

A stylized, dark purple house icon with a gabled roof, a large arched doorway, and a window with four panes. The house is set against a dark purple background.

Focus on Homelessness

Public Expenditure on Services for
Households Experiencing Homelessness

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Challenging homelessness. Changing lives.

FOCUS
Ireland

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Introduction

Focus Ireland and the School of Social Work and Social Policy, Trinity College Dublin have collaborated for over a decade to bring high quality and up-to-date research on homelessness to a wider audience and into the core of public policy formation. This series, 'Focus on Homelessness' aims to build on the success of our research and our popular 'Lunchtime Talks' series, by making the now substantial body of data published by the Department of Housing, Local Government and Heritage, and other State Agencies working in the area of Housing and Homelessness, available in an accessible format.

In 2020, the first Focus on Homelessness volumes provided an overview of key trends in the number of households experiencing homelessness in Ireland in recent years, the number of entries into and exits from emergency accommodation, length of stay in emergency accommodation and the expenditure on these services. Special Editions of Focus on Homelessness have examined Single Adult Homelessness, Gender and Homelessness, and patterns of homelessness in each of nine regions.

The previous Focus on Homelessness edition on Public Expenditure on Services for Households Experiencing Homelessness published in June 2020, analysed expenditure up to 2019.¹ In this volume, we provide an updated detailed description of expenditure data and some of the limitations of this data up to the end of 2022, as well as the expected or estimated expenditure for 2023. This volume also captures the increases in expenditure on homeless services that were introduced at the beginning of the Covid-19 public health emergency.

¹ O'Sullivan, E. and T. Mustafiri (2020) Public Expenditure on Services for Households Experiencing Homelessness (Dublin: Focus Ireland). https://www.focusireland.ie/wp-content/uploads/2021/10/Focus_On_Homelessness-Public-Expenditure-0620.pdf

Overall Expenditure on Services for Households Experiencing Homelessness

The *Housing Act*, 1988 gives responsibility to local authorities to consider the needs of people experiencing homelessness and expanded their powers to respond to those needs. Under Section 10 of the *Act*, each Local Authority can recoup up to 90% of what it spends on households experiencing homelessness from the Department of Housing, Local Government and Heritage, but it may also incur additional expenditure on services not covered under Section 10.²

In addition to Section 10 funding, services for households experiencing homelessness may receive funding from HSE (Social Inclusion), TUSLA, other Government Departments and agencies. Not-for-profit agencies providing services for households experiencing homelessness also fundraise directly for their activities.

For example, in 2021, Section 10 funding in the amount of €223.5m was recouped by Local Authorities from the Department of Housing, Planning and Local Government, but their total expenditure as measured by the Local Authority Annual Revenue Budgets was in the amount of €293.9m, a difference of just over €70m. For a discussion of these additional sources of funding, see Appendix 1 in the first report, available [here](#).

² 110.—(1) A housing authority may, subject to such regulations as may be made by the Minister under this section— (a) make arrangements, including financial arrangements, with a body approved of by the Minister for the purposes of section 5 for the provision by that body of accommodation for a homeless person, (b) provide a homeless person with such assistance, including financial assistance, as the authority consider appropriate, or (c) rent accommodation, arrange lodgings or contribute to the cost of such accommodation or lodgings for a homeless person. (2) A request for accommodation may be made to a housing authority by or on behalf of a homeless person. (3) Where accommodation or lodgings are made available to a person by virtue of subsection (1), the housing authority may at any time specify a period for which the accommodation or lodgings are to be so made available to that person. (4) The Minister may, with the consent of the Minister for Finance and subject to such regulations as may be made by the Minister under this section, recoup, out of moneys provided by the Oireachtas, all or part of any payment made by a housing authority by virtue of subsection (1).

Figure 1: Expenditure on Services for Households Experiencing Homelessness by Local Authorities Dublin / Outside Dublin, 2009–2023

