



Recommendations  
to Government for  
**Budget 2024**

Challenging  
homelessness.  
Changing lives.

**FOCUS**  
Ireland

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## Context

**In 2023, homelessness increased at an alarming and unprecedented rate, with further record levels being reached. Figures released from the Department of Housing, Local Government and Heritage (DHLGH) from May 2023 show that 12,441 persons were in emergency accommodation, including 3,699 children.<sup>1</sup> In short, the rate of homelessness in Ireland has never been higher since records began in 2014.**

Chronic housing undersupply coupled with an unstable and shrinking rental market continues to push more people into homelessness. The decision to lift the Winter Moratorium on Evictions on April 1st resulted in monthly rises in homelessness, the final impacts of which will become clearer towards the end of 2023. Inflation has made it harder for many families to meet their housing costs as well as creating new challenges to building housing.

As nearly 14,000 Notices of Termination were received in the last nine months up to the end of March 2023, many people are facing eviction with no secure housing solutions to fall back on. A new strategy for the private rented sector is urgently needed, and the current public consultation phase needs to be swiftly followed by the publication of a new approach which is capable both of responding to the immediate crisis and building towards long-term sustainability for the sector.

Although the contraction of the private rental sector and the cost-of-living crisis resulted in many people losing their homes, the rise in homelessness is primarily explained by a collapse in households being able to exit homelessness rather than a rise in those entering homelessness.

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<sup>1</sup> Department of Housing, Local Government and Heritage  
<https://www.gov.ie/en/collection/80ea8-homelessness-data/> (pg. 1)<[https://www.gov.ie/en/collection/80ea8-homelessness-data/%20\(pg.%201\)%0d](https://www.gov.ie/en/collection/80ea8-homelessness-data/%20(pg.%201)%0d)>



May 2023

**12,441 persons**  
were in emergency  
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We welcomed the delivery of 7,433 total new builds by Q4 2022, however, this outcome fell below the annual 9,000 target as set out in Housing for All, and the successive shortfall every year in new-build social housing since 2016 leaves a chronic gap between target and delivery. Strikingly this record delivery of social housing did not have any discernible impact on the scale or duration of homelessness.

There is not enough emergency homeless accommodation for the numbers requiring it, and Local Authorities are responding by ‘pushing back’ on households presenting as homeless, requiring them to stay with family or friends rather than offering emergency accommodation. This informal accommodation is often inappropriate, and the policy creates a large reservoir of uncounted and invisible homelessness and housing need.

Homelessness is no longer a marginal social issue affecting the most vulnerable, it is a symptom of a systemic failure of our housing system which undermines economic growth and harms the quality of lives of a large proportion of Irish people, particularly the young. The European Commission noted that the impact of housing undersupply in Ireland will likely impact labour supply growth and competitiveness.<sup>2</sup>

We cannot afford to fall short on home building targets. The ESRI Quarterly Economic Commentary highlights the need for continued state investment and policy action in the housing market. Focus Ireland endorses the ESRI’s view that the surplus in Government finances should be directed at structural public investment initiatives such as housing.<sup>3</sup> While progress has been made in housing delivery and tackling vacancy, we remain without a whole-of-Government response to the homelessness crisis.

As family homelessness and child homelessness is rising, it is important that all relevant agencies and Departments are working collaboratively on solutions. A whole-of-Government response to homelessness would encompass ‘active’ measures, such as increased investment in homelessness prevention, strengthening the Government’s safety-net schemes, expediting the delivery of social and affordable housing, introducing legislation to stabilise the private rental market, and ensuring adequate social safety-nets to insulate vulnerable households against poverty and the risk of homelessness.

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2 Economic forecast for Ireland [https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/ireland/economic-forecast-ireland\\_en](https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/ireland/economic-forecast-ireland_en)

3 Quarterly Economic Commentary Spring 2023  
[https://www.esri.ie/system/files/publications/QEC2023SPR\\_0.pdf](https://www.esri.ie/system/files/publications/QEC2023SPR_0.pdf)

## Policy recommendations requiring no budgetary allocation

As this is a Pre-Budgetary Submission, its core recommendations require the allocation of funding in the 2024 Government Budgetary process, however, it is important to remember that there are several policy changes and practical measures which could significantly address the scale and impact of homelessness which require minimal or no additional cost. Focus Ireland recommends the following targeted policy measures to prevent further increases in homelessness.

<b>Social housing</b>	<ul style="list-style-type: none"> <li>› Establish a process for allocation of social housing which gives fairer access to households trapped in homelessness for long periods.</li> </ul>
<b>Emergency accommodation</b>	<ul style="list-style-type: none"> <li>› Prioritise households in emergency accommodation for over a year to receive intensive case management to facilitate exits out of homelessness.</li> </ul>
<b>Housing First</b>	<ul style="list-style-type: none"> <li>› Permit greater local flexibility on use of 2 bed units for Housing First where no 1-beds are available.</li> </ul>
<b>Best interests of the child</b>	<ul style="list-style-type: none"> <li>› Introduce legislation which would require Local Authorities to regard the best interests of the child when responding to families presenting as homeless.</li> </ul>
<b>Reform of Housing Act 1988</b>	<ul style="list-style-type: none"> <li>› Publish a review of the Housing Act 1988 with recommendations for legislative reform to reflect current demographics and housing needs.</li> </ul>
<b>Child Poverty and Well-Being Unit</b>	<ul style="list-style-type: none"> <li>› Child Poverty and Well-Being Unit to convene an inter-departmental working group on child and family homelessness with Tusla and DHLGH to achieve solutions in the best interests of the child.</li> </ul>
<b>Youth homelessness</b>	<ul style="list-style-type: none"> <li>› Remove barriers to procurement in the 'CAS for Careleavers' scheme (the targeted Capital Assistance Scheme providing homes for young adults leaving the care system) in line with the Norris Review.</li> <li>› Include 'CAS for Careleavers' delivery in Local Authority targets.</li> </ul>
<b>Rent arrears for HAP</b>	<ul style="list-style-type: none"> <li>› Align rent arrears arrangements for HAP tenants with those for social housing tenants, with a view to avoiding evictions into homelessness due to minimal accruals of arrears.</li> </ul>

