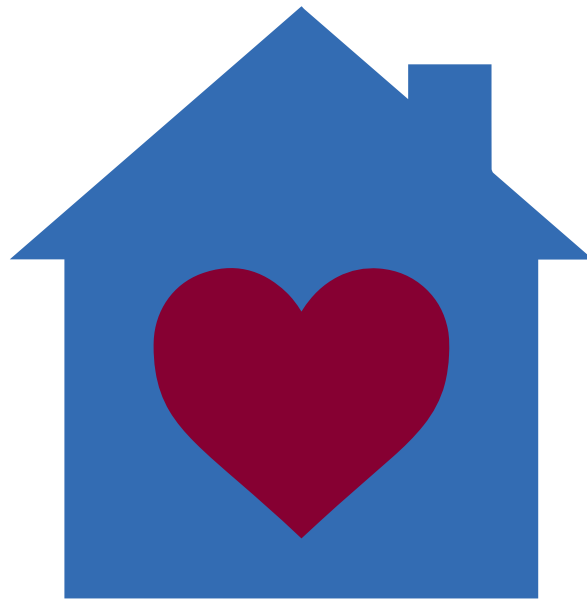


The Housing Assistance Payment (HAP):



making the
right impact?

A joint research paper - July 2019

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The Housing Assistance Payment (HAP): making the right impact?

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This report could not have been completed without the participation of the clients who shared their experience of the Housing Assistance Payment (HAP) so willingly, despite the fact that in many cases they are facing severe stress and worry due to the precarious nature of their living situation.

SVP and Threshold would also like to thank SVP members¹ and all Threshold staff, who shared their knowledge and experience. Their insight and expertise greatly assisted the production of this report.

¹ Members are involved in Home Visitation, and often work directly with people in need as part of their Conference.



Organisations



Threshold is a national housing charity, with regional advice centres in Dublin, Cork and Galway, providing frontline advocacy, advice and support services to people with housing problems throughout Ireland.

Threshold took 321 calls a day in 2018, from tenants who were experiencing difficulties in their tenancy. These difficulties include poor standards, invalid rent increases, illegal evictions, notices of termination (NOT) as well as the Housing Assistance Payment (HAP).

Through our work we help people stay in their home and prevent homelessness.



SVP is the largest voluntary, charitable organisation in Ireland. Our membership of 11,000 volunteers regularly visit individuals and families who are experiencing the stress and challenges of homelessness, overcrowding, rising rents, insecure tenancy arrangements and making do in poor quality and inadequate housing.

The Society is a provider of social housing with almost 1,000 units across the country, provides ten homeless hostels, and engages in advocacy on the issue of housing and homelessness, drawing on the experience of members and policy analysis to seek to bring about the necessary policy change.



Introduction

The Housing Assistance Payment (HAP) is a form of social housing support, whereby the local authority pays rent to a private landlord on behalf of those households assessed as having a social housing need. The tenant pays a differential rent to the local authority. The rental agreement exists between the tenant and landlord.

HAP has increased in size and pace since 2014, when it was first piloted. In 2014, 500 HAP tenancies were created and by the end of 2018 there were 47,917 HAP tenancies.² In 2018 €276.6 million was paid in the form of rent to landlords for HAP tenants to access private rented accommodation.³ This figure will continue to rise, as the Government aims to provide 83,760 social housing homes via HAP between 2016 and 2021 as part of the Rebuilding Ireland targets. In the same time period only 33,617 homes will be built, 6,830 will be bought and 10,036 will be leased by the local authorities or the voluntary housing associations.⁴

Prior to 2014, rent supplement was the only financial support available to households with a social housing need who were renting directly from a landlord in the private rented sector (PRS). These households usually relied entirely or heavily on social welfare payments as their

main source of income. There were a number of issues with rent supplement:

- The non-payment of rent
- Dis-incentives to seeking or taking up employment
- Low housing standards
- Payment of unaffordable and unsanctioned rent ‘top-ups’ to landlords
- Landlords distrusted the scheme, meaning many rent supplement recipients struggled to find landlords to accept the payment.

HAP was designed to address these inadequacies. Long term recipients of rent supplement and those with a long term housing need are being transferred to HAP. Rent supplement is being returned to its original function, to meet short term need for housing support, for example, as a result of unemployment. The Minister for Housing, Planning, Community and Local Government announced on 1st March 2017 the completion of the nationwide rollout of the HAP scheme. HAP is operated through the local authorities and is administered by a central office; the HAP Shared Services Centre in Limerick.

To be eligible for HAP one must be accepted on the social housing list. Once this step has been completed the applicant must then source a property in the PRS. There are a number of restrictions and requirements to be adhered to.

² “Overall Social Housing Provision”, Department of Housing, Planning and Local Government, <https://www.housing.gov.ie/housing/social-housing/social-and-affordable/overall-social-housing-provision>

³ “Almost €700 million paid to private landlords in rent subsidies last year”. The Journal, 24th February 2019, <https://www.thejournal.ie/housing-private-payments-4507508-Feb2019/> (accessed 25th February 2019)

⁴ “Accelerate Social Housing”, Rebuilding Ireland, Department of Housing, Planning and Local Government <http://rebuildingireland.ie/accelerate-social-housing/>

They are as follows:

1. The rent on the property must be within the limit set for their household size for that local authority area.⁵
2. The landlord must be willing to accept and be eligible to receive HAP i.e. be tax compliant.
3. When the applicant has secured a property with HAP, their social housing need is deemed to be met and they are removed from the social housing waiting list.
4. The tenant can opt to put their name on the local authority housing transfer list and wait to be allocated a property by the local authority.
5. The rental property must meet the minimum standards for the PRS.⁶
6. The tenant is required to remain in the HAP property for a minimum of two years. If a tenant leaves a HAP property before the end of the 2 year period, they may lose entitlement to any form of social housing support for a period of time, including HAP, traditional social housing and potentially rent supplement.
7. Permission is usually only granted in exceptional circumstances such as an increase in family size or the need to move as a result of a change in employment.
8. There is no list of exceptional circumstances.

