



Supplementary Welfare Allowance, Rent Supplement: Implications for the Implementation of the Rental Accommodation Scheme



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Foreword

This study of rent supplementation was commissioned by the Department of the Environment, Heritage and Local Government to inform the implementation of the new Rental Accommodation Scheme (RAS). This new scheme, currently being rolled out, will involve local authorities taking over responsibility for the meeting of long-term housing needs, including those of people in receipt of rent supplement for eighteen months.

The study was designed to provide a profile of current rent supplement claimants, based on administrative data. The depth of analysis achieved by the authors from administrative data alone is impressive, and bodes well for the further development of this form of analysis. In places, however, the authors do point to the need for further investment and exactness in the collection of this type of data, which is a point well made.

The study profiles and explains trends in take-up and duration of rent supplement claims and offers an insight into the effects of earlier reforms and more general changes in the economy and claimant profile. It also offers pointers as to the likely direction of future trends for the scheme.

I would like to thank the authors of this report, Dermot Coates of the Centre for Housing Research and Dr Michelle Norris of the School of Applied Social Science, University College Dublin, for the considerable body of work that they have undertaken. I would also like to thank the many officials in the Departments of the Environment, Heritage and Local Government and Social and Family Affairs, who helped in the completion of this report and to P.J. Timmons of the Health Service Executive for help with interpreting the benefit retention rates and related calculations. Two referees, Dr Jonathan Healy of the Combat Poverty Agency and Anthony McCashin of Trinity College Dublin, provided very useful comments on an earlier draft of the report.

David Silke
Director
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Executive Summary

The purpose of this research is to review the operation of rent supplement as the main financial support available to low-income private renting tenants in the Republic of Ireland. This scheme provides a cash allowance which covers most of the rent of households dependent on welfare payments or on various employment incentive schemes. Specifically, this study aims to profile the claimants of rent supplement, and to examine recent trends in the rates of claiming of this scheme and in the duration and cost of claims. The analysis is intended to inform the implementation of the Rental Accommodation Scheme (RAS).

Under the RAS initiative, local authorities will assume responsibility for claimants who have been assessed as having a long-term housing need (e.g. in receipt of rent supplement for eighteen months or longer). These households will be accommodated in their existing dwellings, in local authority housing or in social housing provided by voluntary and co-operative housing associations where available and appropriate. However, in addition, new Public Private Partnership (PPP) type arrangements are currently being developed as a further option to accommodate this group.

These new arrangements will involve local authorities entering into medium and long-term contract agreements with landlords to provide accommodation for letting exclusively to participants in the scheme. Local authorities will assume responsibility for paying the landlord in full for the accommodation provided. In return RAS tenants will pay the relevant local authority a contribution to this rent, the level of which will be assessed using the income-related rent determination system which applies to the authority's own tenants (Department of Social and Family Affairs, 2004).

The analysis of rent supplement claimants set out herein is based upon administrative data contained on the information systems of the Department of Social and Family Affairs. The volume of claimants in receipt of this payment has increased steadily over the past decade and by 31 December 2005 this figure had risen to 60,176 persons – 57,535 of whom were eligible for the RAS – or by 89.2 per cent since 1995. According to the current housing needs assessment which was conducted by local authorities on 31 March 2005, some 14,000 households in receipt of rent supplement are in need (net) of social housing, and as such represent approximately 30 per cent of current identified social housing need (Department of the Environment, Heritage and Local Government).

Key Findings

Demographic Profile of Claimants

The data on which this study is based indicate that the demographic characteristics of rent supplement claimants differ significantly from those of the general Irish population. The key differences in this regard are as follows:

- At 64 per cent, the proportion of rent supplement claimants aged between 20 and 44 years is significantly higher than amongst the general population.
- Within the rent supplement claimant cohort, female claimants are generally younger than their male counterparts. However, in the general Irish population, the same difference is not present.
- Women account for almost three in every five rent supplement claimants, but the entire national population is evenly divided between males and females. This reflects the fact that women in this country are more likely to be in receipt of a social welfare payment than their male counterparts.
- More than 63 per cent of all rent supplement recipients are single, with married and divorced people accounting for a further 16 per cent and 7 per cent of claimants, respectively. In contrast, 54.7 per cent of the population of the State were single in 2002, and 37.1 per cent were married (Central Statistics Office, 2003b).
- Almost 40 per cent of all claimants are single with no children; a further 36 per cent are lone-parent households and 12 per cent are couples with children.
- There is a total of 144 nationalities represented amongst the rent supplement claimants cohort and, of these, nationals of African countries and European countries outside of the European Union account for 13 per cent of claimants. In contrast, nationals of these world regions accounted for only 1.1 per cent of the national population in 2002 (Central Statistics Office, 2003c).

