



Department of Social and Family Affairs

New Long-Term Accommodation Initiative For Rent Supplement Tenants - Mary Coughlan Minister For Social And Family Affairs

A new initiative to meet long-term housing needs of rent supplement recipients was announced today (7 July, 04) by Ministers Mary Coughlan, T.D. Minister for Social and Family Affairs, Martin Cullen, T.D., Minister for the Environment, Heritage and Local Government and Noel Ahern T.D. Minister for Housing and Urban Renewal.

New arrangements are being introduced whereby local authorities will progressively assume responsibility for meeting the long-term housing needs of some 19,000 households dependent on rent supplement for 18 months or longer.

Under the new measures, the rent supplement scheme will now be refocused on meeting short-term income maintenance needs while local authorities will assume responsibility for meeting long-term housing needs. The new arrangements, will, in effect, see an extension of the social housing role of local authorities through direct engagement with the private rented sector.

"This is a fundamental change which will ensure maximum co-ordination of housing policy. These new arrangements will put in place positive solutions for people with long-term housing needs, a measure that I signalled last December, and will provide long-term value for money for the taxpayer", said Minister Mary Coughlan.

In 2003, €332m was spent on rent supplement payments to private landlords with no assets accruing to the State. This was an increase of over 30% on the expenditure incurred in 2002.

The new arrangements will commence on a phased basis from September of this year in a representative selection of areas. The proposed locations for initial roll-out are Dublin, Galway and Limerick Cities, South Dublin, Donegal, and Offaly/Westmeath Co Councils and Drogheda Town Council. By September 2005 the new arrangements will have commenced in all local authorities.



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Within a three year time frame from the commencement of the arrangements in each local authority, rent supplement recipients assessed as having a long-term housing need will be catered for through accommodation-based approaches rather than rent supplement.

Funding will be provided to local authorities to support the cost of the new accommodation-based scheme through the redirection of resources from the rent supplement scheme.

"These new arrangements will help to ensure that our response to housing needs is as effective as possible, without long-term dependence on ad hoc payments to tenants" said Minister Ahern, who added that "local authorities will, in the future, have an additional option by way of long-term accommodation arrangements with the private rented sector alongside social housing options."

Minister Coughlan said: "Payment of rent supplements to tenants is an appropriate form of short-term income support, but over-dependence on such subsidies to meet long-term need does not provide the best outcome for tenants or yield good value for money for the State".

"I believe that this approach has the potential to benefit tenants, taxpayers, accommodation providers and the housing market generally," concluded Minister Coughlan.

This decision reflects the Government's objective under the National Anti Poverty Strategy to enable households experiencing poverty and disadvantage to have available to them housing or accommodation, which is affordable, accessible, of good quality, suitable to their needs, culturally acceptable, located in a sustainable community and, as far as possible, in a secure tenure of their choice.

The new arrangements are being introduced in the context of wider Government action to reform and develop the private rented housing sector, based particularly on the Commission report in 2000. The core element is the reform of landlord and tenant legislation through the Residential Tenancies Bill, due to be enacted shortly. Tax incentives for the sector were implemented in the 2001 and 2002 Finance Acts.



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The main features of the new arrangements are synopsised under.

Main features of new rental housing assistance arrangements

- Local authorities will meet housing assistance needs of people assessed as having long-term need, including those on rent supplements for 18 months.
- The local authority response will be accommodation-based and will not involve payment of rent allowances to tenants.
- The welfare-based rent supplement scheme will provide short-term income support but, with the goal that, within a 3-year time frame in each area, it will no longer provide housing assistance on a long-term basis. Rent supplement arrangements for asylum-seekers or "back to work" claimants will not change.
- A new initiative will be undertaken by local authorities to meet long-term housing needs of rent supplement claimants through private rented accommodation, involving long-term arrangements with the private rented sector. A variety of accommodation arrangements will be put in place. These could include specifically built premises, existing supplementary welfare allowance rented properties, new developments under public private partnerships which could be financed, developed and operated on a long-term basis exclusively for households designated by local authorities.
- In addition to this new initiative, measures will be taken to ensure adequate access to social housing for rent supplement claimants with long-term needs.
- Assessment of housing assistance needs and possible accommodation-based options of existing rent supplement recipients of eighteen months duration will be completed by March 2005.
- In future all of those in receipt of rent supplement for 18 months or more and other rent supplement applicants who have a prima facie long-term housing need such as pensioners, will undergo a housing assessment by the local authority and may then be provided with accommodation by the authority.
- A range of other measures will be taken to underpin the effectiveness of the new arrangements including, provision to address their long-term housing needs in



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the Social and Affordable Housing Action Plans and related programmes, improved inter-agency liaison and data sharing, and arrangements for monitoring, evaluation and progress reporting. During the implementation period accommodation provided under this new initiative will be ring-fenced for eligible rent supplement applicants.

- Costs of accommodating rent supplement claimants and administration will be supported by re-direction of funds that would otherwise have been spent in rent allowances for households accommodated through the new arrangements.

ENDS July 7th 2004