

Ending the Crisis

Tackling Homelessness

Simon Communities of Ireland

Pre-Budget Submission 2023

Executive Summary

Part 1: Budgetary Measures to Tackle Homelessness

Budget 2023 Ask	Cost (€)
Target vacant homes for social housing use	€556,011,109
Bring 5,000 vacant properties back into the market for social housing use through the Repair & Lease Scheme: €502,832,776 Capital Expenditure, €47,428,333 Current Expenditure	
Additional four staff to tackle vacancy in each of the 28 local authorities: €5.6million	
A nationwide awareness raising campaign of the scheme: €150,000	
Invest in Homeless Prevention	€13,123,633
Double funding for homeless prevention work €13.1million	
Commit to increase homeless prevention funding annually until homeless prevention accounts for 20% of total budget for homeless services.	
Allow for 14,000 additional HAP tenancies in 2023 with a 40% increase on standard rate and a discretionary rate of 50% in all Local Authority areas	€20,250,000
Provide an additional 70 one-bed homes for care leavers in 2023 under the designated Capital Assistance Scheme (CAS) for Care Leavers at risk of homelessness	€9,164,050
Host a Referendum on the right to housing	€16,800,000
Increase HSE funding for Homelessness services	€ 39,790,000
Improve sector funding	
Total	€ 655,138,792

Part 2: Social Welfare Budgetary Measures

Budget 2023 Ask	Cost (€)
Increase Rent Supplement rates by 40%	€ 49,182,800
Increase core social welfare rates by €20 per week	€ 676,000,000
Increase QCI for children over 12 by €12 and children under 12 by €7	€ 146,000,000
Equalise Jobseekers' rates for under-25s	€ 77,200,000
Increase minimum wage to living wage in Budget 2023	
Total	€ 948,382,800

Introduction

Homelessness is at an almost unprecedented level and requires an emergency response. If we do not invest now, we risk perpetuating inadequate housing supply, rising rents, and ongoing pressure in the housing market for years to come.

A recent analysis from the ESRI estimated that the Government could borrow an additional €4bn to €7bn a year when Ireland's projected growth rates are considered and the borrowing costs it faces in the markets.¹ This money can be strategically invested to relieve our housing crisis.

It is widely accepted that Budget 2023 will be the 'Cost of Living' Budget; housing costs are a significant expense for many households. The latest CSO Frontier Series Research Paper² found that certain household groups are more affected by inflation than others, with renting households one of the worst affected. During the 63-month period from December 2016 to March 2022, overall Consumer Price Index (CPI) inflation was 9.6%. Inflation for renters fared much worse, increasing 1.9 percentage points to 11.5% rate of inflation for renters from Local Authorities and increasing 2.8 percentage points to 12.4% for renters in the private market.

The burden of the housing and inflation crisis falls on the shoulders of those least able to bear it. State supports are no longer meeting the needs of low-income households. These supports need to be re-evaluated with contemporary Ireland in mind.

