



**Pre-Budget Submission to the
Department of Social Protection**

July 2022



Introduction

Threshold is a national housing charity with regional advice centres in Dublin, Cork and Galway. We provide frontline services across Ireland to people experiencing problems in their tenancies. Our primary objective is to prevent homelessness by advocating for tenants through our advice services and through our dedicated national Tenancy Protection Service (TPS). Our vision is an Ireland where everyone has access to affordable, secure, suitable and good quality housing.

It is our experience that the most effective response to homelessness is to prevent people from becoming homeless in the first instance. Through our services, we are aware that the most significant cause of homelessness has been through people losing their homes in the private rented sector. In 2021, Threshold supported almost 11,000 households who were at risk of homelessness. Rent supplement recipients were at greater risk of homelessness compared to those not reliant on rent supplement. As in 2020, they were placed at risk of homelessness when their landlord issued a notice of termination, issued with a rent increase, were directed to move to HAP or accrued rent arrears.

In addition to recommending changes to the rent supplement scheme, Threshold puts forward recommendations for the enhancement of the Community Employment Scheme. Threshold has approval for 18 CE participants between our Cork and Dublin offices. This is a valuable programme which leads on to full-time employment opportunities within and outside of Threshold.

Threshold's Recommendations to the Department Social Protection Budget 2023

Rent Supplement

1. Increase the Rent Supplement limits to reflect the rent increases since Q2 2016, in keeping with the increase to 35% of the discretionary limit for HAP.
2. Increase the Rent Supplement limits for single people to match that of couples, as has been done with the Housing Assistance Payment (HAP).
3. Streamline the transition from rent supplement to HAP.

Interim Tenancy Sustainment Protocol

1. Ensure rent supplement and the Interim Tenancy Sustainment Protocol (ITSP) remain available long-term to those who, due to individual circumstance, require the greater flexibility rent supplement has to offer compared to the Housing Assistance Payment (HAP).

Community Employment

1. Establish a three-year Community Employment (CE) scheme which credits the highly skilled nature of the role.
2. Increase or relax the training allowance limits for CE participants.
3. Provide a “working-from-home” allowance to provide materials and ergonomic assessments to CE participants.

Rent Supplement

1. Increase the Rent Supplement limits to reflect the rent increases since Q2 2016, in keeping with the increase to 35% for the discretionary limit for HAP.

For those households reliant on rent supplement, the payment must be sufficient to meet the asking rents to avoid homelessness and financial deprivation. The revised rent supplement limits introduced in July 2016, were warmly welcomed by Threshold and resulted in immediate relief for many tenants. However, the national average rent has increased by a staggering 46% since then¹, while rent supplement limits have remained largely unchanged.

The below table shows the shortfall between current rent supplement limits and average rents². There is no correlation between the rent supplement limits and current market rent. For example, a family with one child renting a two-bed home in Cork City will possibly pay a “top-up” of €397 to meet market rent. A couple renting a one bed in Limerick City will possibly pay a “top-up” of €538 a month.