# Expenditure proposals

## Department of Housing, Local Government & Heritage

### A. Increasing social housing supply

*Housing for All's* commitment to providing an additional 90,000 social housing units by the end of 2030 would make a significant contribution to solving the housing and homelessness crisis, however while targets are important, they are meaningless if they are not delivered upon. The Government has undoubtedly faced significant challenges in the delivery of social and affordable housing in the aftermath of the Covid-19 pandemic, construction supply chains shortages, the fallout from Brexit, rising inflation costs, bank interest rate rises and wider cost-of-living challenges.

The reality is that social housing output has been far lower than required across the last decade and, as a result, private rental subsidies have been overly relied upon in place of sufficient social and affordable housing. Figures from the Department of Housing, Local Government and Heritage (DHLGH) show that 7,500 new build social homes were delivered last year.

While this is welcome, it falls short of the target 9,000 as set out in *Housing for All*, accounting for 83% of the target for 2022. At a time when homelessness is rising significantly and the private rental market has contracted leaving many families and individuals without secure housing, every effort should be made by Government to expedite the delivery of social and affordable housing. Accordingly, any barriers to housing delivery should be analysed with a view to finding solutions to ensure that targets are met.

### Increase the delivery of social and affordable housing

- › Prioritise building social housing and meeting the target of building an average of 10,000 under capital plan and adjust for construction inflation at approx. 10%
- › Publish analysis on interim reports identifying any barriers arising to meet targets

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## Activate uncommenced planning permissions

According to the Central Statistics Office,<sup>4</sup> the total number of dwelling units granted planning permission in 2022 fell by 20.5% to 34,177 units, from 42,991 units in 2021. Housing units accounted for 51% of all dwelling units approved in 2022, while apartments made up the remaining 49%. Due to several factors including staff resources leading to a backlog in planning permissions approval and wider delays in planning and development arising from Covid-19, there are estimated to be tens of thousands of granted applications which are unlikely to be built due to cost uncertainty and construction inflation. In March 2023, Focus Ireland held a conference entitled *'How Uncommenced Planning Permissions could help Solve the Housing Crisis'* bringing together relevant stakeholders from Approved Housing Bodies, Government, NGOs, Economists, and the Property Sector to evaluate the opportunities available to increase housing supply.

The issue of apartments with planning permission not being built is particularly acute in Dublin City, along with Cork City and Galway City. These uncommenced planning permissions provide a unique opportunity to deliver new homes relatively quickly. While not all such projects are viable, the potential of these units justifies a significant mobilisation of resources to deliver as many as possible. The expenditure of public resources on these units should be further justified by ring-fencing one-third of units for households moving out of homelessness.

To evaluate these potential opportunities, Focus Ireland is calling on DHLGH to establish a working group, including NGOs and independent experts, to review and expedite suitable unused planning permissions for social and affordable housing. The working group would form a sub-group of the National Homeless Action Committee convened by the Minister for Housing.

## Expedite unused planning permissions for social and affordable housing

- › Establish sub-group of National Homeless Action Committee (NHAC), convened by Minister for Housing to review unused planning permissions
- › Expedite approx. 10k unused planning permissions suitable for social and affordable housing units in 2024 at an estimated cost of €300 million



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4 Key Findings – CSO – Central Statistics Office <https://www.cso.ie/en/releasesandpublications/ep/p-pme/populationandmigrationestimatesapril2022/keyfindings/>



## CAS for care leavers (Tusla CAS)

Since Focus Ireland published ‘Out on their own’ over 20 years ago, it has been recognized that young people who grew up in our care system have an unacceptably high risk of becoming homeless upon becoming adults. The Ryan Report in 2009 was meant to mark a watershed in how young people in care are treated, yet care leavers continue to experience a high – and rising – risk of homelessness today. The CAS for Care Leavers (or Tusla CAS) funding scheme represents one of the most significant initiatives to tackle the historic vulnerability of care leavers, and it is a crucial underpinning to the Youth Homeless Strategy.

The Norris Review of the scheme, commissioned by the Department of Children, Equality, Disability, Integration and Youth (DCEDIY), recommends for the continuation and expansion of the programme to meet projected levels of housing need amongst young people leaving care. While important progress has been made, the scheme has struggled to deliver enough homes due to several factors, including the low number of 1-bedroom units which are being constructed.

However, it has also suffered because delivery of homes under this programme was omitted by the Department of Housing when setting housing targets for Local Authorities, as a result Local Authorities are incentivised to direct the limited number of 1-bed units towards other funding schemes to the detriment of CAS for Careleavers – and of course to the detriment of care leavers themselves. While the scheme is operated by DCEDIY and Tusla, with the result being that it can fall outside the priorities of both Departments, the funding and operational prioritization of the scheme is under the control of the Department of Housing, and so this item has been included here.