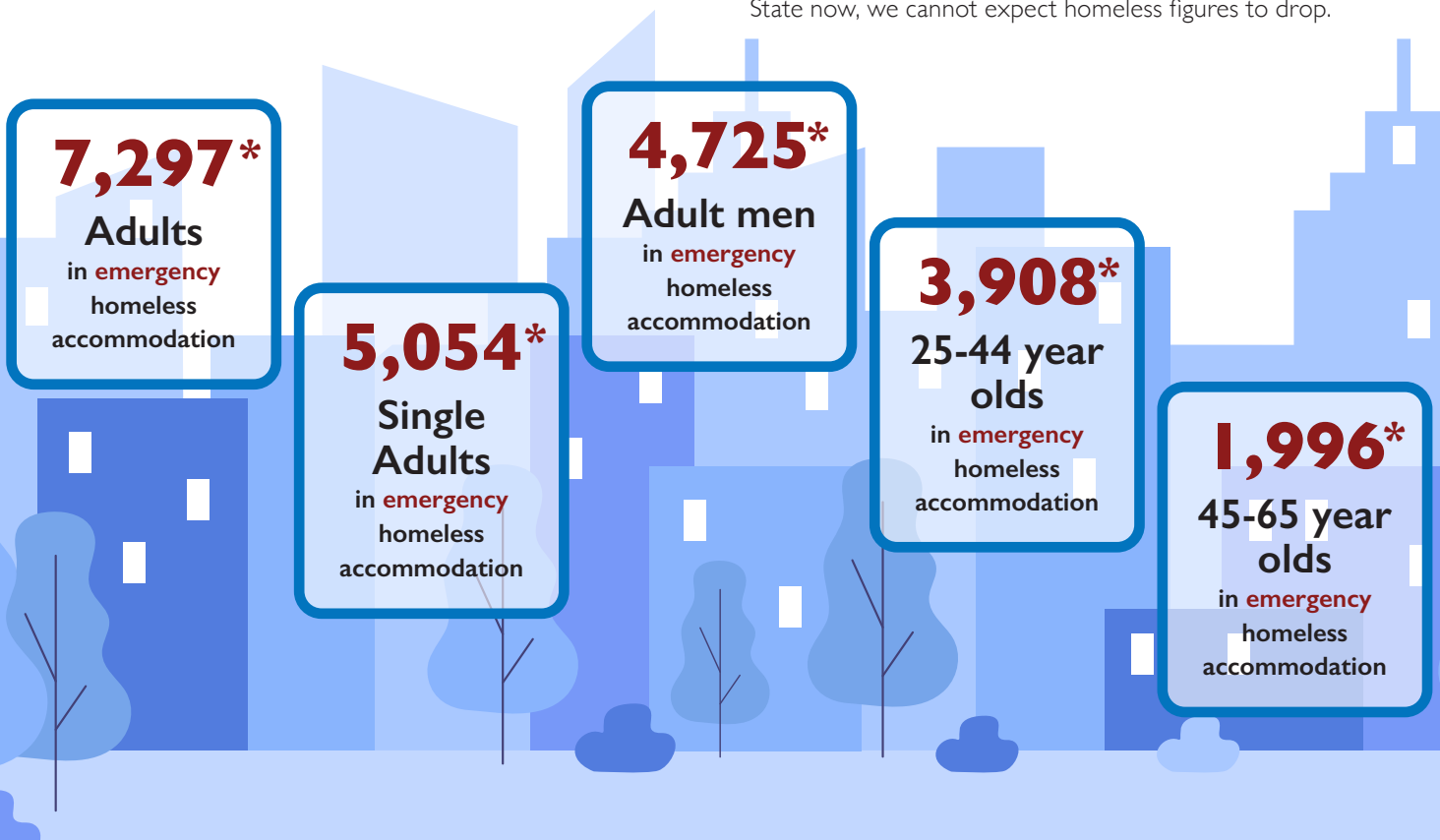
Our recent history has shown us that Ireland is capable of taking bold and significant action when we decide to tackle a crisis. During the Covid-19 pandemic, we saw leadership and coordination from the Government as they took the necessary steps to protect people not only from the Covid-19 virus, but also from poverty, social exclusion, and homelessness. The pandemic showed us Ireland's ability to tackle a crisis head-on. While the scale of what is needed to address the housing and homelessness crisis is not comparable to the response to the pandemic, the vision and ambition are. Simon Communities of Ireland ask that the State apply this ambition to tackle the continuously unfolding homelessness crisis.

Homelessness Context

2022 has seen a significant rise in the number of people in homelessness. We now have 10,325 people living in emergency homeless accommodation; the first time homelessness rose above 10,000 since before the pandemic. 2022³ has seen record high numbers of homelessness for a number of several specific groups (*noted below).

In April 2022, we had record numbers of Young People aged 18-24 year in emergency homeless accommodation (1,246); a 70% increase in the number of young people homeless in only 12 months.

Ireland has committed to ending homelessness by 2030, yet figures continue to rise. Without decisive intervention from the State now, we cannot expect homeless figures to drop.



¹ Available at: https://www.esri.ie/system/files/publications/QEC2021SUM_SA_MCQUINN_0.pdf

² Available at: <https://www.cso.ie/en/releasesandpublications/FRP/frp-eihc/estimatedinflationbyhouseholdcharacteristicsmarch2022/summaryofmainresults/>

³ Correct as of May figures 2022, Available at: <https://www.gov.ie/en/collection/80ea8-homelessness-data/>

Part I Summary: Budgetary Measures to Tackle Homelessness

Bring 5,000 vacant properties back into use in 2023 through RLS for people in homelessness and on the social housing waiting list

Vacancy is a major issue affecting every community in Ireland. The CSO estimate that there are 166,752 vacant across the country.⁴ SCI call for the Government to take decisive action to bring vacant properties back to the market through the Repair and Lease Scheme to house people in homelessness and on the social housing waiting list.