Local Government identify the benefits of the HAP Scheme over rent supplement as:

- The rent is paid directly to the landlord by the local authority.
- The Environmental Health Officer will call to inspect the tenancy within the first 8 months to ensure it meets minimum standards.
- Tenants are able to take up full time employment and still retain the HAP payment.
- There should be more of a buy-in from landlords due to security of rent.
- The contract is between tenant and landlord.
- Disputes between tenant and landlord are resolved by the Residential Tenancies Board (RTB).
- Tenant's rent contributions are deducted at source.⁷

In addition, 'top-ups' are capped – tenants generally are not permitted to pay more than 30% of income on rent, including their differential rent paid to the Local Authority.⁸

The HAP scheme has addressed some of the shortfalls of rent supplement. It has removed the dis-incentives to taking up employment given that people in employment can retain HAP even on higher incomes. A single person household in receipt of HAP in Cork, Dublin or Galway city, for example, can earn up to

The Department of Housing, Planning and

⁵ Table of Limits available here https://www.citizensinformation.ie/en/housing/renting_a_home/housing_assistance_payment.html

⁶ S.I. No. 137/2019 - Housing (Standards For Rented Houses) Regulations 2019

⁷ Housing Assistance Payment, Department of Housing, Planning and Local Government, <https://www.housing.gov.ie/housing/social-housing/housing-assistance-payment/housing-assistance-payment>

⁸ This is anecdotal evidence collected from staff of the Local Authorities.

€35,000 a year.⁹ Their rent is then calculated on the basis of their income as it is for local authority tenants. Tenants' rent is deducted at source and the HAP payment is made directly to the landlord. In addition, HAP is financed and administered by the Department of Housing, Planning and Local Government. This ensures that HAP, as a form of housing support, is fully integrated in housing services, provision and policy. Rent supplement has been and is funded by the by the Department of Employment Affairs and Social Protection, and historically was administered via the Health Service Executive, neither of which have a remit for housing. Like all new schemes, there are elements on which improvements can be made. This is particularly true in the context of a housing market which has changed rapidly since 2014. This research sets about examining HAP in this context.

Aims and Objectives:

Threshold and SVP aim to make appropriate submissions and proposals to Government to ensure tenants are protected from unaffordable, unsustainable 'top-ups' as a result of rising rents, identify elements of HAP which are effective and identify areas for improvement.

We do this by highlighting the lived experience of people availing of HAP.

Methodology:

Detailed interviews were conducted with five SVP members. Members were identified through the National Social Justice Committee (NSJC) and the East Region Offices located in SVP National Office. Participants were interviewed between the 6th and 12th March 2019. The five SVP members interviewed are located in the Mid-West, South West, West Region and East Region of the Republic of Ireland.¹⁰

A telephone survey was undertaken by Threshold over 5 days between January and February 2019. Potential respondents were identified via the Threshold database.

Respondents could not participate in the survey if they were ineligible for HAP. The survey consisted of questions on the respondents' demographic profile, cost of rent, HAP contributions, 'top-ups' paid to the landlord, satisfaction with HAP and local authority inspections. Respondents were also asked if they would like a Threshold advisor to contact them to provide support with tenancy issues they were experiencing at the time of the survey.

Of the 116 eligible respondents, 23 were eligible for HAP but not in receipt of it. These were asked some additional questions on why they were not yet receiving HAP.¹¹

Real names are not used to protect the identity of the participants.

⁹ Table of maximum net income limits in Social Housing Assessment Regulations, 2011, as amended 2 June 2016 https://www.housing.gov.ie/sites/default/files/migrated-files/en/Publications/DevelopmentandHousing/Housing/table_with_2016_income_limits.pdf

¹⁰ See Appendix

¹¹ See Appendix



- ▶ ‘Vera lives in a two-bedroom terraced house with one child. There is no heat, damp throughout the house and no hot water in the kitchen. The kitchen consists of an alleyway out to a backyard with no place to sit. The rent is €660 per month with the tenant paying a ‘top-up’ every month. The Council did an inspection, and the landlord inserted a heater in the kitchen but then put up the rent as a result. The tenant was told by the council – “be thankful that the landlord put in the heater”.

(SVP member)

Findings

HAP ‘Top-Ups’

Local authorities are permitted to authorise a 20% discretionary uplift in a HAP payment.¹² At the end of Q4 2018, 26.6% of the total number of households supported by HAP were being provided with the discretionary uplift (excluding those households accommodated through the Homeless HAP arrangements in Dublin). In those cases, the average rate of discretionary payment used was 16.2% above rent limits provided.¹³

A discretionary uplift was paid for just 7% of all HAP tenancies in Co. Limerick¹⁴ while rents have risen more than 30% in Limerick City East since the HAP caps were set in 2016.¹⁵ Discretionary uplifts were paid in respect of 16% of HAP tenancies in Co. Louth¹⁶, where rents have increased between 20% and 30% since HAP caps were set in 2016.¹⁷ Without the 20% uplift some tenants may miss out on rental opportunities or may be forced to pay unaffordable ‘top-ups’. This is a source of stress and concern for tenants, leaving them living with great insecurity and fear. This was not the intention in Rebuilding Ireland, yet it is a reality for many renters.

The application of the 20% uplift is vital for some tenants as the following scenario highlights. The rent for a three bed house for a family with two children is €1,550 a month. The HAP cap for the area, Fingal County Council, is €1,275 a month. This means a ‘top-up’ of €275 a month will be required. If paid, the 20% uplift by HAP

will amount to €255, leaving the family with only €20 to pay to the landlord. The sum of €255 is a considerable amount of money for this family; it roughly equals two weeks’ worth of groceries or the bulk of an electricity or heating bill.¹⁸

A ‘top-up’ by the tenant is permitted if, in the local authority’s assessment, the household can afford it and the total expenditure on rent does not exceed 30% of the tenant’s net income. Almost half of those surveyed by Threshold were paying a ‘top-up’ to their landlord. Unsanctioned and unaffordable ‘top-ups’ are increasing features of HAP similar to previous experiences with rent supplement.