Employment and Source of Income of Claimants

As would be expected, this study indicates that almost all rent supplement claimants are in receipt of some social welfare payment and that these payments constitute their primary source of income. At the same time, detailed analysis of the data on rent supplement claimants indicates that up to 30 per cent (or 15,000 persons) may earn some income in addition to their social welfare payment. The terms of the scheme allow claimants to work for a limited number of hours per week before the benefit is withdrawn. It would appear that claimants who have been in receipt of rent supplement for less than eighteen months are more likely to avail of this opportunity to take up part-time employment. Furthermore, these 'short-term' claimants are more likely to cease claiming rent supplement than their 'long-term' counterparts. However, shortcomings in the data on which this analysis is based means that it is not possible to definitively conclude that there is a relationship between taking up part-time work and exiting the rent supplement system.

The data analysed here also highlight some significant differences between claimants of rent supplement and all claimants of social welfare benefits. For instance:

- At 26 per cent, the proportion of rent supplement claimants in receipt of an unemployment support (e.g. Unemployment Benefit or Unemployment Assistance) is significantly in excess of the norm for all social welfare benefit claimants in Ireland.
- More than one in every four rent supplement claimants (or 13,621 persons) was in receipt of the One-Parent Family Payment in 2005 and an additional 19 per cent were reliant upon an illness (or carer's) payment. More than 28 per cent of claimants were dependent upon the Supplementary Welfare basic income support compared to just 3 per cent of the entire social welfare benefit claimant population.

- A further 4 per cent of rent supplement claimants were in receipt of an old-age social welfare payment. In contrast, more than 32 per cent of the social welfare claimants in Ireland are in receipt of payments of this type.

Trends in the Volume of Claims

As mentioned above, by the end of 2005 the number of rent supplement claimants had risen to more than 60,000 households. This is an increase of some 80 per cent over a decade. Moreover, by 2005 rent supplement claimants accounted for half of the total number of local authority tenant households in the country, which indicates that the former now constitutes a central mechanism for accommodating low-income households (Department of the Environment, Heritage and Local Government, various years).

This report highlights the following notable recent trends in the volume of claims of rent supplement:

- The annual rate of expansion in claimant numbers was high in the early part of this decade – it peaked at more than 20 per cent between 2001 and 2002 – but fell sharply thereafter.
- In recent years, the rate of increase in rent supplement claims was far in excess of that prevailing for other social welfare payments. Significantly, rent supplement claimant numbers have continued to rise in recent years despite the concurrent fall in the rate of unemployment.
- One of the principal drivers in the increase in rent supplement claims is the extension in average claim duration. Over the past number of years, the proportion of all claimants accounted for by persons claiming for eighteen or more consecutive months has risen steadily, and by June 2005 these claims represented 56 per cent of the entire cohort.
- The advent of the Rental Accommodation Scheme could potentially decrease the incentives for cessation of rent supplement claims where claimants extend their claim duration in order to qualify for the former scheme. This presents potential financial risks to the future operation of both the RAS and the rent supplement scheme.
- Recent changes in the composition of claimants, such as the rising number of lone-parent households and residents of Dublin City and County who are in receipt of rent supplement, also present challenges for administration of the RAS, particularly in relation to securing appropriate accommodation for claimants in these categories.
- Discretionary and complex benefits such as rent supplement are often associated with problems of take-up, whereby the combination of a means test for access and social stigma discourage eligible persons from initiating a claim (McCashin, 2004). However, the data analysed in this study do not reveal a significant difference between actual and potentially eligible rent supplement claimants.

Spatial Profile of Claimants

A comparison of the spatial distribution of rent supplement claimants with that of the general Irish population reveals some significant differences between the two. For instance:

- More than 37 per cent of all rent supplement claimants live in the Dublin City, South County Dublin and Fingal County Council operational areas, compared to less than 25 per cent of the general Irish population. In contrast, the Dún Laoghaire-Rathdown County Council operational area contains fewer claimants than might be expected in view of the proportion of the national population resident there.

- This spatial distribution of claimants probably reflects variations in the supply of private rented accommodation.
- Foreign national rent supplement claimants, in particular citizens of African countries, are heavily concentrated in Dublin City and County and to a lesser extent in the greater Dublin area. By contrast, Irish national claimants of rent supplement are less likely to be living in urban centres.
- Rent supplement claimants living in Dublin City and County tend to pay more rent than their counterparts living outside Dublin. Those living in counties without a significant urban centre such as Cavan, Donegal and Clare are likely to pay a rent that is less than the national average.
- In June 2005 the rent paid to landlords letting accommodation to rent supplement claimants is estimated to average at €140 per week, with claimants' personal contribution to this rent accounting for just under €20 of this amount. Claimants living in most of the principal urban centres tend to pay a smaller personal contribution to their rent than their rural counterparts.
- Both the rents paid under the rent supplement scheme and claimants' contribution to these rents vary significantly between different parts of the country. For instance rents paid to landlords range from approximately €96 per week in Co. Leitrim to €222 per week in Fingal.
- The total rent paid tends to be higher in the case of households that have been claiming rent supplement for eighteen months or longer, compared to short-term claimants.