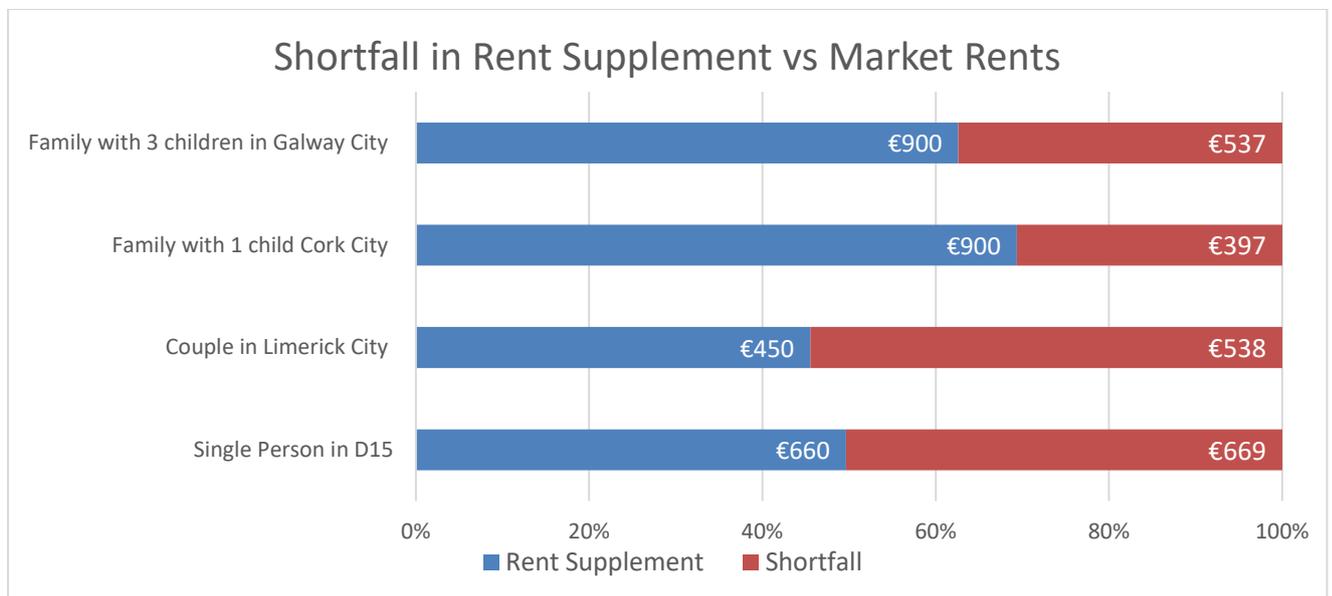


Table 1: Rent Supplement Shortfall

¹ RTB Rent Index Q4 20201– comparison of standardised average rent Q2 2016 and Q4 2021 https://www.rtb.ie/images/uploads/general/Final_Rent_Index_Q4_2021_V2-27_04_2022.pdf (accessed 29/06/2022)

² Based on the Daft.ie Rental Price Report Q1 2022 https://ww1.daft.ie/report/2022-Q1-rentalprice-daftreport.pdf?d_rd=1 (accessed 29/6/2022) and Maximum Rent Supplement limits <https://www.gov.ie/en/publication/79fdae-maximum-rent-limits> (accessed 29/6/2022)

Given their poor purchasing power and the shortage of affordable homes, those reliant on rent supplement may be forced to accept substandard accommodation, accrue rent arrears, suffer deprivation or enter homelessness. It is essential that the base rates are reviewed. Threshold recommends increasing the rates by 35% in line with the recent changes to the discretionary HAP uplift.

2. Increase the Rent Supplement limits for single people to match that of couples, as has been done with the Housing Assistance Payment (HAP).

Single people face a number of challenges in securing a home to rent: there is a shortage of one-bedroom homes to rent, market rents far exceed the rent supplement payable and they are competing for the same one-bedroom apartments as couples, who are entitled to a higher rate. A single person looking to rent their own home in Dublin 15, has a rent supplement limit of €660 and will pay a possible “top-up” of €669; approximate 75% of a monthly payment of a Job Seekers Allowance.

The rent supplement limit for a couple living in Dublin 15 is €900 a month. While there is still a shortfall of €429 compared to market rent, it is €240 more than that for a single person despite both parties having the same accommodation need. This is the case throughout the country.

Threshold urges the Department of Social Protection to increase the limits for single people to match those of couples, as has been done by the Department of Housing Local Government and Heritage in respect of HAP rates. It is only fair and correct that single people be provided with the same rate considering their corresponding housing need. Such a change can be carried out as part of the Department’s Public Sector Duty to eliminate discrimination and promote equality.

3. Streamline the transition from rent supplement to the Housing Assistance Payment (HAP).

Threshold has worked with a number of private renters in receipt of rent supplement who have been directed to transition to HAP. Unfortunately, in some cases their rent supplement payment was stopped before the HAP payment was in place. Currently HAP is paid from the date the application is processed. Clients have reported to us that this can take up to 20 weeks. If the rent supplement payment is stopped prior to the HAP being paid, the tenant is in arrears and at



immediate risk of losing their home. We stress the importance of keeping the rent supplement in place until HAP is paid.

In addition, Threshold has worked with a number of private renters whose landlord is not tax compliant. This means they are not eligible for HAP, which is outside of the tenant's control. In these cases, the tenants risk losing their home if the Department insists on them transferring to HAP and ceases the rent supplement payment. This situation is due to no fault on the tenants' part. Ending the rent supplement payment will have no positive impact for the tenant and no negative consequence for the landlord. It is necessary that rent supplement payments remain for tenants who are put in situations such as this and at risk of losing their home. Threshold is at hand to assist in such cases.



Interim Tenancy Sustainment Protocol (ITSP)

Through our close work with the Department, operating the Interim Tenancy Sustainment Protocol (ITSP), Threshold can assist those at immediate risk of homelessness. Through the ITSP, Threshold facilitates access to an enhanced rent supplement payment for households who are at risk of homelessness on foot of a rent increase. We support and advocate for clients throughout the ITSP Protocol process, from application stage right through to tenancy sustainment. Threshold is well placed, due to its expert knowledge of the rental market and mediation in landlord and tenant relationships, to ensure that rent uplifts are a measure of last resort.