### Continuation and expansion of CAS for care leavers

- › CAS for Care Leavers should be continued and expanded to meet the levels of projected need for this type of accommodation among young people leaving care
- › Multi-annual funding for the scheme should continue to expedite the purchase and allocation of properties
- › Delivery of homes under this programme should be included in Local Authority targets

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## B. Private rented sector

While the contraction of the private rental sector is not the root cause of rising homelessness, it is the proximate cause and must be tackled with urgency in the short-term while longer-term measures are being put in place. Focus Ireland's joint paper with Chartered Accountants Ireland sets out a number of costed initiatives, based on the experience of accountants working with small landlords, which would incentivise smaller landlords to remain in the private rental market,<sup>5</sup> thereby providing a necessary supply of rental properties for tenants.

It is crucial that any incentives introduced for landlords are conditional on providing improved affordability and security for tenants. These incentives will also provide smaller landlords with stability and certainty in the rental market for longer periods of time. The proposals outlined would provide tangible incentives for smaller landlords in a similar way to other small business holders, with a view to smaller landlords remaining in the private rental market as key providers of housing for the medium-term.

### Incentives for small landlords to remain in private rental market and increase security for tenants

- › Increase wear and tear rates to 25% per annum to improve standards where renovations do not result in the termination of an existing tenancy under Section 34 and the property remains in the private rental market for the following 5 years
- › Provide 100% capital allowance for retrofitting costs for landlords to improve energy ratings where renovations do not result in the termination of an existing tenancy under Section 34 and property remain in the private rental market 5 years
- › Capital Gains Tax relief at 4% per annum for rental properties acquired with tenants-in-situ, conditional upon remaining in rental market
- › Parity in taxation of corporate and individual landlords – a flat rate of 25 percent on Case V income for small landlords who opt to become 'professional landlords' by foregoing grounds of termination under Section 34, giving additional security to their tenants

Budget 2024

These measures would ensure greater stability for tenants and allow for longer-term planning for smaller, professional landlords to minimise the reactive and ad-hoc nature of the current rental market. As well as financial incentives directly for landlords, simplification of regulation and increased resources for the RTB are necessary for both tenants and landlords.

<sup>5</sup> Focus Ireland and Chartered Accountants Ireland launch new Briefing Paper with targeted measures to keep small-scale landlords in the market <https://www.charteredaccountants.ie/News/focus-ireland-and-chartered-accountants-ireland-launch-new-briefing-paper-with-targeted-measures-to-keep-small-scale-landlords-in-the-market#:~:text=23%20February%202023%20%E2%80%93%20Focus%20Ireland,help%20ease%20the%20housing%20crisis>

## Strengthening the eviction-ban ‘safety-net’ measures

When the Government decided to end the Winter Moratorium on Evictions from April 1st, it belatedly set out a number of ‘safety net’ measures to assist households who might become homeless as a result. The huge number of such households at risk subsequently became clear through publication of data from the Residential Tenancies Board which showed that there were nearly 14,000 Notices of Termination (NoT) issued to tenants in the 9 months up to March 2023.

The regulations relating to landlords notifying the RTB about NoTs were strengthened over this period, which may account for some of the reported increase, but it is recognised by all parties that the number of landlords leaving the market and evicting their tenants in the process is a large and growing challenge. The Government announced a suite of safety-net measures aimed at homelessness prevention including the Purchase with Tenant in Situ scheme (TiS, Cost Rental Tenant in Situ scheme and First Right of Refusal).

For households in receipt of HAP or RAS, the primary measure is the TiS scheme. Based on ESRI estimates that 1 in 3 renters access rental housing using some form of State support, this means that of the 14,000 households that have faced eviction since July 2022, approx. 4,600 of these households will be renting with some form of social support such as HAP, RAS, or Rent Supplement.

Landlords evicting to sell make up about half of all evictions which means that the true current need is approx. 2,300 households and, based on current NoT trends, the predicted need will be closer to approx. 5,000 households by the end of 2023, rather than the Government’s target of 1,500.

While the Department of Housing is currently projecting that it will process more than the 1,500 target, the success of the scheme should not be measured against this arbitrary figure but rather against the likely number of eligible households at risk of homelessness, which we estimate as 5,000.

It is hard to predict the level of need for this scheme in 2024. The level of need in 2023 to some extent reflects the release of pent-up cases during the various eviction bans during Covid and subsequently. But all the indications are that the phenomenon of landlords seeking to quit the market and sell their properties will continue for some time, unless new measures are put in place to address this trend in 2023. Financial planning should reflect this on-going need and try to position the TiS scheme as a more reliable safety need for all tenants facing ‘evict-to-sell’ NoTs.

### Expand Tenant in Situ scheme to meet demand

- › Increase national Tenant in Situ guideline to approx. 5,000 to reflect demand



Focus Housing Association has prioritised giving support to Local Authorities using the TiS scheme is currently working with Local Authorities to save over 210 households from homelessness.

From this experience, it is clear that the scale and nature of this scheme is different from any previous programme. Engaging with private landlords selling frequently under-maintained premises involves a lot of complex issues. This results in real challenges of resources and expertise for Local Authorities, while the funding mechanisms are often not flexible enough to readily solve many of the issues that arise.

Many of the tenant-in-situ properties require a considerable amount of repair work to ensure the tenants can safely live in their properties and to ensure they have a good standard of living. Our estimations suggest that each of these properties have required approx. €25,000 in repair work upon purchase. We recommend that a special repair budget under CAS is designated in Budget 2024 to ensure that LAs and AHBs can carry out necessary repairs.

The TiS scheme appears to have been originally designed for the purchase of one-off units from small landlords, but the experience of Focus Housing Association indicates that there are significant numbers of tenants facing ‘eviction-to-sell’ from multi-unit developments. Many of these units present significant challenges to the current scheme (some units may be vacant, a minority of tenants may not be eligible for social housing, significant renovation work may be needed), so that no single current funding scheme is fully appropriate to purchase the units and save the tenancies.

