

# FOCUS Ireland

## Housing and Homelessness Issues Relevant to Child Poverty

Focus Ireland welcomes the initiative by An Taoiseach, Leo Varadkar, to take a special cross-Departmental focus on tackling child poverty. While child poverty is a complex and multi-dimensional issue affecting the lives of over a quarter of a million children, the experiences of the children in families that are currently homeless are amongst the most extreme and harmful experience in the State.

These almost 3,500 children must be included in the scope of any initiative on child poverty, along with the many hundreds of children who are at risk of homelessness due to the scale of our housing crisis. Any reporting measures indicating progress on child poverty initiatives should consider children who are homeless to ensure a comprehensive picture of child poverty in Ireland. The harm done to children has been extensively researched and widely recognised.<sup>1</sup> There is no need to set out the evidence here, but it is important to note that many of the routes out of poverty for families, such as parental employment, become virtually impossible for families that are homeless.

Both homelessness and child poverty are, in their own right, substantial, complex and hard to resolve. Nevertheless, there are a number of practical and impactful actions that could be taken to alleviate the particular harm that is done when the two problems overlap. This memo sets out areas where such progress is possible.

### **1. Working families experiencing homelessness should be supported to remain in employment.**

Homelessness is both a social and an economic problem. In recent years, as the scale of Ireland's housing problem have deepened, the number of households becoming homeless with no underlying social or behavioural issues has been rising. Increasingly, families have become homeless purely because they were renting their homes and their landlord has decided to sell up and wishes to sell the house untenanted.

As result, it is no longer uncommon for homeless families to have one or more parents in active employment. Local authorities take little or no account of this and the challenges it creates for the parent to continue that employment until new accommodation can be secured.

As a poverty-prevention measure, all efforts should be made to facilitate working parents to retain their jobs. Guidelines and training to Local Authority staff should highlight the need to allocate such families to emergency accommodation that will support them to remain in their existing jobs. This means prioritising accommodation which is accessible to their support networks, school and childcare arrangements and place of employment.

This is a particularly difficult problem for lone parents. Most family hubs exclude external visitors, which also includes childminders. Working lone parents who are employed in hospitality, retail or the

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<sup>1</sup> D'Sa, S., Foley, D., Hannon, J. et al. The psychological impact of childhood homelessness—a literature review. *Ir J Med Sci* 190, 411–417 (2021). <https://doi.org/10.1007/s11845-020-02256-w>

care sector work can have irregular shift patterns, and therefore rely on family/ friends to provide childcare. Family hubs should adopt a flexible approach to working lone parents to support them to remain in employment.

## 2. Social Housing Allocations for families living in emergency accommodation.

Access to social housing has always been a key route out of homelessness, and with the reduced availability of private rental property accessible through HAP, this is an increasingly vital route. Unless the proportion of social housing allocations to long-term homeless families is increased to compensate for the loss of private rental exits, the number of families who are long-term homeless will increase, with corresponding harm to the children in those families. Measures to alleviate child poverty will have little impact on these families in the absence of a new home.

The increase in newly-built social housing at the end of 2022, becoming available into 2023 provides a unique opportunity to support families which have remained in homeless accommodation and provide them with allocations.

The most recent homeless figures show that there were 1,594 families homeless<sup>2</sup> in December 2022. As part of 'Housing for All', the state aims to deliver 10,000 social housing units annually. We believe that local authorities should ensure that long-term homeless families are allocated a fair proportion of these homes, commensurate to their level of social need.

Efforts to tackle family homelessness in this way in the past have met with resistance through claims that they lead families to become 'voluntarily' homeless. This claim was not supported by analysis by the Housing Agency<sup>3</sup> and all the evidence shows that the rate of families entering homelessness did not accelerate during that period<sup>4</sup>.

Nevertheless, we recognise that action in this area need to be managed sensitively to avoid controversy.

## 3. Ensuring local authorities prioritise children.

The Housing Act (1988) which is the legal basis for local authorities is drafted with a single (probably male) homeless person in mind and does not refer to children (only those who may normally reside with the homeless person). Neither the legislation nor the practice of local authorities has been updated to take into account the Thirty-first Amendment of the Constitution (Children) Act (2012) which amended the Constitution of Ireland by inserting clauses relating to children's rights and the right and duty of the state to take child protection measures.

A recent [ESRI Report](#) examined the housing conditions faced by children in early and middle childhood and the implications of these housing experiences for their cognitive, socio-emotional and health outcomes. Children in emergency accommodation face higher levels of housing inadequacy, so their housing needs must be seen in the context of their long-term health and well-being. While the practice of local authorities differ, none of this is required to be considered in their dealing with children in homeless families.

There is a good case for a full review of homeless legislation to, inter alia, reflect the reality of homelessness today. However, this would be a long-term project and the immediate gap in legislation

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<sup>2</sup> Department of Housing, Local Government and Heritage (January 2023)

<sup>3</sup> Housing Agency (April 2016) Review of Ministerial Direction on Housing Allocations for Homeless and Other Vulnerable Households

<sup>4</sup> O'Sullivan E, (2020) *Re-imagining Homelessness*, Policy Press p90

could be rectified by legislation similar to the *Housing (Homeless Families) Bill 2017*, which would require housing authorities to regard the best interests of the child. This legislation would provide much needed guidance about the priorities which local authorities should apply when dealing with vulnerable families.