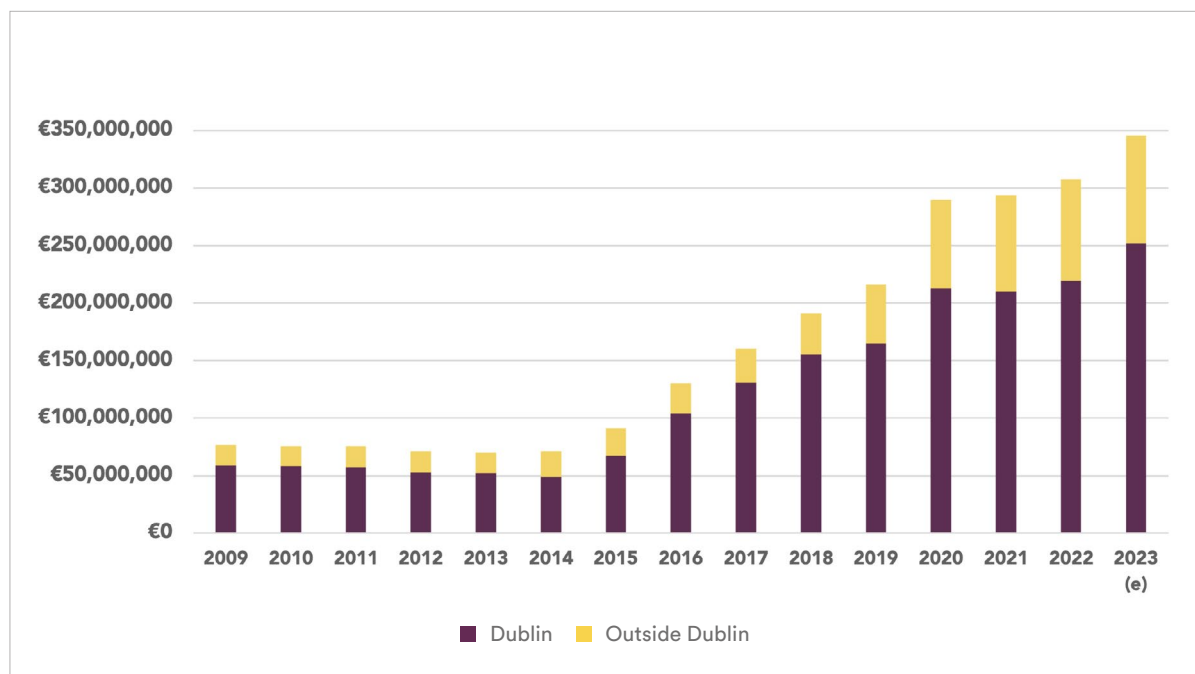


Figure 1 shows the total expenditure on services for households experiencing homelessness by Local Authorities from all sources between 2009³ and 2023. From 2009 to 2014, average annual expenditure was €73.5m, but increased significantly from 2015 onwards, with just over €345m expected to be spent by Local Authorities in 2023. In total, **over €2.1 bn** has been spent by Local Authorities on services for households experiencing homelessness between 2009-2022, with **€1.7bn** expended over the period between 2014 and 2022, when the number of households in temporary and emergency accommodation in Ireland increased from 2,419 in July 2014 to 6,677 by July 2022 - an increase of 176%. Including the estimated expenditure⁴ for 2023, between 2009 and 2023, Local Authorities will have spent nearly **€2.5bn** on homelessness services. Figure 1 shows these trends in expenditure and shows the distribution of this funding between Dublin and outside Dublin, with just over three-quarters of all spending on homeless services in the four Dublin local authorities, which is expected given that 70% of households experiencing homelessness were in Dublin in August 2022.

It is also worth noting that over the period 2009 – 2020 there was effectively no inflation, with purchasing power of the expenditure in 2009 much the same as in 2020, and hence the significant increases in expenditure were not inflation related. This period of historically low rates of inflation ended in 2021 with inflation increasing steadily during 2021 and 2022, hitting a 38-year high in October of 2022 at 9.2 percent.

³ 2009 was the first year that a category Administration of Homeless Service was included in the Local Authority Annual Revenue Budgets.

⁴ Estimated expenditure is calculated based on what Local Authorities estimate will be spent in 2023. This expenditure is subject to approval by the Department of Housing, Local Government and Heritage.

Figure 2: Expenditure on Services for Households Experiencing Homelessness by the Department of Housing, 1989–2023