This is not surprising as HAP tenants are reliant on the PRS, a sector in which there has been an unprecedented increase in demand for housing and significant rent increases by landlords in recent years. The figures contained in the Quarter 4 2018 Daft.ie Rental Report show that rents rose for the 26th consecutive quarter. Nationally, rents are 31% higher than their 2008 peak. The findings from Simon Communities snapshot survey, ‘Locked Out of the Market XII’ in March 2019¹⁹, highlight the difficulty HAP tenants are facing accessing private rented accommodation. It found that 92% (517 properties) of all properties available to rent were above rent supplement /HAP limits. The shortfalls of the HAP payments are illustrated in Charts 1 and 2.²⁰

¹² “Housing Assistance Payment Expenditure” Debate, 21st November 2017, Houses of the Oireachtas, <https://www.oireachtas.ie/ga/debates/question/2017-11-21/628/>

¹³ “Housing Assistance Payment”, Written Answers, <https://www.kildarestreet.com/wrans/?id=2019-04-02a.1672&s=eoghan+murphy#g1674.r14>

¹⁴ “ibid”

¹⁵ Compiled from RTB Rent Index figures

¹⁶ Housing Assistance Payment Data, Written Answers, <https://www.kildarestreet.com/wrans/?id=2019-04-02a.1672&s=eoghan+murphy#g1674.r17>

¹⁷ Compiled from RTB Rent Index figures

¹⁸ “Minimum Essential Standards of Living Update Report 2018”, Vincenzian Partnership for Social Justice, <https://www.budgeting.ie/publications/mesl-2018/>

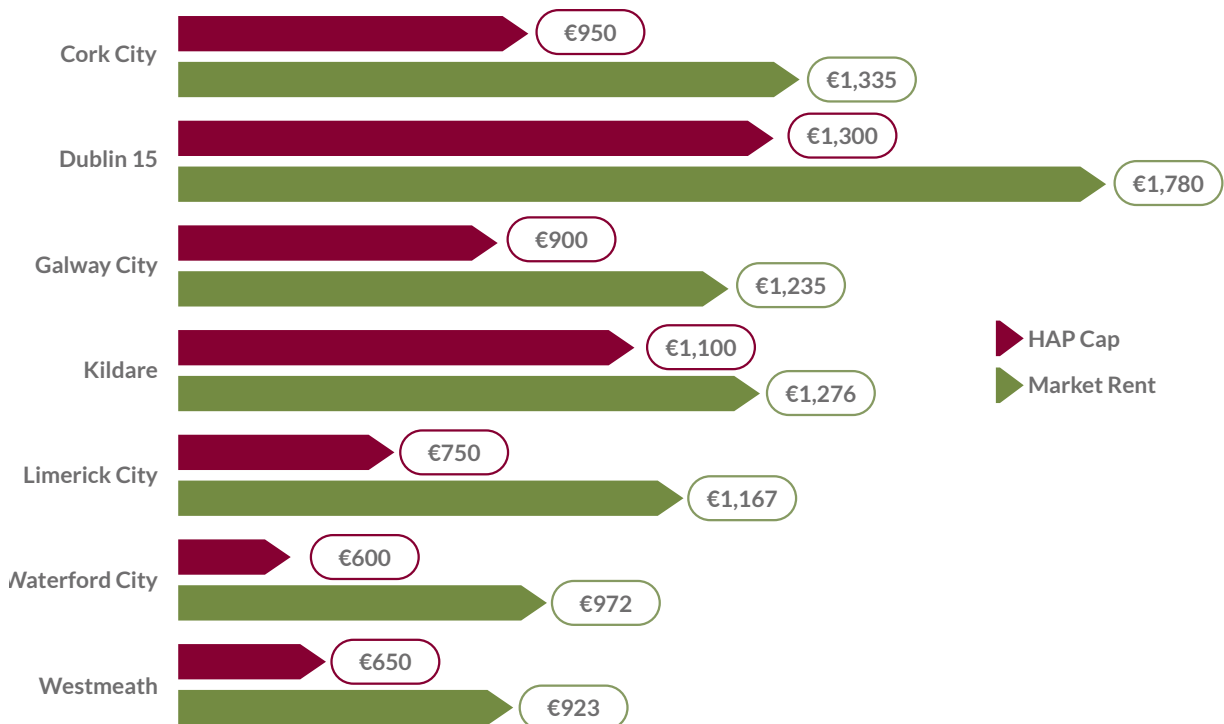
¹⁹ “Locked out of the Market XIII”, Simon Community, <https://www.simon.ie/Publications/Research/TabId/278/ArtMID/1573/ArticleID/219/Locked-Out-of-the-Market-XIII.aspx>

²⁰ Based on RTB Rent Index Q4 average rent figures

Chart 1: Average Rent for One Bed vs HAP Cap for Single Person



Chart 2: Average Rent for a 3 bed vs HAP Cap for Family with 3 children



The national average rent rose 18% between Q2 2016, when the caps were set, and Q4 2018.²¹ As a result, those eligible for housing income supports are increasingly priced out of the market. Households ‘top-up’ their rent beyond 30% of income threshold, meaning that already limited financial resources for food, clothing and utilities are reduced to unsustainable levels. This causes untold stress and worry for households. This shortfall in HAP payments can impoverish some households, meaning they are forced to seek assistance from charitable organisations, such as SVP.

Worryingly, 48% of respondents in receipt of HAP who were surveyed by Threshold, pay a ‘top-up’ directly to the landlord. These amounts range from €20 to €575 a month. The average ‘top-up’ payable was €177. This is in addition to the differential rent²² paid directly to the local

