

Peter McVerry Trust  
Pre-Budget Submission

August 2017



[www.pmvtrust.ie](http://www.pmvtrust.ie)



**Peter  
McVerry  
Trust**

Opening doors for  
homeless people

## MESSAGE FROM THE CEO

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**T**his year the Government will announce details of Budget 2018 on Tuesday 10th, October or World Homelessness Day. A day used by organisations like Peter McVerry Trust to highlight the needs of people impacted by homelessness in our society.

Unfortunately, in recent years there has been an almost relentless increase in the number of people in emergency homeless accommodation.

An analysis of homeless trends by Peter McVerry Trust suggest that over 8,300 people will find themselves living in homeless services on the day that Budget 2018 is delivered by the Minister for Finance and Public Expenditure, Paschal Donohoe TD. It now seems that the increase in homelessness in 2017 will exceed the years 2015

and 2016, two of the worst years for homelessness on record. This points to the enormity of the challenge and equally the urgency and scale of the response that is needed to address the issues of homelessness and housing.

Homelessness in Ireland has also changed dramatically in recent years. It is now marked by the huge number of children and young people in emergency accommodation. Almost 50% of those in homeless services in Ireland today are aged 24 or younger and most of them are children. However, the single greatest priority for this group and everyone in homelessness remains the need for affordable and secure housing.

Peter McVerry Trust's submission to Budget 2018 complements recent submissions to the review of Rebuilding Ireland and the development of a National Empty Homes Strategy. Our aim is to secure the most effective and sustainable housing led response to homelessness. To secure that housing as quickly and affordably as possible and to ensure that the housing to be delivered reflects the need that exists rather than be dictated by market forces.

Peter McVerry Trust hopes that as Minister Paschal Donohoe and his colleagues in Government finalise the details of Budget 2018 that they ensure it reflects those on the margins of Irish society. Budget 2018 must offer additional resources to deliver an unrelenting approach in the battle to end the housing and homeless crisis.

A handwritten signature in black ink, appearing to read 'Pat Doyle'.

Pat Doyle  
CEO

## ABOUT PETER MCVERRY TRUST

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The charity was established in 1983 by Fr Peter McVerry to respond to the growing issue of youth homelessness in Dublin. Since then, it has supported thousands of vulnerable young people on the margins of Irish society. Today, Peter McVerry Trust works to tackle homelessness, drug misuse and social disadvantage. Our vision is of an Ireland that supports all those on the margins and upholds their rights to full inclusion in society. The organisation provides a wide range of services to meet the growing needs of many young people experiencing homelessness. These services range from meeting the basic needs of people by providing food and shelter, to helping people realise their right to a home.

### OUR VISION






An Ireland that supports all those on the margins and upholds their rights to full inclusion in society.

### OUR MISSION

Peter McVerry Trust is committed to reducing homelessness, the harm caused by substance misuse and social disadvantage. Peter McVerry Trust provides low-threshold entry services, primarily to younger people and vulnerable adults with complex needs, and offers pathways out of homelessness based on the principles of the Housing First model.

### OUR SERVICES

Peter McVerry Trust's services provide support for individuals from the age of 12 upwards. However, the majority of those who access our services are young, homeless males aged from 18 to 35. Our services include:

-  Prevention Services
-  Housing First Services
-  Housing Services
-  Homeless Services
-  Drug Treatment Services
-  Under 18s Residential Services

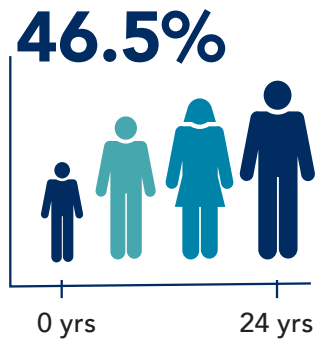
**Peter McVerry Trust**  
Areas of Service Delivery



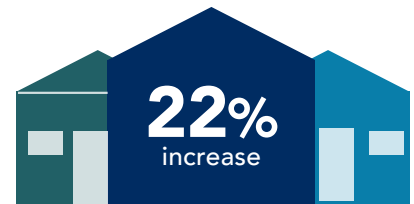
## HOMELESSNESS IN IRELAND



The number of people in homelessness as of June 2017.



The number of people in homelessness as of June 2017.