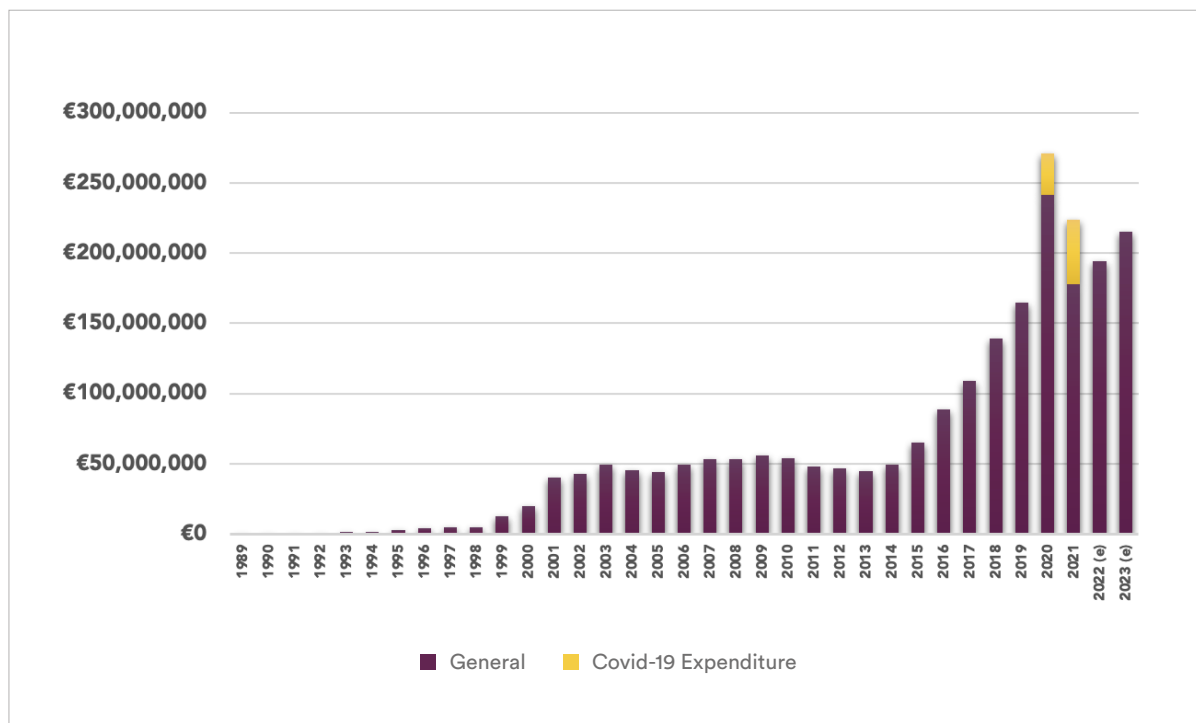
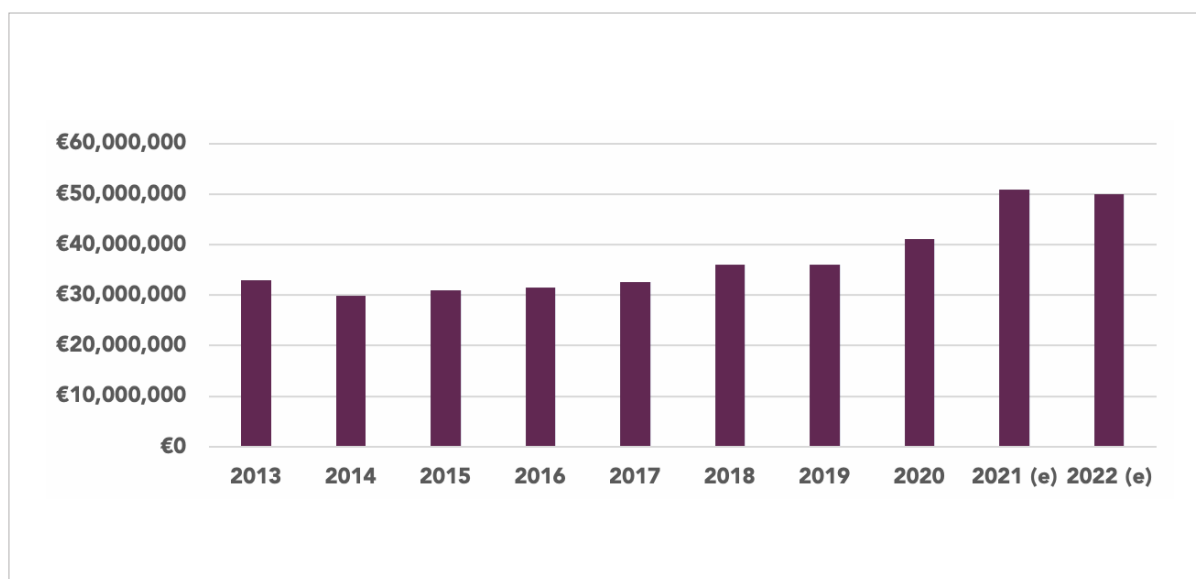


Figure 2 shows the funding available from the Department of Housing, Local Government and Heritage to Local Authorities between 1989 and 2023. Between 2001 and 2014, the average annual budget available for recoupment by Local Authorities from the Department was €48.3m, but rose rapidly over the next 6 years, peaking at €270.9m in 2020. The budget available from the Department of Housing, Local Government and Heritage to fund Local Authorities for the provision of services to households experiencing homelessness in 2020 was originally €166m, the largest amount ever made available. However, due to the Covid-19 measures, the budget was initially revised upwards by €30m to €196m in July 2020, and by a further €60m in November 2020, giving a total budget of €256m for 2020 from the Department of Housing, but with a final allocation of €270.9m.⁵

The funding available from the Department of Housing, Local Government and Heritage to Local Authorities decreased in 2021 to €218m, and decreased further to €194m in 2022, before increasing to €215m in 2023. However, considering inflation, the 10 percent funding increase from 2022 to 2023 largely kept pace with inflation and therefore, unlike previous years, the purchasing power of the budget in 2023 will be much the same as the 2022 expenditure.