#### 4. Multi-Disciplinary Teams

Families with complex needs require additional supports to maintain a tenancy and to support their children's emotional and material needs. Irish social care and health service experience significant challenges in integrating different types of support and disciplines around the needs of vulnerable people and households.

Focus Ireland recently launched a report which sets out the challenges in relation to homeless families with complex need and some practical steps to resolve these, which we have previously forwarded to the Department of An Taoiseach. Focus Ireland is committed to part-resourcing a demonstration project on this approach with partners in the statutory sector.

While the direct development of such services would appear to be beyond the scope of the current Department of the Taoiseach initiative, support and endorsement for the demonstration project arising from this report would greatly assist its development.

#### 5. HAP Top-ups

Due to the chronic shortage of sufficient social housing, a large number of families that are eligible for social housing live in the private rental sector, with the support of the Housing Assistance Programme. While many of these families are content with this housing and only pay the same differential rent as families in social housing, this is by no means always the case.

Through our front-line work with families, we know that many children are living in households where the HAP tenant must also pay a 'top-up' to the landlord which result in the family experiencing poverty and material deprivation. EU SILC (2022) showed that 21.9% of the general population are 'at risk of poverty' after paying housing costs, however, 67.6% of households in receipt of housing support payments are 'at risk of poverty' after paying housing costs.

Based on our experience of working with these families, Focus Ireland has proposed a number of effective policy responses to this:

- The maximum rent limit on HAP properties should be urgently increased to realistically reflect increases in market rents over the last 6 years. The current system of 'discretionary' increases in allowable rent, introduced in 2022, has a low take up rate due to poor advertising, lack of local authority resources and anxiety among tenants that it may result in rent support cuts.
- The arrangement in which tenants make rent payments to their local authority and to their landlord should be ended. The state should protect tenants by the local authority collecting all the rent due (both the differential rent and any agreed top-up) and then the local authority passing on the 'top-up' to the landlord along with the HAP payment.
- HAP tenants who fall behind with their differential rent should be treated in the same way as other social housing tenants, and not subjected to unfeasible repayment plans.
- Local authorities should ensure that the principle that no households should fall below an absolute minimum level of income after paying for their accommodation (as set out in Social Welfare Consolidation Act 2005) is applied to HAP households. In addition, no household should pay more than 30% of their net income on housing costs. Where legally allowable rent increases cause these safeguards to be breached, HAP subsidies should be increased.

- Local authorities should establish clear, accessible, and transparent process to review HAP payments, in line with the 2021 Report from the Ombudsman.

## 6. Rent Supplement and Child Maintenance

Where families are in the private rental sector and experiencing short-term income difficulty, they continue to rely on the Rent Supplement scheme. Anomalies in the calculation of RS where child maintenance is due result in debt and housing insecurity

As rent supplement is governed by Supplementary Welfare Allowance legislation all means are assessed. Social Welfare deducts the first €95.23 of any court ordered child maintenance from a rent supplement payment, regardless of whether the maintenance is received or not. This is problematic both in cases where maintenance is paid (the child will not receive any benefit of the maintenance ordered up to €95.23) and more worryingly if the maintenance is not paid (where the impact of the absence of the maintenance is doubled through its deduction from the RS).

Solution:

The new legislation that is currently being drafted to exclude child maintenance payments from social welfare assessments could be expanded to include supplementary welfare payments.

## 7. Contribution of separated partner to mortgage being treated as 'maintenance' for means testing for Social Protection.

The treatment of the family home in Judicial separation/ divorce hearings will usually prioritise the needs of the children and will also seek to minimise their disruption. Court Orders, (where possible) will try to leave children in the family home and many parents will also try to keep the children in the family home. A typical scenario would be that the primary earner pays the mortgage and retains his interest in the family home, which can be sold when the youngest child reaches 18 years old, or 23 if they remain in full time education.

In cases, where there is one main earner, the main earner may be ordered to pay the mortgage, and the primary carer may then need social welfare to support their weekly financial needs if they are not working or are working reduced hours and dependent on social welfare support.

Under existing legislation, the Department of Social Protection assesses mortgage payments by the non-resident parent as means and treats them as if it were a child maintenance cash payment. This means that 50% of any mortgage payment is deducted from the social welfare payment. The average mortgage payment is between €1,020 (First Time Buyers) and €1,361 (movers)<sup>5</sup> so this deduction from a primary social welfare payment places the family at grave risk of poverty and deprivation and ultimately maintaining the family home becomes unsustainable. There is a weekly housing disregard of €95.23 (£75.00) which is not reflective of current housing costs and has not increased since it was introduced in legislation in 1997.

In addition to increased housing costs, the situation has deteriorated over the last decade for two other reasons.