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

- Increased 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

Budget Ask: €556,011,109

- Ring-fence **€502,832,776** capital expenditure in 2023 to bring 5,000 vacant properties back into the market for social housing use through the Repair and Lease Scheme, with a focus on one-bed properties.
- Allocate **€47,428,333** current expenditure to fund leasing and running of the scheme.⁵
- An additional four staff (minimum) to tackle vacancy in each of the 28 local authorities at an approximate cost of **€5,600,000**.⁶
- A nationwide awareness raising campaign of the scheme at a cost of **€150,000**.

Increase Funding Towards Homelessness Prevention

Simon Communities of Ireland has long campaigned for a commitment to end homelessness before it starts. Currently, less than 7% of funding for homelessness goes toward prevention. Increasing homelessness prevention funding is a long-term, cost beneficial investment for the State that will permanently reduce homelessness by dealing with the core drivers of housing insecurity before they reach crisis point. Homeless prevention works. The latest quarterly homeless progress shows that in Q1 2022 alone,⁷ 658 adults were prevented from entering homelessness by securing accommodation through social housing and supported tenancies. In that same time, only 570 people exited homelessness.

Budget Ask: €13,123,633

- Invest an additional **€13,123,633** in Budget 2023 to double the homeless prevention budget to €26,253,266.
- Commit to increase homeless prevention funding annually until homeless prevention accounts for 20% of total budget for homeless services.



⁴ Available at: <https://www.cso.ie/en/releasesandpublications/ep/p-cpr/censusofpopulation2022-preliminaryresults/housing/>

⁵ Costing 5000 times average annual cost for long-term leasing of €17,512 per unit. Available at: <https://www.oireachtas.ie/en/debates/question/2021-07-13/365/?highlight%5B0%5D=lease&highlight%5B1%5D=lease&highlight%5B2%5D=lease&highlight%5B3%5D=lease>

⁶ Four staff at a cost of €50,000 for each of the 28 Local Authorities.

⁷ <https://www.gov.ie/en/publication/e5f1f-homeless-quarterly-progress-report-for-q1-2022/>

Part I Summary: Budgetary Measures to Tackle Homelessness (continued)

Reform HAP rates

The Housing Assistance Payment (HAP) is a vital support that helped 61,907 households secure or maintain their home in 2021.⁸ Rents have increased 41% from €1,111 in Q4 2016 to €1,567 in Q1 2022 according to daft.ie.⁹ Similar figures are found within RTB data, which shows the standardised average of new rents rose 38% from €1025.85 in Q4 2016 to €1,415.12 in Q1 2022.¹⁰ During this time, we have not seen an increase in standard HAP rates. Current rates fail to meet rent prices, meaning a large proportion of people on HAP are paying top-ups directly to their landlord.

As a priority, rates need to be increased by 40% in Budget 2023 in line with increases in the rental market, and be benchmarked against median rental rates in each budget thereafter until we have a sufficient social housing stock.

SCI understands that HAP is not a long-term solution to homelessness, but it is absolutely necessary to ensure rates can suitably support those in need of housing support. As the State works to increase social housing stock, the over-reliance on HAP will naturally fall along with the associated costs. Until that time, HAP rates need to provide meaningful housing support for low-income families.

Budget Ask: €20,250,000

Allocate an additional **€20,250,000**¹¹ to HAP in budget 2023 to allow for 14,000 additional HAP properties, with

- A 40% increase on Standard HAP rates, and;
- Increase of discretionary rate to 50% outside of Dublin.

This will sum to a total allocation of €47,250,000 in Budget 2023 for new HAP properties.

End Homelessness for Care Leavers

Youth Homelessness is on a worrying upward trend in 2022. In less than a year, the number of people aged 18-24 in homelessness has increased by 70% from 733 in April 2021 to 1,246 in April of this year. 1,246 is the highest number of young people living in emergency homeless accommodation ever recorded by the Department of Housing.

Countless studies and research show that young people leaving the care system face a heightened risk of homelessness. Despite this awareness, care leavers continue to fall through the gaps and remain over-represented in homelessness. Homes provided for Care Leavers can be funded through the Capital Assistance Scheme (CAS); a welcome housing innovation but it needs to expand to ensure at least 14% of care leavers can be housed through the scheme. At present, only 48 (or 2%) of 18 to 22 year olds accessing aftercare services are accommodated through CAS.¹² At the same time, an average of 9% of young people are living in 'other' accommodation. While not officially defined within Tusla, this includes homeless accommodation and institutionalised settings such as prison. Not included here are the young people who have left State Care and who have no aftercare support. Their accommodation status is largely unknown.