Recommendations

Issues Arising

The data examined for this study reveal significant variations across the country both in terms of the characteristics of rent supplement claimant households and the levels of rent paid. These variations may create challenges for the implementation of the Rental Accommodation Scheme. Plans to assess the contribution that participants in the RAS make to their rents by means of the income-related or 'differential' rent schemes used to assess the rents of local authority tenants may further compound these challenges. In 2005, 76 separate schemes were used to determine differential rents and the details of these schemes varied very widely between the different local authorities. These arrangements will obviously introduce a further degree of complexity to the implementation of the Rental Accommodation Scheme. In addition, using differential rent schemes to assess the rent contributions of those rent supplement claimants who currently have income from paid employment would effect a reduction in the share of income that these households must contribute to their housing costs.

The level and quality of data on which this study is based are insufficient to facilitate certain types of analysis. Consequently, it was not possible to accurately identify the proportion of rent supplement claimants in receipt of the maximum possible rent payable under this scheme. This is a critical problem because without information of this type accurate estimates cannot be made of the cost of implementing the Rental Accommodation Scheme.

Finally, this study has identified a number of disincentives towards taking up employment which are inherent in the rent supplement scheme. Although a number of reforms to enable claimants retain their rent supplement for a period after entering paid employment have been introduced in recent years to assist the transition from welfare to work, difficulties still persist. Similar 'unemployment traps' are not widespread in the schemes used to set rents for local authority housing. This is a key benefit associated with the use of these differential rent schemes to determine the

rent contribution of participants on the Rental Accommodation Scheme. However, the benefits of differential rents may give rise to a perverse incentive whereby recipients are encouraged to continue claiming rent supplement into the long-term in order to qualify for entry to the RAS. Thus, it may be advisable to review current plans for transfer of long-term rent supplement claimants to the RAS in view of this potential problem, having due regard to the distributional consequences for claimants of any amendments made.

Summary of Recommendations

On the basis of these findings, a range of recommendations has been formulated. These are summarised in Box 1.1 and are discussed in more detail in Section Seven of the report.

Box 1.1 Summary of Recommendations

1	Address Disincentives to Exit the Rent Supplement System – Section Five found that there may be disincentives to entering full-time employment inherent to the rent supplement scheme and recommended that the Department of Social and Family Affairs should consider ways for these to be addressed.
2	Reduce any Perverse Incentives to Qualify for Transfer to the RAS – Section Four found that there is a possibility that the introduction of the new scheme could encourage rent supplement claimants to continue claiming this payment and recommended that both Departments should monitor trends going forward in order to ascertain the extent of this phenomenon.
3	Introduce Measures to Address Inflation in the Cost of Rent Supplement – Section Five found that expenditure per claimant has grown significantly and recommended that the potential of new measures to address this trend should be explored by the Department of Social and Family Affairs.
4	Compensate Claimants for Transfer to the Differential Rent Determination Schemes – Section Five found that transfer to the RAS may imply an increase in rent for some claimants and recommended that both Departments examine the role of transitory measures to offset any rise.
5	Monitor Cost of the Rental Accommodation Scheme – Sections One and Five found that the data made available to the authors were insufficient to support projections of future costs and recommended the continuous monitoring of costs.
6	Address Unemployment Traps Among Urban Rent Supplement Claimants – Sections Four and Six found that any disincentives to entering full-time employment may be more acute in large urban centres and recommended that this phenomenon should be addressed by the Department of Social and Family Affairs.
7	Prioritise Implementation of the RAS in Urban Areas – Section Five found that securing new properties under the RAS would contribute to the control of costs.
8	Ensure that Existing Concentrations of Low-Income Households are not Reinforced – Section Six found that the attainment of a good social mix under the RAS would diminish existing concentrations of low-income households. The Department of the Environment, Heritage and Local Government should work with local authorities to achieve this outcome.
9	Undertake Further Research on Critical Issues – this report has identified a number of issues that require future research and investigation including, but not limited to, the quality of the accommodation supplied under the rent supplement scheme and the extent of overcrowding.
10	Address Data Gaps – this report identifies shortcomings in the existing information systems and these should be addressed to improve ease-of-use and accuracy.
11	Ensure High-Quality Management Information Systems – this report has found that such systems will be required to support the necessary roll-out and ongoing monitoring of the RAS.