- 1. Ensure rent supplement and the Interim Tenancy Sustainment Protocol (ITSP) remain available long-term to those who, due to individual circumstance, require the greater flexibility rent supplement has to offer compared to the Housing Assistance Payment (HAP).**

Between its inception in 2014 and December 2020, 8,706, (10,112 adults and 11,000 children) received support from the ITSP. The majority of rent supplement tenants have transitioned to HAP, which can now pay an additional 35% discretionary payment. However, there are a number of households, relying on the ITSP, whose rents exceed the HAP cap and the 35% additional payment.

While these tenants have the option of “topping-up” the rent to bridge any potential gap, a household is only permitted to pay 30% of their total income towards their rental cost, inclusive of their statutory contribution in line with the differential rent scheme. The above issue presents a real risk to these households as they will be unable to afford the “top-ups” required to pay the rent. Nor will they be in a position to find alternative housing, as there is a severe shortage of private rental property at affordable rents. It is vital that these tenants continue to be supported under the rent supplement scheme to remain in their home.



The Community Employment Scheme

Threshold relies upon the Community Employment Scheme (CE) to deliver our essential frontline services. We currently operate schemes in our Cork and Dublin offices. Our Dublin office has approval for 15 participants and a CE supervisor. Our Cork office has approval for 3 participants.

Threshold has a proven track record within the CE scheme with a high progression rate into employment and education. Threshold is proud of the scheme we offer and the progression of our participants. We see potential for further development and success.

Unfortunately, there has been a reduction in the number of applications to Threshold's CE scheme. This is despite consistent engagement with the local Intreo office regarding referrals and the placing of external job advertisements on Activelink at a cost of €180 per job ad. This has resulted in the need to recruit staff to cover the recent shortfall on the CE numbers.

While we welcome the announcement that Intreo are to significantly increase the number of referrals to CE, we have not received any referrals to date in 2022. It is therefore most welcome that placements can be extended where no replacement has been selected. This is greatly beneficial to Threshold's CE participants and to Threshold in the delivery of its service. The CE participant is trained to a high standard to deliver a specialised service assisting Threshold clients to resolve their tenancy problems and, where possible, prevent homelessness.

1. Establish a three-year Community Employment (CE) scheme which credits the highly skilled nature of the role.

Currently, a CE participant aged between 21 and 55 years of age may participate in the programme for one year, with those working towards a major award / industry recognised equivalent can have their time extended by two years.

The majority of the CE participants working with Threshold hold a Level 7 Major award, which means their time must come to an end after one year. However, the advisor role is technical and specialised in nature, and requires more than one year



to become skilled in. The CE participants are provided with in house training, which equips them with a detailed knowledge of the Residential Tenancies Acts, which are legally complex. They are assisted to implement and apply this knowledge in their role, providing advice and advocacy or representation at the Residential Tenancies Board.

Given the complex and technical nature of the role, it is our experience that participants are often not in a position to take the next step into employment after 12 months. In addition, Threshold invests heavily in the training of CE participants, and they are an integral part of the service provide by Threshold. Ending a participant's time in the scheme after one year does a disservice to the participant and is a loss to the organisation.

Whilst the Department has always been supportive when extensions are sought, the level of uncertainty each year gives little comfort to the participant and is disruptive to Threshold's service provision. Threshold recommend the establishment of a three-year Community Employment scheme which credits the in-depth nature of the job-related training and constant mentoring our CE employees receive.

2. Increase or relax the training allowance limits for CE participants.

The current training budget of €250 per person for external training is underused, primarily because participants cannot access the level of training desired. This is principally because the cost of the most suitable courses exceeds the €250 allowance. For example, the IPA Professional Diploma in Housing (Level 8 Special Purpose) award costs €1,500. A partial grant towards a course such as this would be a valuable aid to those whose career goals are in line with the sector.

Courses which have been completed by participants have been largely Level 6 Minor awards. These include information provision, advice and advocacy.

Threshold recommends an increase or relaxation of the training allowance, which will encourage participants to engage in a more aligned course of studies as well as open up the variety of courses they can pursue.

3. Provide a “working-from-home” allowance to provide materials and ergonomic assessments.

Threshold staff are engaged in a hybrid working model, whereby time is split between working from home and in the office. To facilitate working from home Threshold provide

- laptops and headsets, as well as an array of office equipment including chairs, desks, monitors.
- an employee assistance programme
- ergonomic assessments in the home.

This has been at a cost of approximately €2,140 per participant, placing a financial burden on Threshold. As a result, we ask the Department to provide sufficient financial support for such expenses.



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