



Simon Communities of Ireland

Submission to the Public consultation on the “Roadmap for Social Inclusion: Mid-Term Review”

Contents

Introduction: The Role of Housing in Tackling Poverty and Social Exclusion	1
Improve Access to Social and Affordable Housing as a ‘Core Essential’	2
Policy Recommendations.....	3
Improve Social Welfare Rates and Access	4
Policy Recommendations.....	5
Summary of Policy Recommendations	6

Introduction: The Role of Housing in Tackling Poverty and Social Exclusion

Since the publication of the Roadmap for Social Inclusion, there have been some positive developments in reducing poverty. According to the CSO, the consistent poverty rate fell from 4.7% in 2020 to 4% in 2021. Budget 2023 saw the introduction of important educational reforms needed to break the cycle of poverty such as the free school books scheme for those in primary school, additional resources for the National Education Psychological Service, and the changes to SUSI for third level students.

While we acknowledge positive measures in Budget 2023, it offered little in terms of innovative change to our housing system that will stem the flow of families and individuals into homelessness or provide more options to support those experiencing homelessness to move on. Unless the housing and homelessness crisis is addressed by Government, we will continue to see high rates of poverty and social exclusion among vulnerable households across the country.

The Simon Communities of Ireland (SCI) are concerned that the rising cost of living fuelled by rising rents and increased energy costs will force more households into housing insecurity and homelessness. For two consecutive months, we have seen record high levels of homelessness in Ireland. 10,805 people now live in emergency homelessness accommodation. Thousands more experience hidden homelessness.

The Roadmap for Social Inclusion highlights that ‘Access to affordable housing and security of tenure are key factors impacting a person’s sense of well-being. Security of tenure is critically important in providing a person with the stability they require to complete education or training or to find and

sustain employment.’ Access to safe and adequate housing is the foundation to all seven high-level goals of the Roadmap.

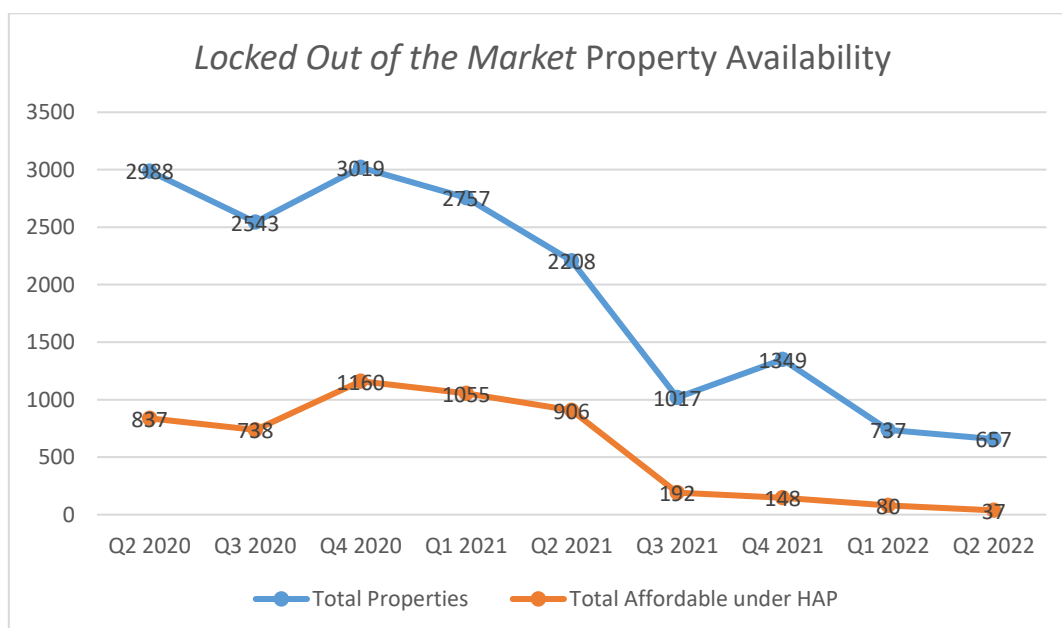
To successfully tackle poverty and social exclusion, we need a refocus and reprioritisation of housing.

Improve Access to Social and Affordable Housing as a ‘Core Essential’

Poverty, social exclusion, and housing are closely interlinked. Between August 2021 and August 2022, overall Consumer Price Index (CPI) inflation was 8.7%.¹ Housing was one of the main drivers of this inflation. The most significant increases in the year were seen in Housing, Water, Electricity, Gas & Other Fuels, which was up 20.3% due to the rising costs in rent and energy.