DHLGH needs to provide the flexibility to combine a number of programmes on a case-by-case basis, to ensure that hundreds of tenants do not face homelessness because of the inflexibility of funding programmes.

Local Authorities and Approved Housing Bodies must be resourced with appropriately trained staff to adequately deliver the Tenant in Situ scheme and other safety-net measures which the Government announced following the end of the Winter Moratorium period.

## Resource LAs and AHBs for Tenant in Situ scheme

- › Resource approx. 60 additional Local Authority staff to be employed in housing sections across the 28 local authorities to support the Tenant in Situ scheme, at an estimated cost of €3.8 million per annum
- › Designate a special repair budget for tenant-in-situ purchases for LAs and AHBs
- › Develop a funding mechanism for TiS purchase of multi-unit developments involving complex issues



## HAP

Housing Assistance Payment (HAP) has replaced Rent Supplement as the main financial support for people on the social housing waiting list to access financial support for their housing needs. The exclusion of HAP tenancies from the social housing waiting list has resulted in a serious underestimate of social housing need. There are now approx. 120,000 households in need of social housing, when you consider both the official waiting list figure and the numbers on HAP.

Focus Ireland believes that the private rental sector is not a suitable large-scale provider of social housing, however, we recognise that the private rental sector will remain essential in meeting the needs of tens of thousands of households over the coming decade until social housing stock is increased. Consequently, the schemes designed to support social housing tenants in the private rental sector must be designed appropriately to provide secure homes for those forced to avail of them.

### Increase HAP budget

- › Increase HAP budget by €10.9 million to reflect allowable 2% increase in Rent Pressure Zones and automatically apply increase to all HAP recipients payment

Budget 2024

Rents in the private rental market are increasingly unsustainable, especially for low-income and vulnerable groups. Focus Ireland is recommending practical reforms to HAP to reduce the financial burden on vulnerable households and bring HAP more into line with real market rents. The 'discretionary' increase in the maximum rent limits on HAP announced in 2022 had very little impact on hard-pressed tenants as the Department of Housing made minimal effort to inform tenants of the measure and the application process was off-putting. Maximum rent limit on HAP properties should be urgently increased to reflect increase in market rents in the last 6 years. The annual HAP budget should factor in the rent allowance increases allowed in Rent Pressure Zones to ensure that the tenant does not have to pay for these allowable increases via a top-up to the landlord. HAP limits should be increased to make sure that no household is spending more than 30% of their net income on housing costs.

### Reform HAP

- › The maximum rent limit on HAP properties should be urgently increased to reflect increases in market rents over the last 6 years
- › Ensure that no household is paying 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

Budget 2024

# Department of Social Protection

## Core social welfare payments

Poverty is rising and the ongoing cost-of-living crisis is exacerbating this long-standing issue. While there are many drivers of poverty, social welfare inadequacy is a key one. Budget 2023 increases were below the rate of inflation which translates to a real term cut in income. Moreover, budget 2023 focused on providing once-off measures that failed to address longer-term structural issues and provide an adequate safety-net for vulnerable people.

The ESRI has warned that high price levels are likely to present challenges for vulnerable households in 2024 and as such, any cost-of-living measures should be targeted at those most in need. According to the most recent SILC data, one-parent households (43.5%) accounted for one of the highest deprivation rates. The rising cost-of-living coupled with a volatile rental market is having tangibly negative impacts on the standard of living for vulnerable groups.

For instance, according to the latest MESL data from the Vincentian Partnership<sup>6</sup>, lone parent households reported the highest incidence of both being unable to keep the home adequately warm (18.3%) and to have gone without heating at some stage in the last year (23.8%).

## Core Social Welfare payments

- › A minimum €27.50 adjustment in core social welfare rates to reflect rising costs and avoid a real term cut
- › Increase the Qualified Child Increase for those under 12 by €10 and for those over 12 by €15 to prevent an increase in child poverty

Budget 2024

Providing adequate safety-nets which consider the rising cost of living and inflation, is essential to supporting vulnerable groups in exiting homelessness, and avoiding instances of homelessness entirely. Social income supports should therefore be regularly adjusted to adequately reflect rising costs and inflation. It is on this basis that Focus Ireland is calling for a minimum adjustment of €27.50 in the core social welfare rates, anything below this will represent a cut in real terms.

6 MESL 2023 Annual Update Report

[https://www.budgeting.ie/download/pdf/mesl\\_2023\\_-\\_annual\\_update\\_report.pdf](https://www.budgeting.ie/download/pdf/mesl_2023_-_annual_update_report.pdf)

## Additional needs payment budget

The Additional Needs Payment is a vital support for many families and single adult households exiting homelessness, as this payment assists in their exit out of homelessness to a rented property. Due to rising costs in consumer prices and inflation, greater numbers of low-income families and single adult households are struggling financially and require the Additional Needs Payment to help pay their bills, especially in the context of soaring fuel costs in recent years.

The Additional Needs Payment is an essential safety net for vulnerable families and single adult households to assist with core household expenses and to avoid arrears which is often a trigger into homelessness. Data from the CSO showed the 12-month Consumer Price Index rate for the average change in the price of all home energy fuels (electricity, gas, and other fuels) peaked in October 2022 at 72.8%.

While the upward inflation rate has eased somewhat since, prices in March 2023 are on average 32.6% higher than March 2022. To continue being effective in safeguarding vulnerable groups against poverty and social exclusion and to avoid a cut in real terms, the Additional Needs Payment budget must be increased in line with rising consumer costs and inflation. At a local level, this would require a minimum 10% adjustment in the Community Welfare Officers' budgets.