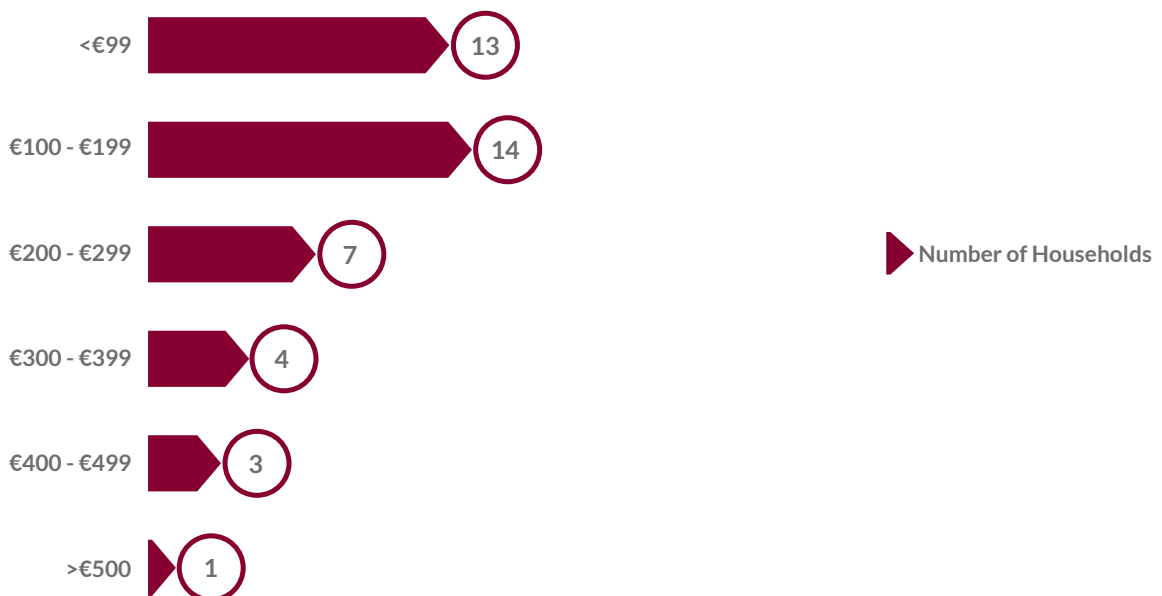
► **‘In Marie’s previous HAP property, she received the discretionary 20% uplift. Unfortunately, the house was repossessed by the banks and Marie had to move out. She went on to find a new HAP property, but the rent was above the HAP limit. HAP refused to pay the 20% discretionary uplift on this property. Marie felt unfairly treated and is struggling to pay bills’.**

(Threshold client)

authority which averages €223 a month. Working households, whether part-time or full-time, as well as those in receipt of social welfare were paying ‘top-ups’ across the range. (See Chart 3).

Of those who were happy to disclose the amounts they pay, 20% were paying more than 30% of their net income on rent. There were 10% paying more than 40% of their net income

Chart 3: Amounts of Top-Ups paid to landlords



²¹ Based on analysis of Q4 2018 RTB Rent Index

²² Differential rent - This means that the amount of rent paid to the local authority is a percentage of the total household income. This is calculated differently in each local authority area.



▶ 'Jimmy, a middle aged man living alone, stated that HAP is a lifesaver; without it he believes he would have been homeless'.

(Threshold client)

on rent. 45% of those paying a ‘top-up’ stated they struggle to pay other bills as a result of the ‘top-up’. The majority of respondents struggled to pay utility bills (electricity and heat), buy groceries and cover childcare and school costs. Almost 80% of tenants cited utility bills as a major concern. (See Chart 4).

Many referred to difficulty in being able to afford the simple “day to day expenses” and that some weeks or months are easier than others.

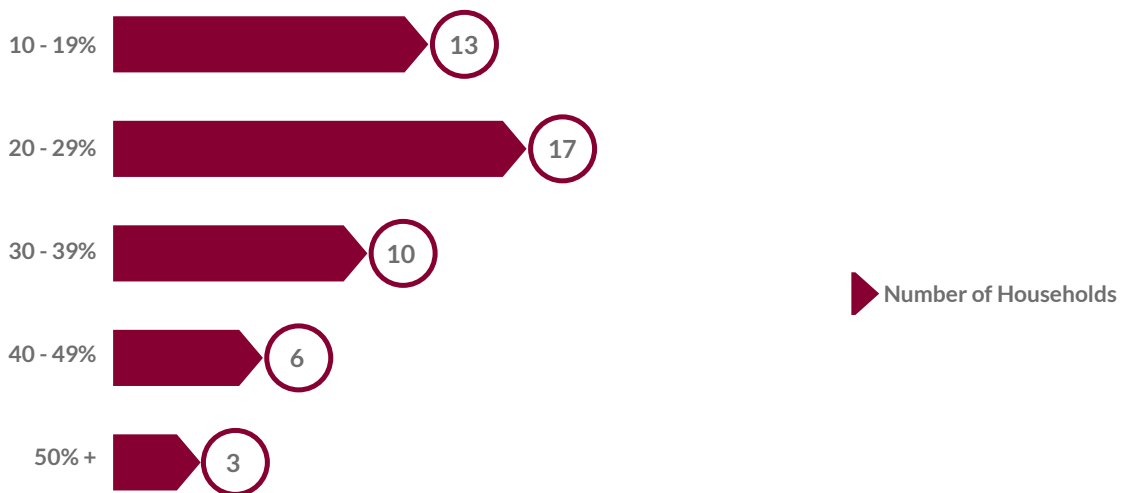
These case studies indicate the considerable level of insecurity experienced by some tenants in receipt of HAP and the precariousness of their housing situation.

The payment of such ‘top-ups’ puts HAP tenants at a disadvantage compared to their counterparts in traditional social housing tenancies.

► ‘Jimmy, Eileen and their three children are renting their home in Galway. Their primary source of income is from full time work. The HAP limit²⁵ for a family of their size is €900 in Galway. The rent on their home is €1,400, which is at the affordable end of the market in Galway city.²⁴ They pay €387 rent to the local authority and €320 directly to the Landlord. This is despite the local authority paying a discretionary 20% uplift in rent to the landlord. This discretionary uplift is vital for the family to afford the daily essentials. Without it they would pay €500 to the landlord. €500 a month is a considerable amount of money to any household and particularly one in which there are school going children’.