⁵ It should be noted that €68m of the 2020 figures relate to Local Authority recoupments for 2019. For further details, see Burmanje, J. (2021) Social Impact Assessment Series: Homeless Services (Dublin: Department of Public Expenditure and Reform).

Figure 3: Expenditure on Homeless Health-related Services by the *Department of Health and Associated Agencies*, 2013–2022



As well as Section 10 funding from the Department of Housing, Local Government and Heritage to Local Authorities, the Department of Health provides funding for Homeless Health-related Services.⁶ As demonstrated in Figure 3, the available funding from the Department of Health increased from €33m in 2013 to €41m in 2020, with a budget of €50.8m expected to be spent in 2021 and €50.1m is the estimated allocation for 2022 attributed to HSE Homeless funded services.

⁶ As well as this funding, a range of HSE-funded general health services including addiction supports; acute hospital inpatient/outpatient services; Primary Care services; HSE mental health services etc. would also be available to households experiencing homelessness.

Quarterly Financial Reports, 2013–2022

Since 2013, Local Authorities produce detailed *Quarterly Financial Reports* outlining their expenditure on a range of services for households experiencing or at risk of homelessness that can be recouped from the Department of Housing, Local Government and Heritage, in addition to their own financial contribution. These reporting requirements arose from the issuing of a Protocol Governing Delegation of Section 10 Funding for Homeless Services to Local Authorities. Thus, the *Quarterly Financial Reports* do not contain expenditure recouped or received from other Department or agency sources.

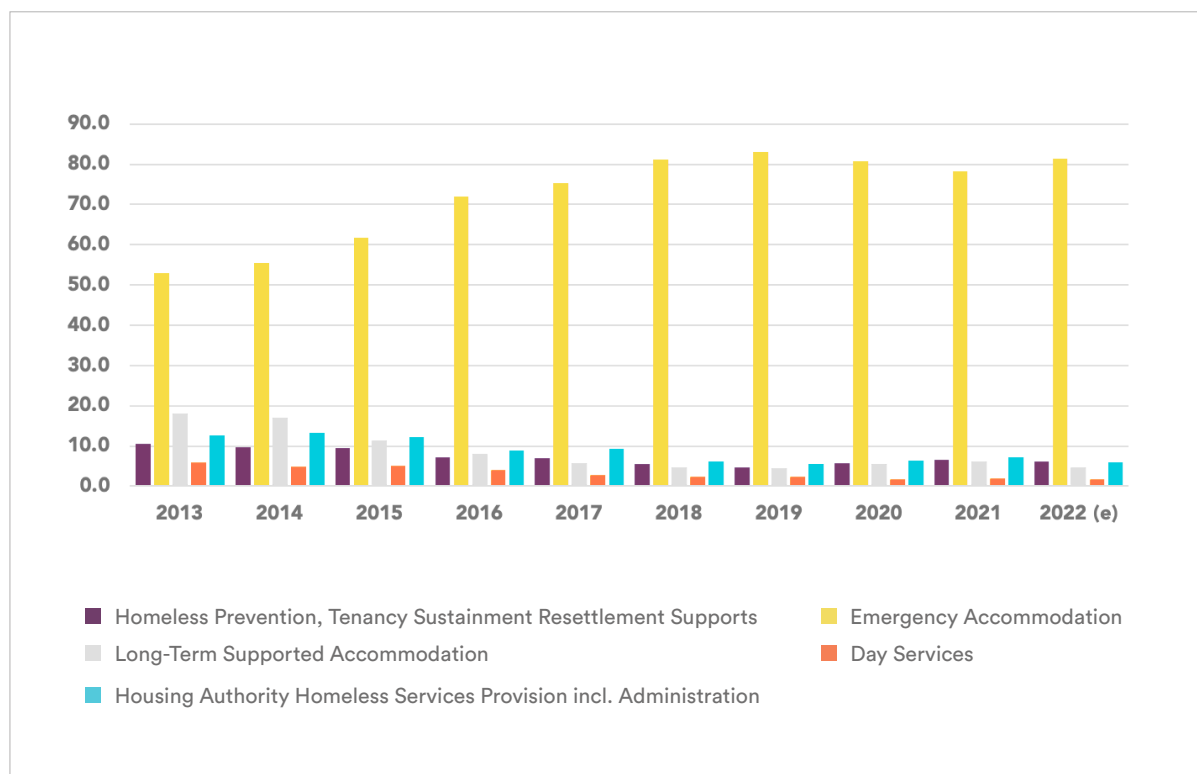
Expenditure on services for households experiencing homelessness in the Quarterly Financial Reports prepared by Local Authorities is classified in five areas:

- 1. Homeless Prevention, Tenancy Sustainment and Resettlement Supports**
- 2. Emergency Accommodation**
- 3. Long-Term Supported Accommodation**
- 4. Day Services**
- 5. Housing Authority Homeless Services Provision including Administration**

In 2013 and 2014 there was a further category detailing expenditure on services for those experiencing Domestic Violence, but from January 2015, such services which had been funded via Section 10 were transferred to the statutory Child and Family Agency (TUSLA). Expenditure on Domestic Violence services in 2013 and 2014 of €4.4m is excluded from this analysis and only the 5 categories above are included.

From 2020 onwards, emergency accommodation is categorised as *scheduled* (for families and adult-only households) and *unscheduled*. The majority of the *scheduled emergency accommodation* for families is in the form of congregate ‘Family Hubs.’ *Scheduled emergency accommodation* for adult-only households, which includes single adults and couples without accompanying child dependents takes a range of forms, but is largely congregate quasi-dormitory accommodation ranging from recently purpose built provision, building conversions and congregate facilities that have been in operation for over a century. The vast majority of *scheduled emergency accommodation* are provided by NGOs. *Unscheduled Emergency Accommodation* is provided by private providers is in the form of hotel / bed and breakfast accommodation, and is primarily for households with accompanying child dependents, but also couples without child dependents.

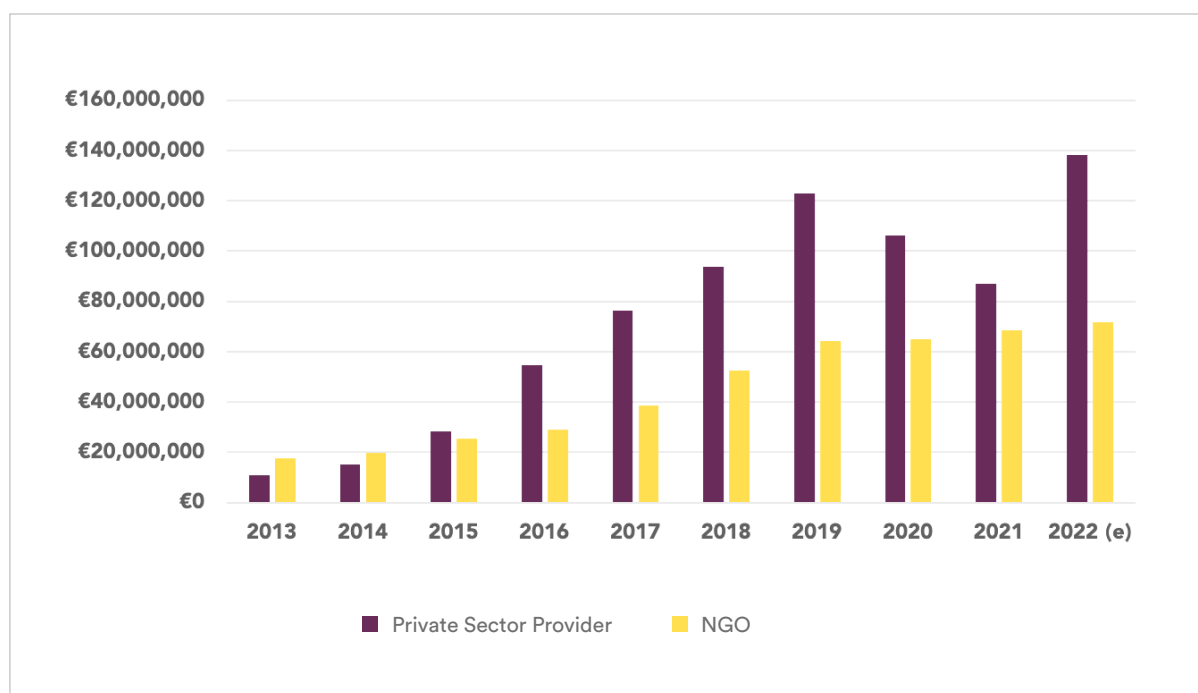
Figure 4: Expenditure by Category 2013–2022 (%)



Not unexpectedly, given the increase in the number of households in emergency accommodation noted above, expenditure on emergency accommodation accounted for 53 percent of all expenditure in 2013, but had increased to 78 percent in 2021, and is estimated to be over 80 percent in 2022, as shown in Figure 4. In total, including the estimated expenditure for 2022, **€1.18bn** will have been spent on the provision of emergency accommodation for households experiencing homelessness which accounted for over three-quarters of this expenditure during the period 2013 to 2022. While certain categories have decreased as a percentage of total expenditure, the total amount spent on all categories has increased since 2013. For example, Category 1 (Homeless Prevention, Tenancy Sustainment Resettlement Supports) has decreased as a percentage of expenditure from 10% to 6%, however, the total amount spent on Category 1 has increased from €5.7 million in 2013 to €15.8 million in 2022 (e).