SECTION ONE
Introduction



1.1 Introduction

Rent supplement is the main financial support available to low-income, private renting tenants in the Republic of Ireland. This scheme provides a cash allowance which covers most of the rent of households dependent on social welfare benefits or on various employment incentive schemes. The level of this allowance is capped with reference to prescribed maximum rent levels and also, depending on the region of the country where claimants reside, their family structure and type of accommodation. An example of how rent supplement eligibility and payment levels for a typical claimant household in Dublin would have been assessed at the time of writing is set out in Box 1.2.

Rent supplement is part of the Supplementary Welfare Allowance (SWA) scheme. It acts as a 'safety net' within the social welfare system, by providing ongoing income support and supplements to meet specific needs such as rent and mortgage payments. It also provides once-off payments to meet exceptional needs, e.g. housing furniture, to households who cannot support themselves by their own means or through the mainstream social welfare system. All SWA benefits, including rent supplement, are under the general direction and control of the Minister for Social and Family Affairs. However, they are administered by almost 700 Community Welfare Officers and 53 Superintendent Community Welfare Officers distributed between the various Health Service Executive (HSE) administrative areas (Department of Social and Family Affairs, 2004).

Box 1.2 Calculation of Rent Supplement Payments to a Single Person with One Child Reliant Solely on the One-Parent Family Payment and Living in Dublin, 2005

CALCULATION STEPS	FIGURES €	CALCULATIONS €
1 Ascertain the applicant's total weekly assessable income for rent supplement calculation purposes	168.10	
2 Ascertain the applicant's weekly rent	220.00	
3 Subtract total rent from total assessable income – income before rent supplement		-51.90
4 Determine prescribed SWA rate for the household	165.60	
5 Subtract the minimum contribution the applicant must make (€13) to his/her rent from the above rate. The resultant figure is the applicant's target post-rent income	152.60	
6 The rent supplement payable is the difference between the target post-rent income (Step 5) and the income before rent supplement (Step 3)		204.50
7 The personal contribution payable is the difference between the amount of rent supplement received and the rent payable		15.50
8 Payable to Landlord (Step 6 plus Step 7)		220.00

Note: Personal Contribution is the minimum contribution plus the amount of reckonable income in excess of the relevant SWA rate.

1.2 Background

In the last decade, a series of research reports and review groups have identified a number of problems with the rent supplement system and proffered recommendations for reform (Commission on the Family, 1998; Department of Social, Community and Family Affairs, 1998; Department of Social and Family Affairs, 2004; Economic and Social Research Institute, 1995; Goodbody Economic Consultants, 1998; Government of Ireland, 1997; Guerin, 1999; Inter-Departmental Committee on Issues Relating to the Possible Transfer of Rent and Mortgage Supplementation from Health Boards to Local Authorities, 1999). The key problems identified in these report are as follows:

- the inappropriateness of using short-term safety net supports as a long-term housing support
- the lack of integration between rent supplement and mainstream social housing supports; the former is administered by the Health Services Executive and the latter by local authorities
- a rapid increase in the numbers of rent supplement claimants since the mid-1990s
- a growth in the proportion of claimants who remain dependent on the benefit over the long-term
- marked inflation in the costs of rent supplement, which have outpaced the increase in the number of claimants
- the difficulty experienced by claimants in accessing good quality accommodation
- work disincentives inherent in the scheme, e.g. when income rises, the rate at which this assistance is withdrawn is very steep and rent supplement is not available to those working full-time in the mainstream labour market.

Similar concerns have been voiced in reports by government and academic researchers on comparable 'housing benefit' and 'housing allowance' systems in many other western European countries (Kemp, 1997; Bradshaw and Finch, 2004).

In order to address the above-mentioned problems associated with rent supplement, a number of reports recommended that measures should be introduced to improve the security of tenure of private renting tenants and to improve the standard of accommodation in this sector. These issues have been addressed in large part by the Residential Tenancies Act, 2004, which requires the registration of all private rented tenancies with the Private Rented Tenancies Board (PRTB) and affords tenants in this sector the right to a renewable four-year lease which can only be broken in specific circumstances (Norris and Winston, 2004).

In addition, other reviews of rent supplement recommended measures to remove work disincentives, e.g. retention of the benefit if claimants access mainstream employment, and more tapered arrangements for its withdrawal in the case of claimants who work only limited hours. Furthermore, the report *Administration of Rent and Mortgage Assistance*, published in 1999, recommended that responsibility for the administration of rent supplement should be transferred to local authorities and integrated into housing policy (Inter-Departmental Committee on Issues Relating to the Possible Transfer of Rent and Mortgage Assistance Supplementation from Health Boards to Local Authorities, 1999).