(Threshold client)

Chart 4: Percentages of Income Paid in Rent

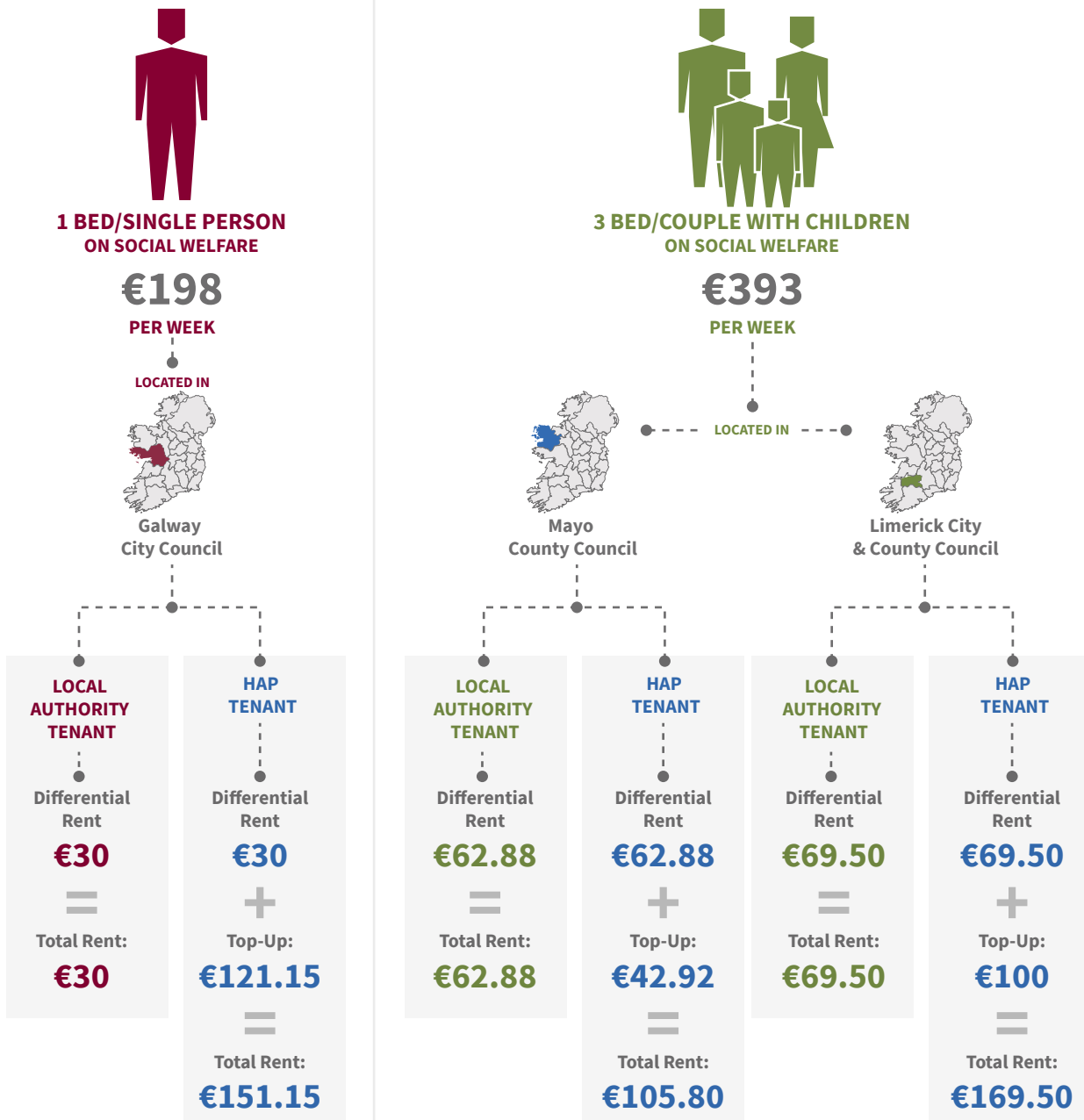


²³ The current limits are stated in the Housing Assistance Payment (Amendment) Regulations 2017 <http://www.irishstatutebook.ie/eli/2017/si/56/made/en/print>

²⁴ Based on advertised market rents on daft.ie in February 2019

Comparison between Local Authority and HAP Tenants Rent Payments

The graphic below shows the total rent, including a 'top-up', payable by HAP tenants in respect of average rents²⁵ in comparison with their counterparts in traditional social housing.



²⁵ Based on average rents listed in the Daft Rental Report Q4 2018

Insecurity of Tenure

HAP's purpose of meeting social housing needs is undermined by the exemption provided in the Residential Tenancies (Amendment) Act 2015, allowing landlords to terminate leases by declaring that the property is to be sold, or is needed for a family member, or for no reason on grounds of 34(b).²⁶

In contrast to the PRS, tenants of local authorities have greater security in their home as the local authorities do not evict for such reasons. Social housing tenancies are generally for a lifetime in nature and this can only be disrupted on foot of a severe breach of tenancy obligations.

Overall, HAP tenants are at a disadvantage to their counterparts in traditional social housing, both financially and in respect of security of tenure, despite their social housing need deemed to be met.

Improving Standards in the Private Rented Sector (PRS)

One of the claimed advantages of HAP is that it should improve standards in the PRS for low income tenants as HAP will not be paid for properties that do not meet minimum standards. Inspections are to be carried out by the local authority in the first eight months of a tenancy. Threshold advisors and SVP members have heard from tenants, that these inspections often don't happen until much further into the tenancy, and when the landlord is directed to make repairs by the local authority, the work is often not undertaken and the local authority do not follow up. This experience was reflected by the survey respondents.

► “Sharon’s landlord increased the rent beyond the HAP cap. Sharon was worried that if she contacted HAP to seek support with the rent increase that the HAP payment would stop and she would lose her home. This is despite the fact that she has had an overall positive experience engaging with the staff of the HAP office, describing them as “lovely and kind”. Instead Sharon is paying a ‘top-up’ to her landlord’.