### Additional needs payment

- › Increase additional needs payment budget for Community Welfare Officers by 10% to reflect rising costs and inflation

Budget 2024

## Rent supplement

A revision of maximum rent limits for the Rent Supplement scheme has not taken place for many years, with the result that the rent caps are now significantly out of line with market rents. This is particularly important given that renters are more likely to be at risk of poverty, deprivation or experiencing consistent poverty. For example, the CSO's analysis of "consistent poverty rates by tenure status shows that the rate for those living in owner-occupied dwellings was 1.8% compared with 13.5% for those living in renting accommodation".<sup>7</sup>

Focus Ireland is therefore calling for the alignment of maximum rent limits with market rents to be reviewed on an annual basis, to better reflect fluctuations and account for volatility in the private rented sector. Furthermore, we recommend retaining rent supplement eligibility for tenants who have been renting for less than six months to insulate renters against the risk of poverty and social exclusion and increased risk of homelessness in an unpredictable market environment.

## Rent Supplement

- Align maximum rent limits with market rents, and review annually

Budget 2024

## Targeted supports for lone parent households and jobseekers

Statistics show that lone parent households are disproportionately impacted by homelessness. Figures from DHLGH in April 2023 show that lone parent households accounted for 56% of the total 1,733 total family households accessing emergency accommodation.<sup>8</sup>

The Housing Income Disregard was introduced in 1997 as part of the One Parent Family Payment. It was set at £75 (€95.23), and this rate has remained the same since 1997 and does not reflect current housing costs. The average house purchase nationally in Q1 1997 was €93,671 and in Q1 2023 this rose to €305,000.

7 Poverty and Deprivation – CSO – Central Statistics Office <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2019/povertyanddeprivation/>

8 gov.ie – Homeless Report – April 2023 <https://www.gov.ie/en/publication/a6b69-homeless-report-april-2023/>



This means that house prices increased by over 300% during this period, while the Housing Income Disregard has remained the same as it was in 1997. Families are at an increased risk of homelessness at the time of a relationship breakdown, and an increase in the Housing Income Disregard in line with actual market costs would support families to remain in the family home.

### **Adjust housing income disregard for OPFP, JST and WFP**

- › Adjust housing income disregard in assessment for One Parent Family Payment, Jobseeker's Transitional Payment, and Working Family Payment to approx. €300 to reflect current housing costs

**Budget 2024**

Exceptionally high fuel costs in recent months are putting many households at risk of poverty and homelessness. This can often trigger arrears in rent or utilities, leaving many unable to meet core household costs, thereby increasing the risk of poverty and homelessness. In the 12 months to March 2023, the Consumer Price Index has measured an average change in prices of 7.7%, with the 12-month rate of inflation standing above 5% since October 2021.

It has been 15 years since price inflation last reached this level. According to the Central Statistics Office, the most notable changes in the year were increases in Housing, Water, Electricity, Gas and Other Fuels (+16.4%). Working households on low pay currently receive no support for energy costs and jobseekers only receive support after a year. Budget 2024 should seek to target groups most in need and extend the Fuel Allowance to recipients of Working Family Payment (WFP) and all jobseekers to safeguard against poverty and the risk of homelessness.

### **Adjust Fuel Allowance and extend to WFP and Jobseekers**

- › Adjust Fuel Allowance for inflation resulting in a weekly increase of €24.30
- › Extend Fuel Allowance to recipients of Working Family Payment and all Jobseekers

**Budget 2024**

# Department of Public Expenditure and Reform

## Section 10 Funding

### Introduction

Focus Ireland Pre-Budget submissions usually say very little about the funding of the homeless sector itself. We have always aimed to draw attention to measures that can solve homelessness – supporting people into secure homes or preventing homelessness in the first place – rather than the homeless system itself.

However, given the current unprecedented level of homelessness and the pressures on the sector itself we believe it is essential to outline the budgetary implications of the current situation if we are to maintain a functioning emergency homeless service during this period of crisis.

In dealing with this issue of funding for the sector, we recognise the risk that Focus Ireland may be seen as using our Pre-Budget Submission to make a case for funding for our own organisational interest. In this regard, it is important to note that the overwhelming majority of funding (approx. 80%) under Section 10 is spent on providing emergency homeless accommodation. Focus Ireland does not, with very few exceptions, provide such accommodation, concentrating our resources instead on preventing homelessness and supporting people to exit from it into sustainable homes. As such, Focus Ireland as an organisation would not benefit from the increased funding proposed in most of this section. On the other hand, we fully recognise that the proposals to provide funding which allow fair and adequate terms and conditions for skilled staff in homeless services would, if implemented, assist Focus Ireland and the staff we employ to support households experiencing homelessness.

### The impact of rising homelessness on budget planning

In contrast to many other major areas of social expenditure, funding allocations for homeless services is not based on any published forecast of the level of need which is likely to occur. During a period of consistent and rapid increase in demand for homeless services the weaknesses of this approach have become very clear.

For instance, the 2022 budget included a provision of €194m under Section 10 of the Housing Act – provision for homeless services. This baseline was then used in the 2023 Budget for an ‘increase’ in spending of some €21m bringing the allocation to €215m in the current year. If the present approach continues, we might expect to see a further ‘increase’ announced in provision to, perhaps, €230m.

In normal circumstances, this approach would be unremarkable. The problem is that this budgetary series bears little relation to the real costs of the crisis which is unfolding. The expenditure under Section 10 in 2022 was not the €194m that the Government allocated but rather €242.5m – a €50m (26%) increase in real expenditure. As a result, the budgetary provision of €215m for 2023 would have represented, in fact, not an increase but a proposed cut of €27.5m.

