

16/11/04

**‘Creating Crisis’ – the impact of rent supplement restrictions
Commissioned by Centrecare and City Centre Citizens Information Service.**

Since the end of January 2004 new rent supplement eligibility rules have been put in place. You will only qualify for rent supplement if you have a six month rental history (unless you have been assessed as being homeless or as having a housing need). Similarly a person whose spouse is working over 30 hours a week will no longer be eligible, nor is a person who refuses two offers of local authority housing within a continuous 12 month period.

This report was commissioned in response to these changes in eligibility in Rent Supplement in Budget 2003. The purpose of the study was to identify issues arising from the first 6 months since the changes. Above all the study shows the human impact of these changes and shows that every refusal has a story behind it.

On the second of December, Minister Coughlan answered a parliamentary question by saying “the purpose of the supplementary welfare allowance is to deal with emergencies and short-term needs that arise when a person has a change in circumstances, for example when a tenant becomes unemployed and can no longer afford their rent” However in practice this is not the case.

A young man became ill and lost his job as a result and began receiving Disability Benefit. While he was sick friends cared for him. He has now fully recovered and wishes to move into private rented housing and get a job. He has been refused rent supplement, as he has no history of renting. This man cannot understand why he was refused as he had a history of work and paid his taxes for 7 years, and only wishes to get assistance for his rent until such time as he gets back onto his feet. The ironic part of this is that if he were on disability allowance he would be exempt from the rules.

One should look at these changes from the point of view of someone who is working and earning a decent wage, who loses his or her job after renting for 4 months. Under the six month rule, someone will lose his or her home. Nobody has savings in reserve to pay the high rents charged, particularly in Dublin.

This requirement for a 6 month rental history is proving to have adverse affects on people in many situations including people in homeless situations, particularly those who are in situations of hidden homelessness or people that may be at risk of homelessness.

Many people are living with parents, siblings or friends where they are unwanted but cannot satisfy the 6 month renting rule, and more than likely will not be assessed as having a housing need. A young pregnant woman plans to leave home after she has her baby. Problems have developed with her parents and she wants a stress free environment for the child. However, obtaining her own place is impossible for her, as she cannot get Rent Supplement without the six-month rental history.

The study highlights the difficult situations people get in to when they find themselves having to deal with an unexpected crisis in their lives. One woman

wishing to leave her husband because their relationship had badly deteriorated, wanted to get rent supplement until such time as she got her life back on track, was refused until such time as she got a housing needs assessment. It is very unlikely that she will be assessed as being in housing need unless the person carrying out the assessment is aware of her domestic situation. She will also have to remain there until such time as the assessment is carried out, which can take a number of weeks if not months. She fears that she will not be able to stay there that long.

Similarly a young man has just discovered that his wife was having an affair and he left the family home. He had nowhere to stay, so resorted to sleeping in his car. Again he was told that he would have to have a housing needs assessment carried out before he would be able to receive rent supplement. So this man has no choice but to stay sleeping in his car. These are some of the most severe cases that information centres were faced with.

The changes may be working in reducing the numbers of people in receipt of and the cost of rent supplement but it is not working for people in crisis. As information/advice organisations it is our responsibility to tell policy makers about the impact of policy changes on the ground. The basic premise of a social welfare system is that it acts as a safety net for people in poverty and crisis. In its current restricted form, Rent Supplement is not acting as a safety net for everyone who needs it. In the cases that have been outlined we ask what alternative do people have?

In the short term we are calling for Rent Supplement to go back to as it was pre January '04 and for Community Welfare Officers to be given back their discretionary powers. This system was not ideal but it caused fewer crises for people. For the relatively small amount of money that these changes are saving (compared to other wasted expenses in the past), there is a huge human cost involved. We appeal to you to do your best to have these changes reversed until an alternative has been put in place.