According to the CSO², the consistent poverty rate for homeowners in 2021 sat at 1.5% compared to 9.8% of those living in rented or rent-free³ accommodation. Those accessing social housing support are worst affected by poverty. 50.5% renting from a Local Authority and 59.1% renting with other social housing supports⁴ are at risk of Poverty after rent.

Social housing supports are failing to compete against the current rate of inflation. The standardised average rents in new tenancies has risen 9.2% in 12 months and now sits at €1,460. Rising rents combined with a lack of supply is deeply affecting low-income households’ access to housing. The Simon Communities’ quarterly *Locked Out of the Market* research report looks at the supply of rental accommodation affordable under HAP. Publications over the last two years have shown a dwindling supply of properties affordable under HAP rates, and an overall drop in housing supply.



Increasing the supply of social and affordable homes needs to become a high priority for Government.

¹ Available at: <https://www.cso.ie/en/releasesandpublications/ep/p-cpi/consumerpriceindexaugust2022/>

² Available at: <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2021/povertyanddeprivation/#:~:text=For%20persons%20living%20in%20households%20where%20no%20one%20is%20at,with%20two%20persons%20at%20work.>

³ Rent-free accommodation includes those staying with family or friends.

⁴ This includes tenancies provided through Rent Supplement, the Rental Accommodation Scheme, Social Housing Current Expenditure Programme, and the Housing Assistance Payment.

Policy Recommendations

Reform HAP rates: HAP is an excellent support to households in need of social housing and at risk of poverty. Trends in HAP payments show there has been an increase in the proportion of people who require a discretionary Top-Up on the standard HAP rate. The use of discretions granted by local authorities has increased from 33% of tenancies in 2018 to 50% in December 2020.⁵ This is reflected in the HAP exchequer spend: between 2020 and 2021, the number of HAP tenancies increased only by 3% (59,821 – 61,907), while the average spend per tenancy increased by 12% (€435.9m – €504.2m).⁶

Because HAP rates fail to meet rent prices, a large proportion of people on HAP are paying top-ups directly to their landlord. A 2022 Threshold report⁷ found that 25% of renters were in receipt of HAP and an additional 5% were in receipt of Rent Supplement. 73% of the HAP recipients and 50% of rent supplement recipients pay a top-up to their landlord, ranging from €150 a month to as much as €700 a month. Half of people in receipt of HAP found it difficult to pay bills and afford groceries. An analysis of the HAP payment from the Department of Housing saw that 28% of HAP recipients paid a top-up, although no data was collected on the amount paid.⁸ Paying unsustainable top-ups on rent places low-income households at increased risk of poverty, tenancy breakdown, and homelessness.

The Minister for Housing, Local Government and Heritage recently increased the discretionary rate from 20% to 35% in areas outside of Dublin. Rates for single households were also increased to match rates available for couples. These reforms are welcome. However, a 35% discretionary rate is not enough to bring a substantial number of homes within the rates. Our latest *Locked Out of the Market* report found that increasing discretionary rates to 50% in areas outside Dublin would have increased the availability of HAP properties by 190% (19), compared to only a 50% (5) increase with a 35% discretion.⁹

Standard HAP rates need to be increased as a priority, and all households need access to a 50% discretion rate. Rates need to be increased in line with increases in the rental market, and be benchmarked against median rental rates until we have a sufficient social housing stock.

SCI understands that HAP is not a long-term solution to homelessness, but it is necessary to ensure rates can suitably support those in need of a home. As the State works to improve its housing stock, the over-reliance on HAP will naturally fall along with the associated costs. Until we have suitable levels of social housing, HAP rates need to provide meaningful housing support.

Increase Social Housing Supply: There are over 60,000 people waiting on social housing and over 60,000 more utilising schemes such as HAP and RS to meet their social housing need. The State have set ambitious social housing targets in *Housing for All*, but it is not enough to meet the build-up of demand. The Simon Communities have been calling for the State to utilise just 3% (5,000) of the 166,000 vacant properties through a reformed Repair and Lease Scheme to quickly increase our Social Housing supply. Implementing this policy would quickly increase social housing supply, reduce

⁵ Available at: <https://www.audit.gov.ie/en/find-report/publications/2021/chapter-8-oversight-of-thehousing-assistance-payment-hap-.pdf>

⁶ Available at: <https://www.gov.ie/en/collection/6060e-overall-social-housing-provision/#housing-assistancepayment>

⁷ Available at: <https://www.threshold.ie/publications/we-are-generation-rent-2022/>

⁸ Available at: <https://assets.gov.ie/181027/86ca11e7-6721-4538-a062-b2e8ffa347f8.pdf>

⁹ Available at: Available at: <https://www.simon.ie/press-release-junes-locked-out-of-the-market-report-finds-just-37-happroperties-available-across-16-areas/>

pressure on the private rental market, and reduce the State's reliance on HAP. This would give the State breathing room to continue to meet social housing build targets.