Emergency Accommodation (Funding Category 2)

Figure 5: Expenditure on Emergency Accommodation by Provider, 2013–2022

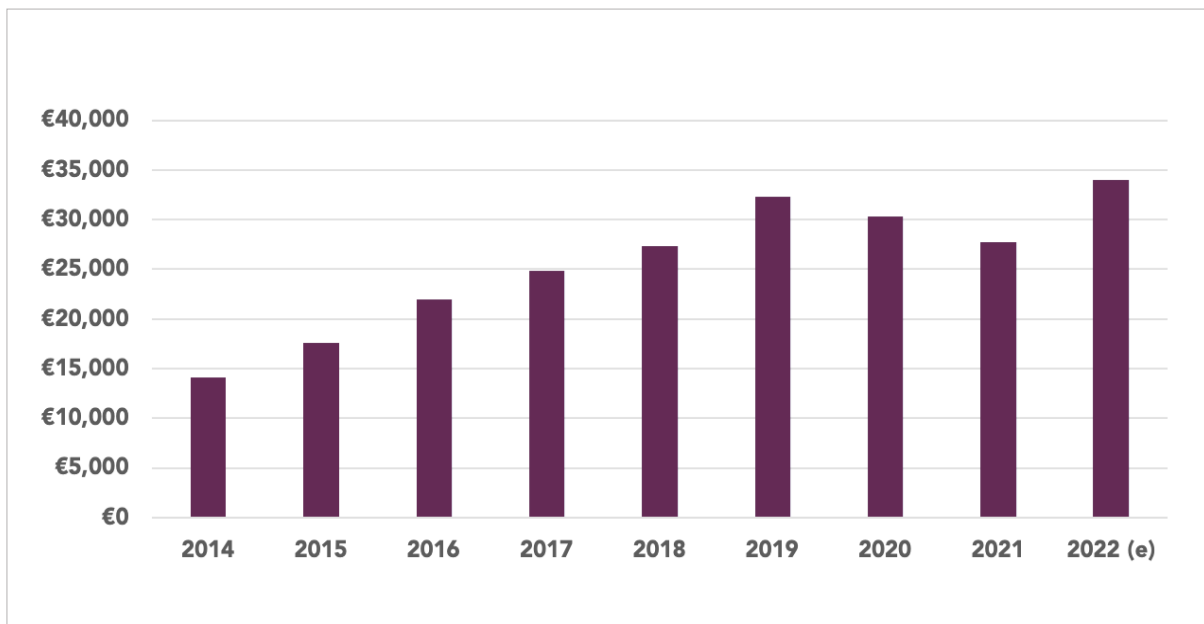


As noted above, providers of emergency accommodation are both not-for-profit organisations and private for-profit bodies, with no Local Authority providing emergency accommodation directly. In 2013, just over €11m was expended on private for-profit providers or just under 40 percent of all spending on emergency accommodation, compared to €87m in 2021 or 56 percent of all spending on emergency accommodation. Over the period 2013–2021, expenditure on private for-profit providers amounted to **€595.3m**, and for the not-for-profit bodies **€380.7m**. Expenditure on emergency accommodation was lower in 2020 and 2021, compared to 2019, with this reduction being particularly evident for private providers of emergency accommodation.

Expenditure on private-for-profit providers of emergency accommodation is expected to increase significantly in 2022 compared to previous years. It is currently estimated that expenditure on private-for-profit providers of emergency accommodation will increase from €87m in 2021 to €138m in 2022, a 59 percent increase in one year. It is expected that nearly two thirds of expenditure on emergency accommodation in 2022 will allocated to private for-profit providers.