Of course, this cut is unlikely to be implemented and a further substantial adjustment is almost certain to occur during the year as the Department of Housing, Local Government and Heritage finalises budgets with the Local Authorities. The scale of this under-provision can be glimpsed in ‘Local Authority Budgets 2023’<sup>9</sup> which indicates that Local Authorities expect to have to spend a total of €347m on homeless services during 2023. This figure includes some funding from Tusla, HSE Social Inclusion, and the Local Authority contribution from its own resources, so is not directly comparable to the central budget allocation. However, Section 10 exchequer funding accounts for around 80% of total Local Authority spend on homelessness, so that we can expect total Section 10 funding of at least €280m to be required to keep the system running rather than the €215m allocated.

It is worth noting that the Local Authority Budgets document does not set out what forecasts its estimates are based and given the continued rise in homelessness and the unexpected decision of the Government to discontinue the no-fault eviction ban, it is probable that this estimate is conservative.

It should not be surprising that the costs of homelessness have spiralled in parallel with the actual number of people becoming homeless. From April 2022 to April 2023, the number of individuals in emergency homeless accommodation has increased by 20% nationally. Nor is it surprising that the rate of inflation would be reflected in the cost of homeless services. What is surprising is that these largely predictable factors were not taken into account in the budgetary process.

It would appear that the Government does not have forecasts on the expected pattern or cost of homelessness, and if it does have such forecast, they are either totally inaccurate, or are reasonably accurate but are not being used for budgetary planning. Homelessness has shifted from being a rather marginal issue which required a relatively small proportion of public expenditure to being a major social issue requiring significant public funds. Planning should evolve to reflect this regrettable reality.

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9 Government of Ireland, 2023

<https://assets.gov.ie/259622/e1f5b179-1e7b-464d-aa68-c49ddf76c27c.pdf>

## The effect of budget planning for homelessness services

It is important to recognise the fact that Government has provided additional funds to cover the growing needs, and this is, of course, welcome. But this is not just an accounting issue, this lagging budgetary process has real consequences in the services which people seek out when they lose their homes. These consequences include:

- › This current process of budget setting has the effect of obscuring the costs of the failure of our housing system. There is broad awareness in Ireland of the social and human costs of homelessness, but there is little recognition of the cost to the taxpayer. Awareness of these costs would make it easier for Government to implement the measures (planning, land use, investment) needed to solve the problem.
- › The current budgetary process places the Local Authority and homeless system in a permanent position of crisis, undermining the capacity to plan effectively. A system where managers know that their 'official budget' is totally inadequate and will have to be supplemented sometime during the year will be an inefficient system where disproportionate energy is spent on firefighting and crisis planning.
- › Short-term planning results in Local Authorities being over-reliant on for-profit providers of emergency accommodation and places them in a weakened position in price negotiation. Failure to recognise the real cost of the homeless system, results in it costing more.
- › The under-provision of exchequer funding in the face of greater demand results in a higher proportion of homelessness services being carried from the resources of the Local Authorities themselves. This places pressures on other public services and politicises the provision of adequate services to people who are homeless.
- › The escalating cost of providing emergency accommodation draws funds away from the services which actually solve homelessness. The success of the homeless system in preventing homelessness and supporting people into secure homes depends on the quality, experience and dedication of its staff. The pay and conditions of staff in Voluntary Sector homeless organisations has fallen well behind equivalent roles in statutory organisations while pressure on staff has increased. Statutory bodies and Local Authorities seek to meet their own staffing challenges by recruiting experienced staff from front-line roles in voluntary organisations, while simultaneously funding those bodies at levels which do not allow them to retain their staff. Setting funding levels, and therefore potential wage rates, is a matter for Local Authorities through their Service Level Agreements. However, Local Authorities are unable to enter into meaningful discussions on this when their official annual funding allocation is well below what is required to fund their services even with a wage freeze. The staffing crisis within front-line homeless services should not be underestimated. It cannot be resolved without first being recognised in the budgetary process.
- › A recent report from TASC<sup>10</sup> highlighted the additional challenges facing the community and voluntary sector and the pressures the recruitment and retention crisis have placed on service delivery. The report makes a series of policy recommendations, and particularly highlights the need to provide pay parity between the voluntary sector and the public sector – *“While variations exist in pay disparities, the negative disparity in pay for the majority of charities averages very close to or above 10%; the extent of the pay and retention crisis is so severe that this disparity must be substantially removed during 2023 to avoid collapse of essential public service delivery”*.

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10 The Future of Public Service Delivery by the Community & Voluntary Sector  
[https://www.tasc.ie/assets/files/pdf/the\\_wheel\\_\\_tasc\\_report\\_f\\_v\\_080623.pdf](https://www.tasc.ie/assets/files/pdf/the_wheel__tasc_report_f_v_080623.pdf)

- › Without sufficient State funding for adequate staffing and high-quality employment, homeless services will be unable to respond to growing, more complex needs in homeless services.

### Estimating the level of need for homeless services in 2024

As noted above, from April 2022 to April 2023, the number of individuals in emergency homeless accommodation (EA) has increased by 20% nationally. Based on significant rises in the number of evictions likely to take place throughout the rest of 2023 and the direct impact of these evictions on families and individuals becoming homeless, it is likely that the numbers of people in homelessness will continue to rise throughout 2023 and into 2024, even with the additional protections introduced at the end of the winter moratorium of evictions. The main reason for the rising numbers in EA is largely a result of lower exit rates from homelessness (largely due to the falloff of available HAP properties), with presentations to EA remaining consistent.

As the private rental market is currently shrinking and new social housing supply struggles to meet demand in 2023, without new interventions in Budget 2024 to rapidly reduce the numbers in homelessness, it is hard to find any reason to predict anything other than that the number of household homeless will continue to rise at the same rate into 2024.