Simon Communities of Ireland proposals for a renewed Repair and Lease Scheme involves:

- Increase targets to 5,000 vacant homes a year
- Increase RLS loans available and introduce a grant element to allow a maximum of €190,000 under the scheme against cost of repairs.
- Increase minimum lease from 5 years to 15 years
- Focus on increasing supply of one-bedroom properties
- Introduce a minimum of four additional staff in each Local Authority to deal with vacancy
- Run a public awareness campaign on the reformed scheme
- Plan for the future of the scheme and its potential to optimise our housing stock

More details of our proposals can be found at <https://www.simon.ie/e-publication/vacancy-and-homelessness/>

Protect Renters from Eviction and Homelessness: It is almost a year since the Simon Bill (Residential Tenancies (Amendment) (Extension of Notice Periods) Bill 2021) received cross party support and passed second stage in Dáil Éireann. Since then, elements of the Bill have been taken on board within the Department. In July 2022, the Oireachtas approved measures to extend termination notice periods for certain tenancies to give greater security to tenants through the Regulation of Providers of Building Works and Miscellaneous Provisions Bill 2022. While these are positive steps, additional measures are needed to ensure sufficient homeless prevention supports are available to vulnerable households.

SCI call for the enactment of the Simon Bill as a matter of urgency to ensure increased protection for those facing eviction and deemed to be at risk of homelessness.

Homeless services and Local Authorities are regularly contacted by people who are coming to the end of a tenancy notice period and are imminently at risk of homelessness as they are unable to source alternative accommodation. In such a case if a Local Authority determine a person or family 'at risk of homelessness', the enactment of the Simon Bill would trigger an extension in the notice period for that household to prevent homelessness. This determination and extension should be accompanied by a commitment to ensure that the individual or family affected will be given all available supports to take advantage of the extension and secure alternative accommodation as soon as possible.

[Improve Social Welfare Rates and Access](#)

The latest CSO Frontier Series Research Paper¹⁰ highlights how certain household groups are worse affected by rising inflation rates than others. Overall Consumer Price Index (CPI) inflation for the five years between June 2017 and June 2022 was 12%. However, inflation estimated for households in the lowest income decile was 1.9 percentage points higher than the CPI average at 13.9%, and 2.3 percentage points higher for the second lowest income decile.

Low-income households cannot continue to bear the brunt of inflation and the cost of living crisis.

Social Welfare works at reducing poverty. According to the CSO's Survey on Income and Living Conditions (SILC), without social transfers the at risk of poverty rate would increase from 11.6% to

¹⁰ Available at: <https://www.cso.ie/en/releasesandpublications/frp/frp-ehc/estimatedinflationbyhouseholdcharacteristicsjune2022/summaryofmainresults/>

38.6%.¹¹ We need to continuously push to improve our social welfare system to ensure no households are left behind.

Policy Recommendations

Commit to Introducing a Liveable Social Welfare Rate: Considering the rate of inflation and the effect on low income households, SCI – along with countless other organisations – called for a €20 increase in base social welfare rates in Budget 2023. The €12 increase, while welcome, is certainly not enough. Any increase below the rate of inflation is effectively a reduction in support. Social welfare rates need to be benched against the Minimum Essential Standard of Living to reduce poverty.

Reduce Poverty for Young People: Reduced social welfare rates are a barrier for young people trying to lift themselves out of homelessness and achieve housing security. Despite 95% of young people being in education, employment or training – and 87% in higher-level education – 1 in 10 report financial strain, making it difficult to make ends meet.¹² SCI acknowledge the move to ensure young people under the age of 25 who are in vulnerable situations are not subject to the reduced social welfare rates.¹³ Despite this, SCI still encounters young people experiencing housing insecurity and accessing a lower rate of social welfare. This is concerning given the increasing rate of homelessness among young people. There are currently 1,274 young people aged 18-24 living in emergency homeless accommodation; an increase of 29.5% in 12 months and a record high figure. No vulnerable young person who is at risk of homelessness should be left with a reduced social welfare payment that can further compound their poverty and housing issues.