(Threshold client)

SVP members visiting families in their homes have reported that some people are living in very poor standards of accommodation, in spite of the aim of using HAP to improve standards in the PRS. The Department of Housing has confirmed to the Public Accounts Committee (PAC) that it is currently unable to provide a complete national breakdown of which HAP properties are undergoing state inspections to ensure they are meeting minimum living standards. Local Authorities are using different recording systems and there is no single database for recording.²⁷ In 2017, only 16,261 private rented properties (approximately 4.5% of all private rented properties registered with the Residential Tenancies Board) were inspected. Of this, 12,833 (79%) failed to meet these regulatory requirements. However, notice to landlords were issued in respect of only 4.5% of those and only five cases of legal action were taken. No action was taken in regard to the remaining 12,321 dwellings, leaving the tenants living in substandard and possibly unsafe accommodation.²⁸

²⁶ “Bill aims to improve situation for tenants – Murphy” RTE News, <https://www.rte.ie/news/ireland/2019/0508/1048117-tenancies-bill/>

²⁷ “One landlord has 241 properties linked to rent benefit scheme”, Irish Examiner, 1st February 2019, <https://www.irishexaminer.com/breakingnews/ireland/one-landlord-has-241-properties-linked-to-rent-benefit-scheme-901589.html>

²⁸ National Oversight and Audit Commission “Local Authority Performance Indicator Report 2017



- ▶ ‘Mary is a Lone Parent in receipt of social welfare, which is her only source of income. She has two teenage children, one of whom has special needs. She is paying €50 per week out of her limited income and that is on top of her differential rent contribution for an old terraced house that has no heating as the gas boiler does not work and the landlord has refused to fix it’.

(SVP member)

► ‘Stephen, a young man living alone, feels that the local authority could have put more pressure on the landlord to fix issues after an inspection. He contacted the local authority as his home had no heating. The inspection was carried out and the landlord was given three months to make the necessary repairs. The repairs have not been carried out and Stephen lived without heating throughout the winter’.

(Threshold client)

Only 40% of tenants surveyed by Threshold have had their home inspected by the local authority. Of these tenants, 23% stated that the landlord had not yet fixed the issues arising from the inspections. In two instances these inspections occurred over a year prior to the Threshold survey, yet there still had been no follow up by the local authority. In addition, 17% stated they have requested inspections from the local authority due to issues in the home. These inspections had not yet been carried out despite the numerous requests over the course of many months. One tenant described mould in the house which was causing issues for the children.

Using data from the Household Budget Survey, the Strategy to Combat Energy Poverty estimates that 28% of households are in energy poverty.²⁹ Energy or fuel poverty is the result of three primary contributory factors - low income, energy costs, and energy inefficient housing. Research carried out by the Vincentian Partnership for Social Justice (VPSJ) found that the cost of the minimum energy needs in an efficient dwelling can be half that of an

inefficient dwelling.³⁰ In addition, it is estimated that around 55% of private rented dwellings have BERs of between D and G.³¹

A research paper in the Journal of Epidemiology & Community Health³² found that those in receipt of housing benefit (UK equivalent of the Irish HAP or rent supplement) had higher instances of CRP (C-reactive protein, the biomarker associated with infection and stress), than those not in receipt of benefits. There was also a link between accommodation standard and CRP, with those having trouble heating their home showing high levels of the biomarker. When all other variables were controlled, tenants in private rented accommodation experienced the highest levels of CRP.

► ‘Tricia is looking for a place to rent but when she mentions HAP, she never hears from landlords or agents again’.

(Threshold client)

Refusal of Landlords to Accept HAP

The refusal of a landlord or agent to accept HAP breaches equality legislation. The Equal Status Acts ‘prohibit discrimination in the provision of accommodation services against people who are in receipt of rent supplement, housing assistance, or social welfare payments’.³³ Tenants or prospective tenants can lodge a complaint with the Workplace Relations Commission (WRC) to challenge this discrimination. Between 2017 and 2018 the WRC received 172 complaints from tenants on foot of a landlord’s refusal to accept HAP. Of the

²⁹ ‘A Strategy to Combat Energy Poverty’, Department of Communications and Natural Resources, <https://www.dccae.gov.ie/en-ie/energy/publications/Documents/5/A%20Strategy%20to%20Combat%20Energy%20Poverty%20-%20Web%20Version.pdf>

³⁰ ‘Minimum Household Energy Need’, Vincentian Partnership for Social Justice, <https://www.svp.ie/getattachment/716d46e2-e390-4fce-8e4e-cc3fb2297f62/minimum-household-energy-need-vpsj-research-report.aspx>

³¹ ‘A Strategy to Combat Energy Poverty’, Department of Communications and Natural Resources, <https://www.dccae.gov.ie/en-ie/energy/publications/Documents/5/A%20Strategy%20to%20Combat%20Energy%20Poverty%20-%20Web%20Version.pdf>

³² Clair, A. & Hughes, A., ‘Housing and health: new evidence using biomarker data’, J Epidemiol Community Health 2019;73:256-262 <https://jech.bmj.com/content/73/3/256>

³³ Equal Status Act, 2000, <http://www.irishstatutebook.ie/eli/2000/act/8/section/6/enacted/en/html#sec6>



▶ 'James, his partner and 4 children are living in emergency accommodation. He said it is very difficult to find a property and that he never hears anything back [from a landlord] once HAP is mentioned'.

(Threshold client)

cases that the WRC decided upon, 65% ruled in favour of the complainant.³⁴ Threshold, in their 2017 Annual Report, reported an increase in the numbers of landlords refusing to accept HAP tenants.³⁵

When clients were asked what elements of HAP they were dissatisfied with, two of the main issues reported were the landlord refusing to accept HAP or a delay by the landlord or agent in returning or signing the paperwork.

The HAP system requires people to locate and negotiate a tenancy with a prospective landlord. There are groups within Irish society who face discrimination, making it more difficult for them to carry out this negotiation to access private rented accommodation. Migrants, lone parents, young people, members of the Travelling community and people with complex issues, such as families with children with disabilities, and families and individuals who are currently homeless, experience discrimination from landlords and can find it more difficult to secure accommodation in the PRS supported by HAP.³⁶

► **‘Finding a place with HAP is causing Melissa a lot of stress as she cannot afford the rent without it, but no landlord will accept it. This is always on her mind and she feels like it is affecting her health. Melissa would like some more help from the HAP office to find somewhere to live’.**

(Threshold client)

► **‘Rosa and Tomas are paying over 50% of their income in rent, and it is barely covering the rent. They have very little money for day to day expenses. After a year the landlord finally agreed to accept HAP. The family now feel they can breathe’.**

(Threshold client)

A landlord’s refusal to accept HAP has a tangible, debilitating impact on a household’s quality of life and finances and can even result in homelessness. One family of three children is struggling to pay rent of €1,500 a month since January 2018. The landlord has not made an outright refusal to accept HAP but has not provided them with the necessary documentation to allow them to apply. This is a scenario seen by Threshold advisors and SVP members, where the landlord does not state their refusal to accept HAP but rather does not return the appropriate paperwork to the tenant. In such instances, the tenant may fall into arrears and is then issued a NOT for same. Threshold can support tenants in such situations to get the paperwork returned and the rent payment made. It may require lodging a complaint with the WRC for discrimination.