Budget Ask: €9,164,050

Allocate **€9,164,050** to provide an additional 70 one-bed homes for care leavers in 2023 under the Designated CAS Scheme for Care Leavers to ensure at least 14% of care leavers (approx. 500 per year) can be accommodated through the scheme.¹³



⁸ Available at: <https://www.gov.ie/en/collection/6060e-overall-social-housing-provision/#housing-assistance-payment>

⁹ Available at: https://www1.daft.ie/report/ronan-lyons-2022q1-daftrentalprice?d_rd=1

¹⁰ RTB Rent Index, available at: <https://www.rtb.ie/data-hub>

¹¹ See external Appendix for costing breakdown and calculations

¹² Available at: <https://data.tusla.ie/>

¹³ Costing includes 70 homes at a cost of €130,915 each according to data provided by the Minister for Housing: <https://www.kildarestreet.com/wrans/?id=2022-04-05a.864&s=homeless#g866.r>

Part I Summary: Budgetary Measures to Tackle Homelessness *(continued)*

A Referendum on the Right to Housing in 2023

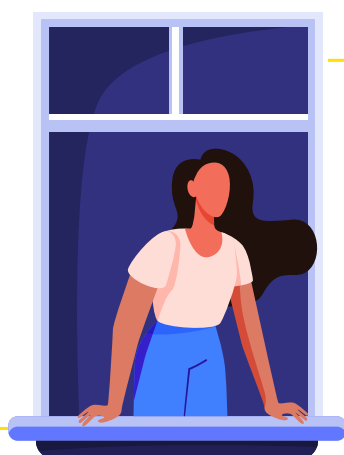
People experiencing ongoing housing insecurity in a turbulent housing market are failed by an imbalance in our Constitution. Currently, the Constitution is fundamentally imbalanced towards private property rights, which are protected in both Article 43 and Article 40.3. There is no equivalent right to housing in the Constitution.

The imbalanced Constitutional structure has proven repeatedly to fail people in need of housing. It perpetuates high levels of vacancy and dereliction across the country, it allows for land hoarding, and it has contributed to our national housing crisis.

A right to housing in our Constitution provides every level of Government with a guiding principle and a commitment to ensuring there are sufficient homes for all of our people. In practical terms, this means refusing to accept endemic housing crisis in our society. It means a new level of respect for the levels of affordable housing and social housing needed. It means having sufficient levels of housing suitable for people's needs including housing with universal design for people with disabilities, catering to the housing needs of our ageing population, and housing for small and large families alike.

Budget Ask: €16,800,000

Allocate €16.8million in Budget 2023 to facilitate a Referendum on the right to housing.¹⁴



Increase HSE funding for Homelessness services

The health of people who are experiencing homelessness must be a priority in Budget 2023. The homelessness crisis has grown exponentially over the last decade, but health funding has stagnated. It is well established that homelessness can have adverse effects on physical health, mental health, and overall wellbeing.

Homelessness – even for a short period of time – can have a hugely damaging effect on a person. For example, homelessness can negatively affect development, cognitive functioning, participation in education, and opportunities later in life for children and young people in homelessness.¹⁵ Both the Programme for Government and *Housing for All* contain cross-departmental commitments to improve health outcomes for people in homelessness (actions 3.10 – 3.14 in *Housing for All*). These commitments need to be implemented through ring-fenced multi-annual health budgets that are specific to the homeless population.

Budget Ask: €39,790,000

Double funding from the Department of Health towards supporting the health and wellbeing of people in homeless in 2023.¹⁶

Improve Sector Funding

Budget Ask: Full Cost Recovery Approach

- Provide multi-annual funding that reflects the full cost of delivering homeless services and allows for increases based on need and inflation.
- Benchmark salaries and benefits for homeless sector staff to achieve parity with the public sector, in line with any adjustments agreed via formal public service pay talks between Government and unions (as facilitated by Workplace Relations Commission).
- Review criteria for Covid-19 recognition payment to include the 3,000 frontline workers in the homeless sector.

¹⁴ Estimated from costs of previous referendums: <https://www.oireachtas.ie/en/debates/question/2022-02-15/321/?highlight%5B0%5D=expenditure&highlight%5B1%5D=referendum>

¹⁵ Available at: <https://www.oco.ie/app/uploads/2019/04/No-Place-Like-Home.pdf>

¹⁶ 10% increase on spend in 2021 prior to the €11million Covid-19 funding addition <https://www.oireachtas.ie/en/debates/question/2021-07-27/2056/>

Part 2 Summary: Social Protection Budgetary Measures

Bring Rent Supplement Rates in line with Market Rate

Rent Supplement is a temporary financial support that prevents households from falling into homelessness. Rates need to be in line with current market rates if it is to be an effective homeless prevention measure.