Improve Minimum Wage: SCI support plans within the Department of Enterprise, Trade and Employment to progress and implement a living wage in Ireland. A living wage is key to keeping individuals and families out of poverty and can help to protect people from housing insecurity and homelessness. Minimum wages need to be benchmarked against a robust anti-poverty measure.

SCI support the use of a fixed threshold approach as a target for introducing the living wage in Ireland. There are many benefits to working with this approach from an administrative and transparency point of view. While the current 60% of the median wage is a vast improvement on the current minimum wage in Ireland, the SCI believe that 66% is a more suitable target, as highlighted by the Low Pay Commission¹⁴. 66% of the median wage would be more in line with the Minimum Essential Standards of Living (MESL) such as that defined annually by the Living Wage Technical Group.¹⁵ This is clearly illustrated by the Low Pay Commission in their most recent report, which features the table below comparing the effectiveness of fixed thresholds vs MESL:¹⁶

¹¹ Available at: <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2021/>

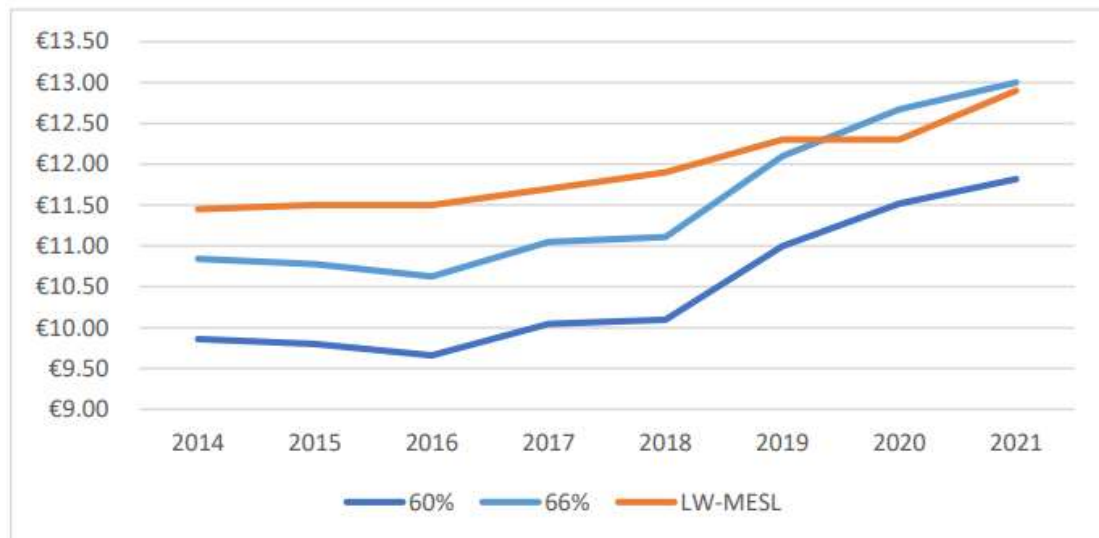
¹² ESRI's, *Growing up in Ireland*. Available at: <https://www.esri.ie/news/new-growing-up-in-ireland-research-shows-20-year-olds-negotiating-the-path-to-adulthood-with>

¹³ Available at: https://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/unemployed_people/jobseekers_allowance.html

¹⁴ Low Pay Commission Report on the Living Wage, 2022. Available at: <https://assets.gov.ie/226962/f72dbeb6-00ef-46cb-8af9-c347cb0851ff.pdf>

¹⁵ Available at: <https://www.livingwage.ie/>

¹⁶ Ibid



MESL reports thorough calculation that takes the real-life cost of living in Ireland into consideration. The MESL annual calculation needs to be used to assess the effectiveness of the living wage in securing a decent standard of living.

Summary of Policy Recommendations

- Increase the standard rate of HAP as a priority, and ensure that all households have access to a 50% discretionary rate. Standard HAP rates need to be increased in line with increases in the rental market, and be benchmarked against median rental rates until we have a sufficient social housing stock;
- Tackle vacancy and bring 5,000 social homes into the market through a reformed Repair and Lease Scheme;
- Enact the Simon Bill (Residential Tenancies (Amendment) (Extension of Notice Periods) Bill 2021);
- Benchmark Social Welfare rates against the Minimum Essential Standard of Living;
- Remove Lower Social Welfare Rate for young people;
- MESL annual calculation be used to assess the effectiveness of the living wage in securing a decent standard of living.