In 2022, 7,433 total new build social homes were delivered, while this was a notable achievement given the completion rate in recent years, it fell below the 9,000 annual target set out in Housing for All. It is also worth noting that, due to the allocation policy, the delivery of this record level of social housing had little or no impact on the level of homelessness or the duration of homelessness. Whether social housing delivery falls or achieves build targets in 2023 and 2024, in the absence of a fairer allocation of social housing to long-term homeless households, it is likely that homeless households will remain in EA for longer periods of time. Based on the increase in the number of homeless households between 2022 and 2023, we estimate that approx. 9,100 households could be in EA by April 2024, and this could continue to rise throughout 2024.

**Table 1: The rising number of homeless households**

	<b>April 2022 – Official homeless figures (households)</b>	<b>April 2023 – Official homeless figures (households)</b>	<b>Estimated number of homeless households in April 2024</b>
Homeless households – Dublin	4,321	5,391	6,726 – based on increase of 25%
Homeless households – outside Dublin	1,944	2,158	2,395 – based on increase of 11%
<b>Total</b>	<b>6,265</b>	<b>7,549</b>	<b>9,121</b> – based on approx. 20% increase overall

## Estimating the cost of providing emergency accommodation

The goal of homeless services should always be preventing a family or individual from becoming homeless in the first place, but EA and associated supports must always be available for everyone in need, therefore sufficient funding in Budget 2024 must be made available to Local Authorities for their provision.

As noted in the recent ‘Focus on Homelessness’ report on expenditure<sup>11</sup>, it is remarkably hard to identify a reliable figure for the average cost of an emergency homeless bed. A recent PQ to identify the cost was disallowed by the Ceann Comhairle as it is a matter for Local Authorities. Local Authorities, on the other hand, cite ‘commercial considerations’ in refusing to give unit costs. In ‘Focus on Homelessness’, the authors took the approach of estimating the cost of accommodation by dividing the total number of homeless individuals with the total cost for providing emergency accommodation.

There are clear limitations to such an average as it incorporates very different services, such as costs for families along with those for individuals, NGO services with qualified support, along with private bed-only services. Nevertheless, it is possible using this approach to derive an annual cost per bed, including any associated support costs, and to differentiate for the considerable cost difference between Dublin and outside Dublin.

Using this approach, it is estimated that for 2022 the average cost of maintaining a household in EA may rise to €39k in Dublin, and €24.2k outside of Dublin. Any further increase in the average cost of maintaining a household in EA between 2023 and 2024 cannot be established until next year. However, the significant pressures on the current provision of EA and rising costs for providers and a recovered tourist sector indicate this will be the case. As a conservative estimate, it is likely that the cost of providing EA will increase at least in line with core inflation of approximately 5% in both 2023 and 2024. Additionally, there has been an exceptionally large increase in prices over the last year. In the 12 months to March 2023, the CPI has measured an average change in prices of 7.7%. It has been 15 years since price inflation last reached his level.<sup>12</sup> In an economic environment of rising costs and inflation, it can be concluded that the average costs of providing EA will continue to rise in 2023 and 2024.

**Table 2: Estimated average cost of maintaining households in emergency accommodation**

	<b>Estimated average cost of maintaining households in emergency accommodation in 2022</b>	<b>Estimated average cost of maintaining households in emergency accommodation in 2023</b>	<b>Estimated average cost of maintaining households in emergency accommodation in 2024</b>
Dublin	€39,000.00	€40,950.00	€42,998.00
Outside Dublin	€24,200.00	€25,410.00	€26,680.00

<sup>11</sup> Focus On Homelessness (2023)

<https://www.focusireland.ie/focus-on-homelessness/>

<sup>12</sup> MESL 2023 Annual Update Report

[https://www.budgeting.ie/download/pdf/mesl\\_2023\\_-\\_annual\\_update\\_report.pdf](https://www.budgeting.ie/download/pdf/mesl_2023_-_annual_update_report.pdf)

## Estimating the cost of non-accommodation homeless services

While the evidence suggest that providing emergency accommodation (Category 2 in the funding reports) has increased faster than overall inflation, the provision of other forms of service (prevention, Housing First, day services, administration) also needs to be increased in line with average inflation to ensure that crucial supports are available to prevent homelessness in the first place, to support households through the trauma of homelessness and to support households to exit homelessness.

## Recommendations

- › In setting out the budgetary provision for 2024, the Minister should present an estimate for the real Section 10 expenditure outcome for 2023 (which we estimate on current information to be around €290m). The funding allocation for 2024 should be based on this figure, rather than the misleading provisions in recent budgets.
- › The Government should indicate what assumptions about the level of demand for homeless accommodation during 2024, the budgetary allocation is based.
- › In addition to reflecting projected increases in the total number of people who are homeless, the budget allocation should reflect the increased costs of providing each unit of emergency accommodation.
- › The allocation should, at a very minimum, include provision to allow all Local Authorities to increase the funding for their Service Level Agreements to reflect inflation and provide competitive wages for experienced and skilled staff.

# Department of Children, Equality, Disability, Integration and Youth

## Targeted supports for children and young people in homelessness

Since the end of the pandemic the number of homeless children has gone up by 60% between March 2021 and March 2023. Following the lifting of the eviction ban on April 1st, we are only beginning to see the impact of this decision. There are now 3,594 children in emergency accommodation and this figure is expected to rise. We know from evidence-based research on childhood trauma and adverse childhood experiences, that becoming homeless as a child is deeply traumatic.

It is well-documented that the impact of homelessness carries many negative consequences for the physical, psychological, and emotional development of children which can have lifelong effects. Focus Ireland is calling on the Government to safeguard the rights of children by writing the needs of children into the laws which guide our Local Authorities. This can be done by passing the Bill on the 'Best interests of the Child' requiring Local Authorities to place the needs of the child at the centre of decision-making and to provide the family with access to safe accommodation.