HAP in Practice

When asked to expand on their general experience of HAP, many tenants commented that the payment in arrears is problematic. Some advised that they struggled to pay the first month’s rent and deposit upfront. Some individual tenants described situations in which the payment to the landlord was stopped due to miscommunication or a delay in banking processes. This resulted in a NOT from the landlord, extreme stress for the tenants and difficulty in rectifying the problem.

³⁴ Information provided by WRC on request

³⁵ Threshold Annual Report 2017, <https://www.threshold.ie/publications/threshold-annual-report-2017/>

³⁶ Hearne, R. & Murphy, M., “Investing in the Right to a Home: Housing, Haps and Hubs”, https://www.maynoothuniversity.ie/sites/default/files/assets/document/Investing%20in%20the%20Right%20to%20a%20Home%20Full_1.pdf



▶ ‘Abi, a working full time mother of one, would prefer if HAP was not paid in arrears. Even though the landlord knew the money would be paid this way he still wanted to be paid in advance. This has caused a lot of stress for Abi. She does not feel secure in her home as the landlord threatened to evict her because he deems the rent to be behind’.

(Threshold client)

One respondent advised that the process to be approved was too long. In their case they were not yet on the housing list when they found themselves requiring the support of HAP. They first had to apply and be approved for social housing which took 12 weeks.³⁷ This family of three children are currently staying with extended family while waiting for their application to be processed. They will not appear in homeless figures; they are among the “hidden homeless”. Once processed they can then set about sourcing a HAP property and this could take some time. When they do secure a property, it could take anywhere between 4 to 12 weeks for the HAP application to be processed and the rent paid. The process to secure HAP is lengthy and puts households at increased risk of homelessness and poverty.

A small proportion expressed difficulty in contacting the local HAP or Shared Services office. Those who were dissatisfied with the HAP office expanded on the issues to describe scenarios of inconsistent decision making, miscommunication and interrupted payments as a result.

HAP Arrears

Since 2014, when the scheme began, 665 HAP tenants have had their HAP payments stopped as a result of arrears in their differential rent payment.³⁸ Anecdotal evidence indicates that tenants are required to pay back the amount in full within 8 weeks, as opposed to entering into a repayment plan in a time frame that reflects the tenant’s circumstances. Failure to pay back the amount in full can result in suspension of the HAP payment to their landlord.³⁹ In some cases the council have subsequently removed the tenant from the housing list ending all

► ‘Marian was given a notice of termination by her landlord when she fell into arrears. She tried to pay the outstanding arrears in instalments but she was not allowed. Every agency she went to for help, to prevent her becoming homeless refused her assistance. She pleaded with her local authority, her landlord, the community welfare office but to no avail. If it were not for our intervention, she would be homeless now. There needs to be some common sense and compassion to prevent people becoming homeless who are on low-incomes and in very precarious living arrangements’.

(SVP member)

entitlement to housing supports.⁴⁰ This is an excessively punitive approach to addressing arrears for households, who for the most part are on limited incomes. Such action can result in homelessness as a landlord can, and has the right to, issue notice for rent arrears. With the HAP payment stopped, the rent arrears will grow substantially and rapidly to a level the tenant cannot afford. The tenant will likely face homelessness and an almost impossible challenge to find a new home as they will have neither the financial resources or a reference to secure one in the PRS.

This treatment of HAP arrears [differential rent payment to LA] is in stark contrast to the treatment of arrears among tenants in traditional local authority housing, whom are given much longer to pay off the arrears and are not required to pay them in full within a short time frame. Tenants on a HAP payment may also face the real possibility they are in arrears on the ‘top-up’ payment they pay directly to the landlord.

³⁷ This is the maximum amount of time the council is permitted to carry out a housing needs assessment.

³⁸ “Rent Supplement Scheme Payments”, Dail Debate 28th March 2019, Houses of the Oireachtas, <https://www.oireachtas.ie/en/debates/question/2019-03-28/section/252/>

³⁹ In communication with Threshold advisors

⁴⁰ *ibid*



▶ 'Joanne found it difficult to pay day to day bills such as groceries, child expenses and electricity. She said she is very grateful to be on HAP as it was really difficult to pay the full rent'.

(SVP member)

Areas Working Well

The majority (75%) of tenants in receipt of HAP were satisfied with HAP according to respondents in Threshold survey. Some respondents stated that, without HAP, they did not know how they would pay rent and afford other expenses. Some went as far as to say they believe they would have been homeless if they had not been able to rent a property with HAP. Others were previously homeless and were able to secure a home using HAP.

The level of relief by the participants at being able to afford the rent came across strongly in the Threshold survey. There was a real sense that these tenants in receipt of HAP felt they were able to breathe again. This points to the unaffordability and precariousness of the PRS as a form of social housing support and the inability of HAP to reflect the dynamics of the sector.

Other elements that clients like is that the rent payment comes directly out of their money each week and they can look for work without the worry of being unable to afford the rent. One fifth of those in receipt of HAP commented that they found the staff in the local and Shared Services HAP offices helpful and that the application process was smooth.

- ▶ ‘Miriam was having trouble paying the rent ‘top-up’. The rent was above what HAP was paying but when she contacted HAP, they agreed to pay the discretionary 20% which has been an enormous help’

(SVP member)

- ▶ ‘There was a problem with Alex’s direct debit, which he was trying to rectify and the HAP office was aware of this. Despite this HAP sent out letters each time the payment was late. Then the landlord got a letter from the HAP office saying the rent payments had been suspended. The landlord saw this as breach of contract and wanted to terminate the tenancy. Fortunately, Alex was able to resolve the issue. However, he feels that it could have been handled better by the HAP office as he was at serious risk of losing his home’

(Threshold client)

High and Increasing State Expenditure on HAP

Some commentators have questioned whether HAP as a form of long term social investment provides ‘value for money’. According to Reynolds (2017)⁴¹ the financing of a direct build social housing unit in Dublin through state borrowing would cost approximately €800 per month. In contrast, the monthly repayment for a HAP unit in Dublin is €1,244. This means financing a HAP unit in Dublin is €5,328 more expensive to the state per annum than a new build unit. Furthermore, if private market rents increase, as they have done in recent years, then the cost of HAP necessarily has to increase over time.