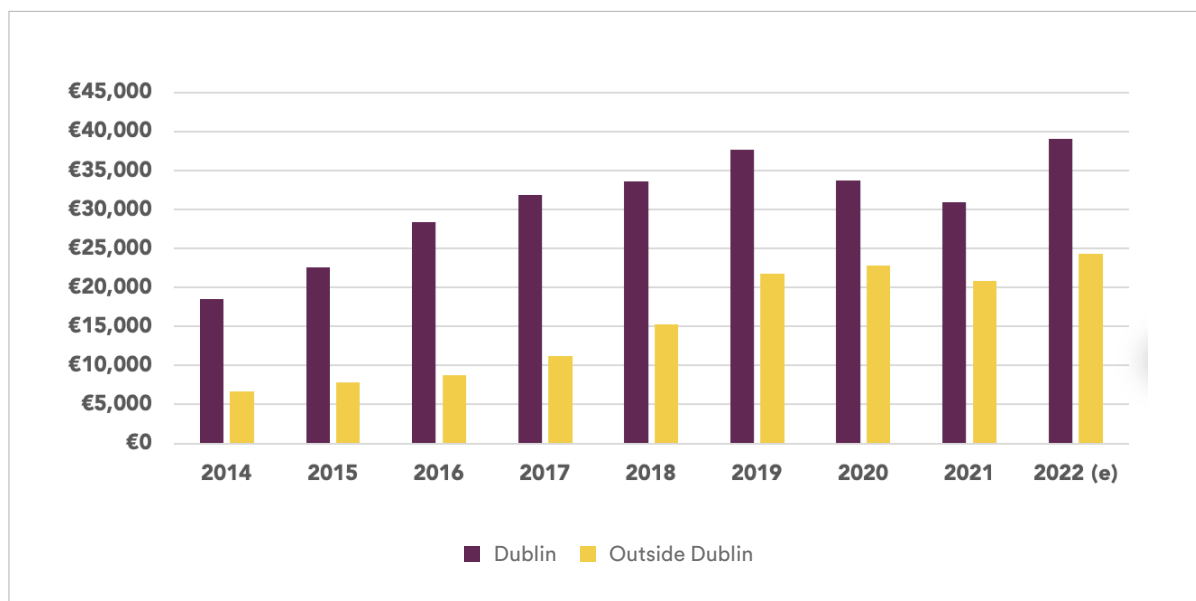
Cost per Household in Emergency Accommodation

Figure 6: Average Cost of Maintaining Households in Emergency Accommodation, 2014–2022



Since 2014, the average cost of maintaining households in emergency accommodation (the average number of households in each year divided by the expenditure on emergency accommodation only) nearly doubled from just over €14,000 in 2014 to nearly €28,000 in 2021 as shown in Figure 6. Although, in 2019, the average cost of maintaining households in emergency accommodation was over €32,000 and it is estimated that it could cost nearly €34,000 per household in 2022.

Figure 7: Average Cost of Maintaining Households in Emergency Accommodation, Dublin - Outside Dublin, 2014–2022



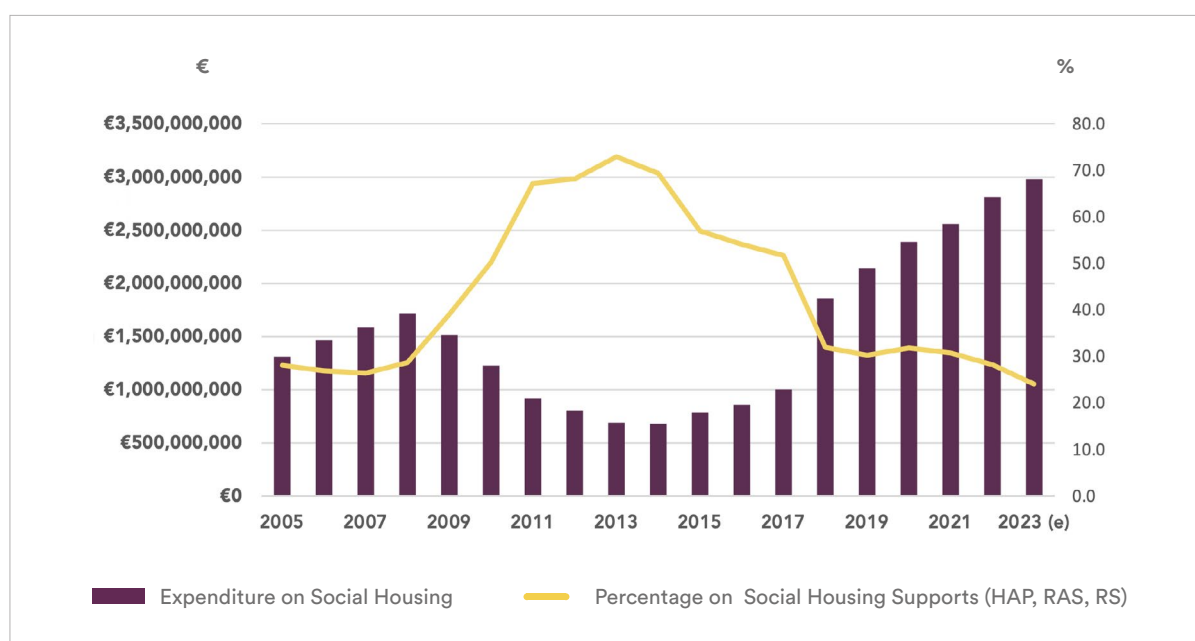
In Dublin, the average cost of maintaining a household in emergency accommodation rose from €18.5k in 2014 to nearly €30.9k in 2021, although, this is down from a peak of nearly €37.7k per household in 2019. Outside Dublin, the average cost rose from €6.7k in 2014 to €20.8k in 2021 as shown in Figure 7. Based on the expenditure estimates for 2022, the average cost of maintaining a household in emergency accommodation could rise to €39k in Dublin and €24.2k outside of Dublin.