A planning group was established in 1999 to draw up detailed proposals for the implementation of this inter-departmental report. Following on the work of this group, the Government decided in July 2004 that existing arrangements would continue to apply to short-term claimants of rent supplement, but that local authorities would assume responsibility for meeting the housing needs of households dependent on this benefit for more than eighteen months. Under this initiative, entitled the Rental Accommodation Scheme (RAS), local authorities will assume responsibility for the vast majority of households in the latter category (excluding claimants without permanent leave to remain in the State, recipients of mortgage supplement and those who receive rent supplement in tandem with certain back-to-work schemes). The initiative will take effect on a phased basis between September 2005 and September 2008. The relevant households will be accommodated in local authority housing, in social housing provided by voluntary and co-operative housing associations where available and appropriate, or in their existing or alternative private-rented accommodation.

However, in addition, new Public Private Partnership (PPP) type arrangements are currently being developed to accommodate this group. These will involve local authorities entering into medium and long-term contract agreements with landlords to provide accommodation for letting exclusively to participants in the Rental Accommodation Scheme (Department of Social and Family Affairs, 2004). Local authorities will assume responsibility for paying the landlord in full for the accommodation provided. In return, RAS tenants will pay the relevant local authority a contribution to this rent. The level of contribution will be assessed using the income-related rent determination system which applies to the authority's own tenants.

According to the Department of the Environment, Heritage and Local Government (undated: 2-3), these new arrangements are intended to realise the following benefits:

- minimise dependence on the rent supplement scheme [for recipients with long-term accommodation needs]
- facilitate social mix through providing a wider geographical spread of social housing through the RAS
- expand the amount of private rented accommodation available on a long-term basis for [rent supplement] tenants through the procurement of new rental accommodation

- improve the quality, suitability and usage of private rented accommodation
- achieve better value for money in provision of accommodation for persons in need of long-term social housing
- coordinate and integrate the efforts of local authorities, voluntary and cooperative housing bodies and the private sector in the provision of long-term housing supports
- improve tenant choice through the creation of a graduated system of housing supports.

1.3 Research Aims

This research project has been undertaken by the Centre for Housing Research on behalf of the Department of the Environment, Heritage and Local Government (DoEHLG). The specific aim of the project is to compile a socio-demographic and spatial profile of rent supplement recipients to inform the implementation of the new RAS initiative.

Of the total cohort of 57,960 claimants in receipt of rent supplement in June 2005, the 54,123 of these who are eligible for entry to the RAS will be profiled under the following criteria:

- age
- gender
- marital status
- nationality
- source of income
- duration of claim
- rent costs and the contribution they make to this rent
- location of dwelling.

A similar analysis will also be carried out in relation to those claimants eligible for entry to the RAS and dependent on rent supplement for eighteen months or more in June 2004 and December 2004.

It is envisaged that this analysis will also achieve a number of wider objectives. These are:

- to inform the implementation of the Rental Accommodation Scheme for long-term rent supplement claimants
- to predict medium-term trends in take-up and cost of the scheme
- to help ensure that this scheme achieves its expected benefits, outlined above
- to examine options regarding any reform of the rent supplement scheme for households in need of short-term housing support, which will remain the responsibility of the Department of Social and Family Affairs.

1.4 Research Methods

1.4.1 Source of Data

The information used in this report was drawn from the DSFA information and communications (ICT) databases on 31 June 2004 and 2005 and 31 December 2004. This database collates information provided by rent supplement claimants to Community Welfare Officers (CWOs) for the purposes of assessing their application for assistance. For these purposes, the CWO records the personal details of each applicant in addition to their source and level of income (where applicable). Any changes in circumstances must be notified by the recipient to the CWO on an ongoing basis.

1.4.2 Shortcomings of Data

It is important to acknowledge that the data on which this analysis is based have some inherent shortcomings:

- They are administrative data that were collected solely for the purpose of assessing eligibility for rent supplement and cannot shed any light on some of the issues that are central to the design of the Rental Accommodation Scheme. For instance, they only include information on the rent supplement claimant and not on his or her dependants, or on the structure of the household.
- Not all of the information collected by CWOs is electronically held on the information systems of the Department of Social and Family Affairs. Consequently it was not available for this research project. Most significantly, information on the type of dwelling occupied by claimants and the level of their household income was not accessible to the researchers, for this reason.
- Community Welfare Officers sometimes failed to fully record all of the requisite information on clients in the database. On some other occasions, for example, addresses could not be geo-coded.
- The method used to record and update rent supplement claims by CWOs significantly underestimates the extent of long-term claiming because each time a claimant moves address this is recorded as a new claim.
- The database of rent supplement claimants on which this study is based includes approximately 3,500 households in accommodation provided by voluntary and co-operative housing associations, the construction of which was funded by the DoEGLG's Capital Assistance Scheme. Tenants of this type of accommodation qualify for rent supplement but the maximum payment available to them was capped at €50 per week for a single person, and €55 for a couple in June 2005 and the available evidence indicates that the heads of most of these households are aged over 65 (Mullins *et al*, 2003). However, the information recorded regarding these claimants was insufficient to allow this cohort to be distinguished from all other rent supplement recipients.
- Finally, because access to rent supplement is dependent on level and source of income, claimants have an inherent interest in ensuring that the information they provide to the Community Welfare Officer matches the qualification criteria.