The number of people in homeless services is set to increase by 22% in 2017.

# PETER MCVERRY TRUST'S BUDGET PRIORITIES

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## HOUSING FIRST



### **ESTABLISH A NATIONAL HOUSING FIRST PROGRAMME**

At present, the sole Government funded Housing First project is limited to the Dublin region.

This project has successfully delivered over 100 housing tenancies since it was initiated for rough sleepers and long term homeless individuals in late 2014. Peter McVerry Trust believes that the Government should now roll out a Government funded Housing First programme nationally in 2018.

The Housing First model is an effective, high intensity model of responding to individuals with complex needs and whose needs are not met through engagement with the traditional staircase model of service delivery.

Peter McVerry Trust believes the Housing First model would be of significant benefit to individuals in towns and cities outside Dublin who are sleeping rough and often find themselves excluded from high threshold homeless services. Therefore, the initial expansion should focus on cities, towns or regions with a significant population of people sleeping rough and long term homeless.

## PUBLIC HOUSING



### **PRIORITISE THE DELIVERY OF AFFORDABLE AND SOCIAL HOUSING**

The need to deliver large volumes of affordable and social housing stock is the housing issue that requires immediate Government attention and increased investment.

In addition to the 100,000 households waiting on social housing units there are tens of thousands of households in need of affordable homes to buy and rent.

Recent rental sector reports show that rents are now significantly beyond Celtic Tiger era levels. The lack of affordability and security of tenure has led to the private rental market becoming the dominant cause of homelessness.

The reliance on rental market actors such as private landlords and institutional investors means that the success and sustainability of schemes like the Housing Assistance Payment (HAP) are being increasingly undermined. This makes it extremely difficult to secure exits from homelessness in the absence of enough social housing units.

As all traces of affordability in the rental market evaporate, more and more rental market households are being put at immediate risk of homelessness. The unrelenting rise in rents and lack of affordable rental supply must be addressed in tandem with new social housing delivery.

Peter McVerry Trust urges the Government to encourage and fund Local Authorities to begin immediately constructing Affordable Housing Units, and stipulate that all new social housing schemes include affordable rental units. Affordable housing will assist people excluded from social housing schemes because they earn too much, and from the private market housing because they earn too little. It will end the reliance on the private rental market and ensure that we do not damage the economy by allowing household income to be hoovered up by rampant rent levels.

## YOUTH HOMELESSNESS



### DELIVER A STRONGER RESPONSE TO TACKLE YOUTH HOMELESSNESS

As of June 2017, 46.5% of people in homelessness in Ireland were aged 24 or younger. This is an unprecedented figure, and it is one that continues to climb gradually higher.

Peter McVerry Trust is deeply concerned at the negative impact that homelessness will have on children and young people.

Peter McVerry Trust calls on the Government to fund a comprehensive system of supports in Budget 2018 to assist this vulnerable group. These measures should include free and immediate access to specialist child and teen counselling services and psychologists. The Government should also a guarantee that every child impacted by homelessness will have access to a 3rd level educational bursary. Such a scheme would ensure that these young people are given every opportunity to leave homelessness behind.

## SOCIAL PROTECTION



### RESTORATION OF WELFARE PAYMENTS FOR U26S

Since the Department of Social Protection reduced welfare rates for those under the age of 26, homelessness amongst this age group has increased by over 70%.

Peter McVerry Trust calls for an immediate restoration of welfare rates for those aged under 26 who have been seriously impacted by the recession and subsequent austerity measures imposed by the State.

The lower rates of allowances means that young people who secure housing do not have enough income to survive as they are unable to pay for food and their household bills.

## EMPTY HOMES TAX



### INTRODUCE A NEW EMPTY HOMES TAX

The measures announced to date by Government focus on providing financial incentives to the owners of vacant properties to bring them back into use.

The incentive only model is currently not working. This is clearly demonstrated by the very low numbers of property owners interested in, or availing of the Repair and Leasing Scheme.

Peter McVerry Trust has argued that a balanced mixture of incentive and punitive measures are required in order to secure the re-use of empty homes. As part of a balanced package, Peter McVerry Trust urges the Government to quickly bring forward an empty homes tax or levy based on a property's value. The tax should increase with each year of vacancy until year 5 when it would be subject to an automatic CPO process.