The presentation of the existing published data does not allow us to explain this increase. For example, we do not know the household composition of those in Private Emergency Accommodation or Supported Temporary Accommodation, and whether the composition of households in these forms of emergency accommodation changed over the period 2013–2022.

Expenditure on Social Housing

While expenditure on social housing fulfils a range of other objectives in addition to responding to homelessness, access to social housing, including social housing supports, is such an important factor in homelessness that it is relevant to include data on social housing expenditure here. It is also worth noting that there is a dedicated housing subsidy for households at risk of, or experiencing homelessness in the Dublin region, the Homeless Housing Assistance Payment (HHAP), which provides discretion to exceed the Housing Assistance Payment rent limits. Between Q1 2016 and Q3 2022, just over 14,000 households availed of this subsidy.⁷ Government data for ‘Social Housing Expenditure’ includes capital expenditure on building and renovating social housing as well as current expenditure on leasing, and the three rent subsidy schemes.

Figure 8: Expenditure on Social Housing, 2005–2023



Expenditure on Social Housing was cut significantly in the austerity years that followed the Global Financial Crash (GFC) 2007/2008. As shown in Figure 8, expenditure on Social Housing declined from €1.7 billion in 2008 to €680m in 2014, a decline of 60 percent. Expenditure on Social Housing increased incrementally between 2015—2017 and increased significantly in 2018 when expenditure increased from €1bn in 2017 to €1.85bn. Since 2018, expenditure on social housing has continued to grow and in 2022 just over €2.8bn was spent on social housing.

⁷ Department of Housing, Local Government and Heritage (2022) Overall social housing provision- Housing Assistance Payment (Dublin: Department of Housing, Local Government and Heritage).

As shown in Figure 8, as capital expenditure on new social housing fell in the wake of the GFC, spending on non-capital social housing supports began to account for a greater percentage of social housing expenditure as output of new social housing declined by 91.5% in the years following the GFC.⁸ The three social housing supports are the Housing Assistance Payment (HAP), the Rental Accommodation Scheme (RAS) and Rent Supplement (RS). The HAP and RAS schemes are funded by the Department of Housing, Local Government and Heritage, while Rent Supplement is funded by the Department of Social Protection. While each of the schemes operates slightly differently, each of them is intended to support households who are unable to meet their housing costs, either in the short or long term, by providing funding that goes towards paying for private rented accommodation provided by private landlords. For HAP, the largest of the schemes with approx. 60,700 households using HAP to access housing at the end of Q2 2022, it is estimated that funding meets the full rent of 72% of tenancies, while the 28% of tenancies are required to make voluntary top-up payments to landlords to cover the remaining rental cost on top of their weekly rent contribution to their local authority.⁹

As shown in Figure 8, at its peak in 2013, the total combined expenditure on the three social housing supports accounted for 73% of all social housing expenditure in that year as capital expenditure on new social housing was cut. As expenditure increased from 2018 onwards, rental subsidies began to account for less of the total percentage of expenditure. In 2022, just under €3bn was spent on social housing, and 28 percent of this expenditure was spent on private rental subsidies. This is a similar percentage to before the Global Financial Crisis, although as a total cost, spending on social housing supports are significantly higher. For example, in 2022, €793m was spent on social housing supports but in 2008 €493m was spent on these supports.

In total, in the period between 2011 and 2022, the total expenditure on social housing was over €17.5 billion and over €7.1 billion, or 41% of total expenditure, was spent on funding the HAP, RAS and Rent Supplement schemes.

8 Byrne, M. and Norris, M. (2018). Procyclical Social Housing and the Crisis of Irish Housing Policy: Marketization, Social Housing, and the Property Boom and Bust, *Housing Policy Debate*, 28(1) pp.50-63.

9 Kilkenny, P (2019) Trends Analysis: Housing Assistance Payment (2014 - 2019) (Dublin: Department of Public Expenditure and Reform).

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