1.4.3 Strengths of Data

The problems associated with the re-use of these administrative data are outweighed by their richness (Central Statistics Office, 2003c). Community Welfare Officers collect detailed and up-to-date information on all recipients of rent supplement, for the purposes of assessing their claims. Such a database provides a uniquely comprehensive and contemporaneous insight into the income and demography of this population. Furthermore, all information supplied to CWOs by claimants is checked against the social welfare records of the Department of Social and Family Affairs,

while any information provided by claimants on earned incomes must be verified by a payslip or a P60. The accuracy of this information is therefore high. For this reason use of administrative records is generally favoured over the use of survey data in the international research literature on social welfare benefit claimants (see Nordvik and Åhrén, 2005; Shroder, 2002).

1.4.4 Addressing Data Shortcomings

A variety of methods have been used to overcome the shortcomings in the data, as follows:

- Additional analysis was carried out on the database of rent supplement claimants in order to improve its accuracy. In this vein, in order to rectify the potential for under-estimation of the length of rent supplement claims inherent in these data, the Health Services Executive traced the duration of each claim using the personal public service number (PPSN) as a marker.
- Additional analysis of the database was carried out in order to generate supplementary information. For instance, geo-coding the addresses of all rent supplement claimants enabled detailed examination of their spatial distribution.
- Additional data were also generated from unpublished sources in order to supplement the available information on rent supplement. For instance, at the request of the authors the Office of the Revenue Commissioners cross-tabulated the PPSN numbers of rent supplement claimants with income taxation records in order to identify the number of recipients of this assistance who had income from employment at some stage in 2005 and had a claim for rent supplement open at 30 June of that year.
- Similarly, the Department of Social and Family Affairs generated basic information on the household composition of rent supplement claimants for use in this study from their databases of information on all claimants of social welfare benefits. However, these databases allowed for the compilation of information on the social welfare claimants and their dependants only. Thus, these data do not include other members of these households who are unrelated and/or non-dependent on the benefit claimant. It reflects the household composition based on beneficiaries of payment only. It is important to note that there are some minor discrepancies in the information generated from the general database of rent supplement and the DSFA database of all social welfare claimants. These inconsistencies, however, are not large enough to raise serious concern – they are generally in the region of 1 per cent.
- Finally, additional data were generated from other published sources such as the Census of Population and the Household Budget Survey – both conducted by the Central Statistics Office – in order to buttress the information on rent supplement on which most of this report is based.

1.4.5 Data Modification

Addressing the shortcomings of the data on which this study is based and meeting its terms of reference required some modifications to the database of rent supplement claimants. These are detailed in Box 1.3. It is also important to note that in June 2005 some 8 per cent (or 4,445) of rent supplement claims were suspended. Information provided by the Department of Social and Family Affairs indicates that the vast majority of these claims were suspended because of outstanding documentation, without which full processing of the claim could not proceed. Thus all of these cases were included in the database of rent supplement claimants on which this research is based, although only 92 per cent were in receipt of an actual payment on the date when the information from the database was drawn down by the authors.

Box 1.3 Modifications Made to the Database of Rent Supplement Claimants for this Analysis

- Those rent supplement claimants whose cases are not eligible for transfer to the Rental Accommodation Scheme system were generally excluded from the analyses contained in this report. The claimants in this category are: those without leave to remain in the State and those in receipt of certain return-to-work social welfare benefits. Claimants in this category totalled 6,118 in 2003 and 3,837 in 2005, or 10.2 per cent and 6.6 per cent of all claimants respectively.
- In the analysis of the rents paid to landlords who let accommodation to rent supplement recipients, all payments that were considered anomalous because, for instance, they were significantly above or below the mean rent were excluded. As a result 5,770 cases were excluded from this analysis.
- The addresses of claimants were geo-coded in order to identify the electoral division where they live. However, because of missing or incomplete address data, the addresses of 10 per cent of claimants could not be geo-coded and thus are excluded from the analysis of the location of claimants which is presented in Section Six.

1.5 Outline of Report

This report is set out in seven sections. This first section has explained the context for the study and the aims of the research and outlined the research methods employed.

Section Two examines the personal characteristics of the claimants of rent supplement in June 2005, their sources of income and location.

Section Three describes and endeavours to explain trends in supplement claimant numbers since 2000, and on this basis, to project future trends in claimant numbers.