1. Since Budget 2014, the Department of Social Protection no longer provides financial support for mortgages to new applicants, and this means crucial short-term support for families in a crisis is no longer available and the family home is at greater risk.

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<sup>5</sup> Banking and Payments Federation H1 report, 2022. <https://bpfi.ie/publications/mortgage-market-profile-report-h1-2022-2/>

2. Previously, some local social welfare offices disregarded half of the mortgage and only assessed 50% of the payment, where a non-custodial parent retained an interest in the home. A Precedent Decision included the statement that *“given the joint ownership of the property and liability of both parties to discharge the debts/bills on the property it is reasonable that half the mortgage and associated payments should be disregarded.”* This was not applied universally and an applicant who was refused this assessment, exhausted all social welfare appeal routes, and then applied to the High Court for judicial review of the Chief Appeal Officer’s decision. The final ruling was delivered in April 2020 in the case of *Deirdre Brennan v Minister for Employment Affairs and Social Protection* [2018] No.76 J.R. and as a result, the full mortgage payment must be assessed in full, regardless of the non-custodial parent’s mortgage liability/benefit and this has resulted in a significant loss of social welfare entitlement in cases where a mortgage is being paid.

EXAMPLE

€300 weekly mortgage payment

Pre High Court Decision		Post High Court Decision	
Mortgage	€300	Mortgage	€300
Assessed Amount	€150	Assessed Amount	€300
Disregard	€95.23	Disregard	€95.23
Means	€27.39	Means	€102.39

**This means in an average case, the legal ruling means a loss of €102.39 per week from a social welfare payment, instead of a previous loss of €27.39. This difference of €75 per week is critical for a family relying on social welfare. In the medium term, it is unsustainable and places families at risk of losing their home, relying on HAP supported tenancies and ultimately at risk of homelessness.**

Solutions:

As the legislation to implement these new recommendations is still in draft form, it would seem that we could make a timely intervention to enable families remain the family home until all children have completed their education and are no longer dependents. This would be a strong preventative measure for lone parent households. There are three possible solutions.

1. Ensure that all mortgage payments are treated in the same manner as child maintenance and are decoupled from social welfare payments. This would allow children to remain in the family home, until their education is completed. It would also prevent the family relying on HAP/rent supplement in the private rental market.
2. Increase housing disregard to reflect current housing costs. The housing disregard was part of the introduction of the One Parent Family allowance in 1997. At the time of introduction, the disregard was £75 (€95.23) but this allowance has not changed in over 25 years and is no longer a reflection of housing costs. If the housing disregard was increased in line with market values, more families could remain in their homes. This is a cheaper solution than families losing a home and later receiving a Housing Assistance Payment.

3. Restore Mortgage Interest Supplement on a time limited basis to support households during periods of crisis. This issue was highlighted during Covid lockdowns, when renters on PUP could receive help with their housing costs, but mortgage holders on the same income could not receive help towards their housing costs. Supporting households during critical points such as family breakdown, illness and redundancy can keep families in the home. Once a family loses a home, they will usually enter the private rental sector and are then they are at an increased risk of becoming homeless. A report<sup>6</sup> showed in 2009 that the average household claim for Mortgage Interest Supplement cost €4,079 per claimant household, whereas the average payment under the Rent Supplement was €5,490 per household. As the average rent in Ireland has more than doubled in this period, while interest rates have seen modest changes, the economic benefits of MIS over rent supports, become even greater. It is economically more efficient to keep people in their own homes and it reduces the risk of homelessness and trauma after family breakdown.

#### 8. [Childcare support for families in emergency accommodation.](#)

When the National Childcare Scheme was introduced specific measures were included to make it accessible for families that are homeless.<sup>7</sup> The Focus Ireland Family Centre currently provides administrative support for this crucial scheme.

A number of challenges have emerged in recent years with this scheme, which limits its effectiveness for homeless families. This has implications for the ability of parents to seek out and view new homes, or participate in employment or training as well as having developmental impacts for already traumatised children. The Family Centre is currently completing a report outlining these challenges and this will be forwarded when completed.

#### 9. [Poverty among unattached children.](#)

While the primary concern of this memo has been the poverty experienced by children living in families that are homeless or at risk of homelessness, it is important to draw attention to the risk of poverty of unattached children and children at risk of having to be taken into care. The recently published National Strategy on Youth Homelessness includes important recommendations in relation to older children in state care and interventions which will reduce their risk of homelessness on reaching adulthood.

In addition, both in partnership with Tusla and from our own resources, Focus Ireland runs family mediation services which support families in crisis and help prevent children from leaving family settings into homelessness. These services are highly effective and deserve more attention – and replication – than is currently the case. Focus Ireland has commissioned an independent evaluation of these services and will be happy to share the outcome of this in due course.

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<sup>6</sup> Distressed Mortgages, Labour, 2011

<sup>7</sup> [Childcare Scheme for Families who are homeless extended - Statement by Minister Katherine Zappone - MerrionStreet](#)