## CAPITAL GAINS TAX



### TEMPORARY EXEMPTION FOR EMPTY HOMES

In addition to the introduction of an empty homes tax Peter McVerry Trust proposes a one year capital gains tax exemption on the sale of empty or derelict properties.

The properties would have to be sold to a housing association or local authority; be vacant for at least one year; and be used for the purposes of affordable or social housing.

This measure should only be considered in tandem with an empty homes tax and should further encourage owners to dispose of unused properties and thus decrease pressures on the housing system.

## RENTING



### LINK HAP RATES AND THE COST OF RENTING

Peter McVerry Trust is concerned that quickly rising rents will leave many people at risk of homelessness. The fact that we have tens of thousands of people in State subsidised rental accommodation is unavoidable, but we must ensure they have security of tenure.

This means the Government must ensure that HAP payments are in line with the increased cost of renting, otherwise people will lose rental accommodation and end up in homeless services.

## RAPID BUILD HOUSING



### RAPID BUILD HOUSING FOR ALL

To date, the rapid build housing programme has sought to develop housing options only for families with children.

Unfortunately, the delivery of these units has been slow and complicated. However, rapid build or volumetric housing provision remains a crucial component of overall housing supply.

Peter McVerry Trust believes that the Rapid Build Programme should be expanded and accelerated by opening up a funding stream that both enables and encourages Approved Housing Bodies to deliver such housing units.

The expanded scheme should include mixed household types, therefore reflecting the urgent housing needs of individuals and couple households who face long waits for social housing access.



## HOUSING



### REFORM AND ENLARGE THE CAPITAL ASSISTANCE SCHEME

The current Capital Assistance Scheme is an important funding stream for the provision of social housing, particularly for special need groups such as those in homeless services.

However, the scheme, as currently constructed, is in need of reform. The main change that is required is a shift to an open-ended call for proposals for the duration of Rebuilding Ireland.

The current scheme whereby AHBs are offered a limited window to apply, through a call issued once in the latter half of the year, means that opportunities to acquire properties that arise outside of this window are missed.

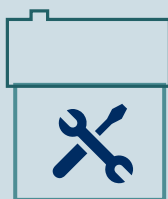
Conversely, it also means that AHBs are likely to be choosing from a very small pool of available properties that are on market during the CAS application period. This period tends to coincide with the summer months when property related activity is at its lowest.

This means that a wider variety of properties which could be more suitable and offer better value for money, have the potential to be acquired.

The funding for the Capital Assistance Scheme should also be increased. The scheme is substantially oversubscribed and new categories have been added for 2017.

Peter McVerry Trust would recommend that the Government increase the funding available from €66 million in 2017 to €100 million in 2018.

## EMPTY HOMES



### AMEND THE REPAIR AND LEASE SCHEME

The current structure of the Repair and Lease scheme should be amended.

At present the maximum drawdown amount available is €40,000 and while this should enable significant works to be carried out in many areas around the country it is proving insufficient to costs of works in Dublin and the surrounding region.

Peter McVerry Trust recommends that the value of the loan be increased to up to €60,000 in the Dublin region, where construction and repair costs are higher.

A further barrier in the scheme to date, is the level of rental income available to landlords who participate in the scheme, which is only 85% of market rent. It has been our experience that many property owners have declined participation in the scheme due to the levels of rents on offer. In order to make the scheme more attractive perhaps examine similar tax treatment to that available to landlords under the HAP scheme.





### **ACCESS TO TREATMENT**

The National Drugs Strategy makes a series of commitments around the availability of treatment, including the regional nature of services and the capacity of urban based services.

Peter McVerry Trust is calling on the Government to bring forward additional funding for the development of additional capacity among drug treatment services and services providers. Such capacity will enable a greater number of people to access treatment and also allow organisations to respond to the changing needs of people in addiction, as well as trends in drug use.



### **AFTERCARE HOUSING**

In both the Rebuilding Ireland Strategy and the New National Drugs Strategy, there are commitments on the development of improved drug free aftercare housing for people who have completed medical detox and drug treatment programmes.

There is an urgent requirement for funding to now be made available in order to realise these commitments. A failure to deliver funding for this measure will leave individuals who have undertaken enormous personal journeys to live a drug free life without suitable and secure accommodation pathways.



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