

**SUBMISSION ON THE LIMITATIONS OF RENT SUPPLEMENT & THE PRIVATE
RENTED SECTOR (PRS)**



The Housing Policy Statement, June 2011, states that a “*balanced housing sector requires a strong, vibrant and well regulated private rented sector*”. The benefit of the PRS is that there is a ready supply of single person accommodation and tenancies can be created quickly. This is an issue with Local Authority accommodation where there is a severe shortage of single person accommodation and, as a result, single persons, even those with homeless priority, may be on the waiting list for social housing for a considerable period of time.

There are, however, a number of problems and limitations with the PRS and rent supplement. The transfer of rent supplement to Local Authorities presents a reform opportunity to remedy the following defects:

1. Persons residing in the PRS experience disruption as a result of the insecure nature of the accommodation. While Part IV of the Residential Tenancies Act 2004 greatly improved the rights of tenants, PRS is generally less secure compared to Local Authority accommodation;
2. The quality of PRS is poor. According to Threshold, up to 78% of private rented property is sub-standard. The Private Residential Tenancies Board (“PRTB”) does not interface effectively with Local Authorities in enforcing standards and inspections by many Local Authorities are slow. There needs to be certification of rented property, enforcement of standards based on the local authority inspection plan and regulation of letting agents;
3. We support Threshold’s position that bedsits should be phased out in favour of one bedroom property as bedsits are small, cramped and unsuited to maintaining family relationships;
4. The current rent caps on rent supplement do not support good quality accommodation. Quite often, tenants are placed in the difficult position of paying over and above the permitted rate of rent in order to get a home which is suitable for their needs. The Differential Rent Scheme which applies to RAS and Local Authority accommodation should be extended to the PRS, particularly in light of the fact that the PRS has been defined as “*social housing support*” in the Housing (Miscellaneous Provisions) Act 2009. This would mean that PRS tenants could work and get help with their housing costs;
5. There are delays in having a case heard by the PRTB. Whilst Threshold, a voluntary organisation, have a remit to provide advice; advocacy support; and representation, there is no state service providing advocacy for vulnerable users;
6. The PRTB annual reports regularly show that the majority of complaints submitted to the PRTB relate to deposit retention by a landlord. For example, according to the PRTB Annual Report, 2009, 68% of the complaints received by the PRTB in 2009, were lodged by tenants and 74% of those related to deposit retention. Deposit retention by landlords leads to homelessness and supports poor quality accommodation. There needs to be a deposit protection scheme as per the Programme for Government 2011;

7. Many Landlords refuse rent supplement. The rent supplement process requires that an applicant arrange for the Landlord to fill out the application form and move into the property before the rent supplement application is approved and the first month's rent and deposit is paid. This means that it can be extremely difficult for people to access property which accepts rent supplement and this can have a knock on effect of contributing to homelessness. It can also lead to Landlords demanding money up front which leads to people borrowing from moneylenders etc. We support Threshold's proposal for a direct payment to involve more Landlords and protect tenants;
8. The Social Welfare (Consolidated Supplement Welfare Allowance) Regulations 2007 (SI 412/2007) provide that to be eligible for a supplement, an applicant must be on a Local Authority Housing List or be in emergency accommodation for 183 days out of the previous 12 months or be in rented accommodation for 183 days out of the previous 12 months where the applicant could pay the rent at the start of the tenancy but has since experienced a substantial change in circumstances. Often in emergency situations where e.g. a person is required to leave the family home, they cannot satisfy the private rented or emergency accommodation requirement. They must therefore be on a Local Authority Housing List before being eligible for rent supplement. Not only are there delays of up to six months in having a housing needs assessment carried out, Local Authorities are now imposing additional hurdles to accessing the housing list. In doing so, they are seeking to rely on the Housing Act (Miscellaneous Provisions) 2009 and the Social Housing Regulations 2011 (SI 84/2011). These include the requirement that Romanians/Bulgarians have 52 weeks continuous employment and Non EEA Nationals have a Stamp 4 Residence Permit for 5 years before being eligible for social housing. Further, homeless persons, who have separated from their spouse/partner and retain a share in the family home, which they cannot access, are not deemed as eligible for social housing support. This often results in these categories of persons accessing emergency services to enable them to qualify for rent supplement. This is highly inappropriate not least because of the current shortage in emergency accommodation;
9. When a notice to terminate is served on a tenant by a landlord, a tenant has the right to have the validity of the notice reviewed by the PRTB. As rent allowance is only payable where there is a valid tenancy or lease, it is the practice of some Community Welfare Officers to stop paying rent allowance to a tenant served with a notice to terminate, regardless of whether a complaint is lodged with the PRTB. When the allowance is stopped, the tenant falls into unnecessary rent arrears despite the fact that the tenancy may be valid. While some Community Welfare Officers will pay the rent arrears if the tenant successfully shows that the notice to terminate was invalid or served incorrectly, the impact of rent arrears can either weaken an otherwise strong case. Further, where a determination order is made, the arrears of rent may be offset against an award made to the tenant. In such a case, the Community Welfare Officer may not always discharge monies on the basis that the rent has been paid directly to the landlord.