommodation for young people reported more positive experiences, as they had access to support, typically re-engaged with education or training, and began to form trusting relationships with staff, particularly key workers.

Given the risks faced by young people who are homeless, or at risk of homelessness, it is critically important that they can access prevention and support services designed to meet their needs in their local communities. Children & Young People’s Services Committees are an appropriate structure through which to coordinate such support, but it is important that services are adequately resourced to be able to meet these needs.

8 RECOMMENDATION: Resource Tusla to provide key workers for vulnerable young adults who are homeless and ensure that they can access the range of youth oriented and community based services they need, through Children and Young People’s Services Committees.

9 Social welfare payments for people of working age

Poverty and housing unaffordability are root causes of homelessness and housing instability, and access to adequate social welfare is a vital safety net.

Social welfare payments should be adequate to meet the basic needs of those relying on them. Using a robust methodology, the cost of a Minimum Essential Budget for a single individual currently stands at €24,523. Had the social welfare rate for working age people kept pace just with inflation, it would currently stand at €215.

9 RECOMMENDATION: Increase the personal rate of social welfare payments for people of working age from €203 to €210 per week.

10 Social welfare payments for young people

The recession hit young people particularly hard: not only was it much more difficult to be included in the labour market, but their social welfare entitlements were cut more severely than others.

Those most vulnerable to being 'NEET' are those young people who are already marginalised. While anecdotal evidence is offered to indicate that reducing welfare rates for young people has an incentive effect for more advantaged groups, it is far from clear that it is an effective strategy to support the inclusion of the most vulnerable young people. For example, research from Germany and Denmark finds that "from a preventative perspective, the harsher policies aimed at the young equate to a high-risk strategy, which for the most marginal groups may actually increase the risk of social exclusion."

Focus Ireland believes it is poor policy to maintain this strategy in the absence of an evaluation of its impacts on young people; we call for an independent evaluation of the impacts of these policies as they affect all young people.

Aside from the general effect of the reduced welfare rate on young people, there is ample evidence that it has resulted in a significant number of cases where vulnerable young people who were not able to return to a family home have entered homeless services.

The Irish Coalition to End Youth Homelessness has pointed out that young people who cannot return to the family home, but who have identified a route out of homelessness, find themselves trapped because the payment is not sufficient to maintain an independent household. The cost of this on the young person's development is significant, and compounds labour market exclusion.

This evidence has been provided to DEASP over many years, yet no targeted measures to alleviate this have been implemented.

10 RECOMMENDATION: Introduce and fund a scheme to exempt young people who have been living in emergency accommodation from the reduced rate of social welfare where this is part of a personal plan to exit homelessness.



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