Budget Ask: €49,182,800

Increase Rent Supplement rates by 40% for an additional spend of **€49,182,800**¹⁷ in budget 2023.¹⁸

Pay a Living Wage in 2023

Rising costs of living means that employment is no longer sufficient to keep people out of homelessness. During the pandemic, the Simon Communities of Ireland witnessed an increase in the number of young people gaining employment and work placements, likely relating to the effect of the pandemic on the employment market. Unfortunately, due to low wages and the ever-increasing cost of housing and rent, securing employment is no longer a way out of homelessness for today's young people.

The link between poverty and housing insecurity or homelessness is heightened in the context of housing now accounting for an average of 55% of a single person's minimum living costs in Dublin, and over a third outside of Dublin.¹⁹

The Tánaiste recently announced plans to introduce the national Living Wage in 2026.²⁰ However, given the increasing rates of homelessness, the Simon Communities of Ireland are calling for this to be brought forward in Budget 2023.

Budget Ask:

Increase Minimum Wage to Living Wage in Budget 2023.

Increase Social Welfare Rates

The Government has committed to reducing the rate of consistent poverty in Ireland to below 2% by 2025 under the Roadmap for Social Inclusion²¹. Enacting this commitment will reduce the number of households vulnerable to homelessness.

The latest CSO Frontier Series Research Paper²² found that certain household groups are worse affected by rising inflation rates than others. Overall Consumer Price Index (CPI) inflation for the 63 months from December 2016 to March 2022 was 9.6%. However, inflation estimated for households in the lowest – and second lowest – income decile was 1.8 percentage points higher, at 11.4%.

The most recent Survey on Income and Living Conditions (SILC)²³ shows that in 2021, the 'at risk of poverty' rate was 11.6%. If all social transfers were excluded from income, the at risk of poverty rate would have been 38.6%. Social Welfare works to keep people out of poverty; we need to ensure rates are adequate as we face into rising living costs and an ongoing housing crisis. Increasing base social welfare rates by a minimum of €20 in Budget 2023 would go a long way to meeting the high rate of inflation experienced by low-income households throughout the country.

Budget Ask: €899,200,000

- Increase core social welfare rates by €20 per week at a cost of **€676million**²⁴
- Increase QCI for children over 12 by €12 and children under 12 by €7 at a cost of **€146million**²⁵
- Equalise Jobseekers' rates for under-25s at a cost of **€77.2m.**²⁶

¹⁷ A 40% increase on the €122,957,000 was spent in 2021: <https://www.oireachtas.ie/en/debates/question/2022-01-19/913/>

¹⁸ SCI understand that this is a demand led, short-term income support to meet current rental costs of households and not to support the find of new accommodation. However, there is a need to prevent unsustainable top-ups on rent, increasing risk of poverty. Rising cost of rents in the private sector needs to be a part of 2023 budgetary calculations. As a provisional sum, we have increased the 2021 spend by 40%, in line with market rate increases between 2016 and 2022, but this is likely to be at the upper end of the scale.

¹⁹ https://www.livingwage.ie/download/pdf/living_wage_annual_paper_2021-22.pdf

²⁰ <https://www.gov.ie/en/press-release/8556d-tanaiste-outlines-proposal-to-bring-in-living-wage-for-all/#:~:text=Research%20carried%20out%20by%20the,without%20substantial%20effects%20on%20employment.>

²¹ <https://assets.gov.ie/46557/bf7011904ede4562b925f98b15c4f1b5.pdf>

²² <https://www.cso.ie/en/releasesandpublications/irp/frp-eihc/estimatedinflationbyhouseholdcharacteristicsmarch2022/summaryofmainresults/>

²³ <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2021/povertyanddeprivation/>

²⁴ AS calculated by SVP through an analysis of figures available here: <https://www.kildarestreet.com/wrans/?id=2022-05-19a.784&s=cost+increase+social+welfare+by+5#g790.r>

²⁵ *ibid*

²⁶ AS calculated by Social Justice Ireland: <https://www.socialjustice.ie/system/files/file-uploads/2022-06/Budget%20Choices%202023%20-%20Full%20Document.pdf>