Section Four examines trends in the duration of rent supplement since 2000, focusing particularly on claimants of eighteen months or more duration who are eligible for the Rental Accommodation Scheme, and also endeavours to predict future developments in this regard.

Section Five examines recent trends in the cost of rent supplement and predicts future trends. It also assesses the extent of work disincentives in the rent supplement system and explores the implications of assessing the contribution that claimants must make to their rent, using the income-related rent system used in local authorities for work incentives and for claimants' disposable incomes.

The data regarding the type and location of the dwellings where rent supplement claimants reside are examined in more detail in Section Six in order to assess the extent to which this benefit contributes to the spatial clustering or dispersal of low-income households.

Finally, Section Seven sets out the key findings of the study and the issues arising from these findings.

SECTION TWO

Profile of Rent Supplement Claimants



2.1 Introduction

This section presents a demographic profile of rent supplement claimants in June 2005. The number of rent supplement claimants totalled 57,960 on this date. However, excluding those claimants participating in some back-to-work schemes and without leave to remain indefinitely in the State, who are ineligible for the Rental Accommodation Scheme, the number falls to 54,123.

It is on this latter number that the opening part of this section focuses. It outlines the personal characteristics of claimants including their age, gender, marital status and nationality, the source of income on which they are reliant and their geographical dispersal. In relation to these characteristics, it also compares rent supplement claimants with the wider population of social welfare benefit claimants and the Irish population in general. This information is intended to inform the design of the strategy for the transfer of these claimants out of the rent supplement system to the Rental Accommodation Scheme. It should also help us to contextualise the analysis of past and future trends in rent supplement take-up, claim duration and cost which are presented in Sections Three, Four and Five of this report, and the detailed spatial analysis of claimants presented in Section Six.

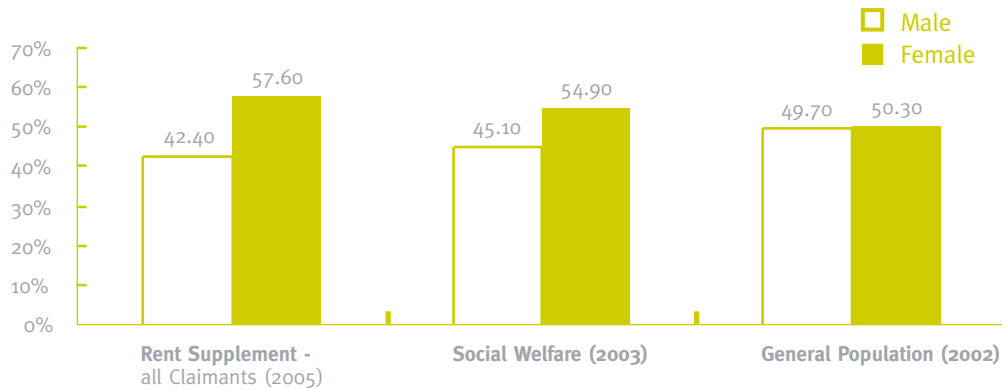
2.2 Gender and Age

In June 2005, 57.6 per cent of rent supplement claimants were female and 42.4 per cent male. Figure 2.1, which employs data from the 2002 Census and the 2004 social welfare service statistics, reveals that women make up a slightly higher proportion of rent supplement claimants, than all claimants of social welfare benefits and the Irish population in general.

However, the age structure of male and female rent supplement recipients does differ significantly. As Table 2.1 reveals, female claimants are generally younger than their male counterparts – 45 per cent of female claimants are aged between 20 and 29 years, as compared to only 20.9 per cent of men, while 12.4 per cent of women are aged over 50 compared to 25.7 per cent of men.

In addition, data from the 2002 Census indicate that the age structure of the rent supplement claimant population differs in two important respects from the general Irish population (Central Statistics Office, 2003a). Firstly, with the exception of individuals aged 65 and over, in the general Irish population, the age structure of the male and female population is broadly similar. Secondly, the age structure of the rent supplement claiming population is substantially younger than the general Irish population. In 2002, 34.8 per cent of the population of the country was aged between 20 and 44 years. However, as Figure 2.1 demonstrates, in 2005 63.6 per cent of all rent supplement claimants were aged between 20 and 49 years.

Figure 2.1 Gender of All Rent Supplement Claimants (June 2005) Compared to all Social Welfare Benefit Claimants and the General Irish Population (2002)



Source: Department of Social and Family Affairs (various years) and Central Statistics Office (2003b). **Note:** Rent supplement data refer to June 2005; social welfare data refer to 2003 and data for the general population refer to 2002. The long-term category includes claimants of rent supplement for eighteen months or longer.