⁴¹ Reynolds, M. (2017) Cited in An absence of rights: Homeless families and social housing marketisation in Ireland, Hearne, R., Murphy M., Administration, vol 66, no.2 (2018), pp.9-31 doi: 10.2478/admin 2018-0016 DeGruyter Open



Conclusion

HAP is providing an important short-term housing support and preventing further people experiencing homelessness. However, it contains a number of design flaws which need to be reformed if this support is to meet the needs of low income households in the PRS. Currently, HAP limits are insufficient to access private rented accommodation for many on low incomes. It fails to provide security of tenure and cannot meet the needs of people who want

to live with a sense of security regarding their long-term accommodation need. It also fails to recognise the difficulties and discrimination facing some vulnerable households trying to access housing in the PRS, who must compete with other prospective tenants who may be seen as more desirable by landlords. The following set of recommendations aim to make HAP a workable housing solution until such a time as there is sufficient social housing provision.

Recommendations

Policy

1. A broader choice of housing options is required. 'Real' affordable rental, 'real' affordable⁴² purchase and an increase in local authority/Approved Housing Body building and acquisition are vital ingredients to address the issue of housing supply and render the PRS more affordable.
2. A complete review of HAP and its interaction with the PRS is required to determine the next steps for HAP, given the changing landscape of housing and renting in Ireland.
3. A protocol similar to the Interim Tenancy Sustainment Protocol (ITSP), operated by Threshold, is required for HAP to prevent homelessness and a churn effect in the PRS.
4. A strategy to introduce minimum energy efficiency standards in the private rented sector which will ensure that all accommodation will meet an energy rating of at least C or higher by 2030 is required. Tenants must be protected in this process from any adverse consequences.
5. Adequate resourcing must be ringfenced to ensure all local authorities can conduct inspections and pursue breaches of minimum standards to improve the standards of the country's rental stock.
6. If a tenant, who is engaging with the local authority falls into rent arrears, a realistic repayment plan should be worked out to clear the arrears over time with the local authority. The local authority should pay the arrears to the landlord to prevent the household entering homelessness.
7. The roll out of an information and awareness raising campaign to educate landlords on HAP and the equality legislation is recommended. An investigation into landlord and agent refusal to accept HAP should also be included in a review of HAP.

⁴² 'Real' affordable means prices and rents that are reflective of ability to pay as opposed to being indexed to market prices and market rent

Practice

1. The Threshold survey shows that some Local Authorities are not awarding the 20% uplift despite recipients receiving it in previous tenancies. All local authorities should provide the 20% uplift where a household requires it to improve affordability and as a homeless prevention measure. The Department should review this aspect of HAP as part of a full review of the payment support.
2. The length of time to process applications, the payment of rent from the date the application is processed as opposed the date the tenancy commenced, the payment of rent in arrears, and the non-payment of a deposit all need to be addressed to reflect the realities of the private rental market.

Appendix



Society of St Vincent de Paul

SVP Member Interviews

1. Which County is your Conference located in?
2. In the past six months, has your Conference dealt with requests for help either from households preparing to enter a Housing Assistance Payment (HAP) tenancy, or already in a HAP tenancy?
3. How many households either preparing to enter a HAP tenancy, or already in a HAP tenancy, have your Conference provided assistance to?
4. How many of these households had difficulty finding a landlord who would accept HAP?
5. How many households had difficulty finding property within the HAP limit?
6. Of the households currently in a HAP tenancy, how many are paying a 'top-up' above the HAP limit?
7. How many households that your Conference assisted applied to go on the social housing transfer list when applying for HAP?
8. Based on your experience of supporting households on HAP, what aspects of HAP have worked well?
9. Based on your experience of supporting households on HAP, what aspects of HAP have not worked well?
10. Provide an anonymous case study of a household on HAP that your Conference has assisted. (Family type, household income, previous accommodation situation, paying a 'top-up', rent payment?).



Threshold Survey Questions

1. Threshold is currently doing a survey of tenants, to find out more about their experience of the Housing Assistance Payment.
2. Are you willing to participate?
3. Are you in receipt of or eligible for HAP?
4. Where do you live?
5. What age are you?
6. What is your primary source of income?
7. Do you have dependents living with you?
8. Nature of Accommodation
9. Why are you not receiving HAP?
10. How much is the rent (monthly)?
11. How much do you pay the Council/HAP/LA (monthly)?
12. Do you pay any rent direct to the landlord?
13. How much do you have to pay to the landlord each month?
14. Do you feel you can manage other bills, pay for groceries, clothes and pay this rent top-up?
15. What items do you find it difficult to pay for?
16. Approximately what percentage of your take-home pay (after tax) do you spend on rent each month?
17. Has your rent been increased in the last 12 months?
18. By what percentage was it increased?
19. Did you contact HAP about the increase?
20. If yes, what was the response from LA/HAP office?
21. Has your property ever been inspected by your local authority to ensure it meets Minimum Standards?
22. Do you know that a landlord cannot discriminate against a person in receipt of HAP?
23. Are you satisfied with HAP?
24. What do you like about HAP?
25. Why are you not satisfied with HAP?
26. Would you like an adviser to contact you to support you with any issues that you may be currently having in your tenancy?

That is the end of the survey. Thank you for participating.



☎ National Free phone Helpline:

1800 454 454
9am to 9pm

✉ advice@threshold.ie

f ThresholdIRE

🐦 ThresholdIRE

www.threshold.ie

📍 Dublin Advice Centre (Head Office)

21 Stoneybatter, Dublin 7

📍 Cork Advice Centre

22 South Mall, Cork

📍 Galway Advice Centre

Prospect Hill, Galway



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