### Child support workers

- › Ensure that all children in homelessness with more complex needs are provided with a Child Support Worker funded under Tusla
- › Resource approx. 37 Child Support Workers under Tusla at an estimated cost of €2 million per annum

Budget 2024

We believe that the needs of every homeless child should be assessed, including factors such as access to their school, medical and therapeutic needs, and how to support family relationships. Every child in homelessness should have timely access to a Child Support Worker, to work 1:1 with children addressing their needs and minimizing the trauma of homelessness. An estimated 10–20% of families engaged in Focus Ireland services have more complex support needs, as such these children will require a designated Child Support Worker to help them navigate their journey in homeless services and more importantly, their exit out of homelessness.



## Crisis intervention service emergency care placements

The Tusla National Out-of-Hours Service provides emergency foster care or residential placements for children and young people until they can return home or are admitted into Alternative Care. Currently, there are 26 emergency placement beds available to this service, 6 of which are provided privately. Throughout 2021, these placements operated at capacity, leading to an additional 117 children and young people being placed in emergency hotel accommodation due to inadequate capacity. The number of emergency placements, and their concentration in Dublin, remained unchanged in 2022.

### National out of hours service

- › Resource Tusla to operate 2 additional units in partnership with Voluntary Sector Providers, each with the capacity for 5 emergency placements, at a cost of €2.8 million per annum for a total of 10 new emergency placement beds

Budget 2024

## Residential care

Tusla have committed to incrementally reverse the disproportionate dependency on private residential care, increasing public residential capacity by an additional 104 beds, to achieve 50:50 private-public provision by 2025.<sup>13</sup> Increased public capacity can play a role in improving the experience of, and outcomes for, children and young people in the care of Tusla.

### Residential care

- › Resource Tusla to achieve 50:50 private:public provision of residential care by 2025

Budget 2024

<sup>13</sup> Tusla, Strategic Plan for Residential Care Services for Children and Young People 2022–2025  
[https://www.tusla.ie/uploads/content/STRATEGIC\\_PLAN\\_FOR\\_RESIDENTIAL\\_CARE\\_SERVICES\\_FOR\\_CHILDREN\\_AND\\_YOUNG\\_PEOPLE\\_2022-25.pdf](https://www.tusla.ie/uploads/content/STRATEGIC_PLAN_FOR_RESIDENTIAL_CARE_SERVICES_FOR_CHILDREN_AND_YOUNG_PEOPLE_2022-25.pdf)

## Aftercare

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, the recently published Review of the Capital Assistance Scheme for Care Leavers, commissioned by the Department of Children, Equality, Disability, Integration and Youth found reported varied experiences in the quality and consistency of aftercare support they received, noting insufficient engagement.

A workable caseload for Aftercare workers must be ensured 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.

## Aftercare

- › Resource Tusla to increase the number of Aftercare workers to a ratio of one for every 20 young people

Budget 2024

In Aftercare services run directly by Tusla, unmanageable caseloads are not uncommon which can negatively impact young people in need of support to transition from state care to secure housing. The Review published by the DCEDIY recommends that Tusla aftercare support services should be further developed and improved to a consistent national standard. In line with best practice, Tusla should increase the number of Aftercare workers to a ratio of one to every 20 young people.

# Department of Health

## Investment in mental health services for homelessness

Mental health supports play a critically important role in preventing homelessness, as well as ensuring a successful exit from homelessness; poor mental health often can be the trigger that causes homelessness, while failure to provide for mental health needs can undermine the impact of housing supports.<sup>14</sup> Focus Ireland reinforces FEANTSA's view that homelessness is a health issue and a truly comprehensive European approach to mental health must consider the needs and access of people experiencing homelessness.

Local Authorities and Approved Housing Bodies should prioritise training for trauma-informed care which aims to address trauma in policies and practices and foster higher levels of trust between service users and service providers. We support the commitment to consolidate improvements and continue to increase access to health supports, including mental health supports, within Housing for All. To ensure this is achieved, adequate budgetary provision is required.

Focus Ireland recently published research on the importance of multidisciplinary teams (MDT) in supporting families experiencing homelessness, especially families with more complex needs. The research identified a cohort of families in our range of services (estimated at about 10–20%) with additional complex needs that require extra targeted support. Families with complex support needs could be dealing with mental health difficulties, addiction issues, child welfare problems, past difficulties sustaining tenancies, and money and home management concerns, among others.

### Mental health inreach in homeless services

- › Allocate €5 million funding for mental health inreach services within homeless accommodation, including in Private Emergency Accommodation

Budget 2024

An MDT approach to helping these families would involve access to specific clinical and specialised supports that could help them exit homelessness and that would greatly improve their health and well-being. Focus Ireland plans to develop an MDT model to improve access to mental health supports for those experiencing homelessness.

However, the widespread labour shortages in mental health professionals across the country which result in lengthy waiting lists means that access to adequate supports increasingly difficult. Mental health in-reach services in homeless accommodation including private emergency accommodation requires increased investment to help families and individuals access supports and exit homelessness.

<sup>14</sup> Homelessness is a health issue: A truly comprehensive European approach to mental health must consider the needs and access of people experiencing homelessness [https://www.feantsa.org/public/user/PDFs/FEANTSA\\_Statement/FEA\\_statement\\_\\_EC\\_communication\\_mental\\_health\\_comprehensive\\_approach\\_.pdf](https://www.feantsa.org/public/user/PDFs/FEANTSA_Statement/FEA_statement__EC_communication_mental_health_comprehensive_approach_.pdf)

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