Table 2.1 Age and Gender of All Rent Supplement Claimants, June 2005

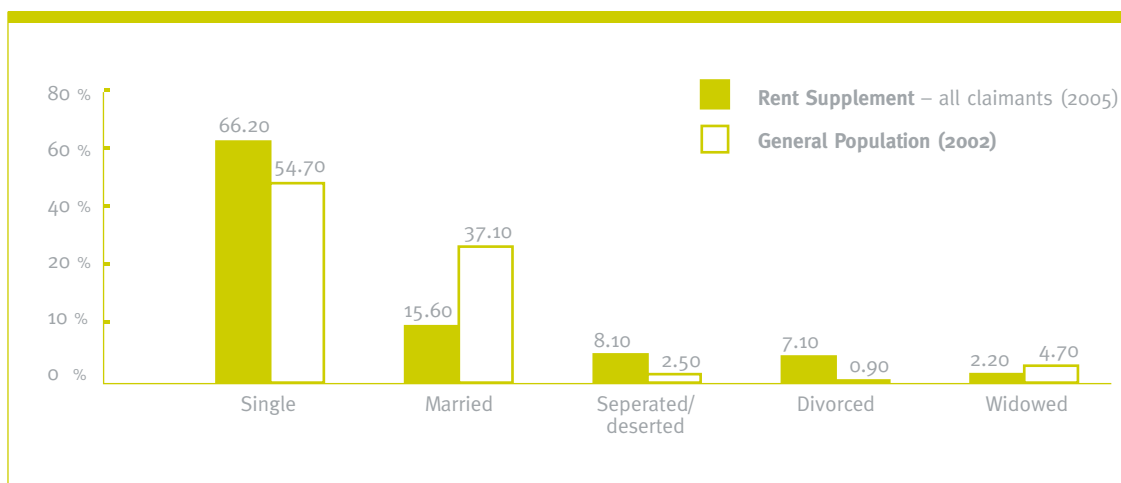
Age	Male N	Male %	Female N	Female %
19 or Less	220	1.0	1,027	3.3
20 to 29	4,794	20.9	14,033	45.0
30 to 39	6,979	30.4	8,625	27.6
40 to 49	5,050	22.0	3,651	11.7
50 to 64	4,468	19.5	2,434	7.8
65 or more	1,411	6.2	1,431	4.6
Total	22,922	100.0	31,201	100.0

Data supplied by the Department of Social and Family Affairs and analysed by the Centre for Housing Research.
Note: N means number.

2.3 Marital Status

Figure 2.2 compares the marital status of rent supplement claimants to the general Irish population and highlights some marked differences between the two groups. Rent supplement claimants are more likely to be single – or perhaps more accurately described as ‘never married’ – than is the norm in the Irish population in general. This category includes cohabiting couples, but in the case of rent supplement claimants this latter group is proportionately small (2.8 per cent of claimants). Conversely, rent supplement claimants are far less likely to be married than the population at large, and marginally more likely to be separated or divorced.

Figure 2.2 Marital Status of Rent Supplement Claimants Compared to the General Irish Population



Source: Central Statistics Office (2003b). **Note:** The marital status of 0.8 per cent of rent supplement claimants is not recorded.

Table 2.2 compares the marital status and age groups of the rent supplement claimant population. It reveals that the vast majority of younger claimants, aged less than 29 years, are single and not cohabiting with a partner. The proportion of single claimants falls steadily as the average age of claimant rises, although claimants aged over 65 years do not conform to this pattern.

Furthermore, the proportion of claimants who are married does not follow the same trend. The share in this category rises between the ages of 20 and 39 but falls again among claimants aged between 40 and 64, while the proportion of separated, divorced and widowed claimants rises.

Comparing the marital status and gender of claimants also reveals some interesting trends. Male claimants are much more likely to be married or cohabiting than their female counterparts. This probably reflects the tendency for the male, rather than the female partner, to be the registered benefit claimant among heterosexual couples, together with the higher percentage of women claimants who are single, divorced, separated or deserted.

Among the different marital statuses, male and female rent supplement claimants are relatively evenly distributed between the various age groups. However, there are two exceptions. 1,365 divorced female claimants (44.3 per cent of all women in this category) are aged between 30 and 39, compared to only 119 men (9.9 per cent of divorced men). Furthermore, 12,299 single female claimants (57.2 per cent of all women in this category) are aged between 20 and 29, compared to only 3,621 men (28.3 per cent of all males in this category).

Table 2.2 Marital Status, Gender and Age of All Rent Supplement Claimants, June 2005

Marital Status	Male		Female		Aged 19 or less		Aged 20-29	
	N	%	N	%	N	%	N	%
Cohabiting	943	4.1	570	1.8	38	3.0	633	3.4
Deserted	777	3.4	909	2.9	0	0.0	31	0.2
Divorced	1,196	5.2	2,665	8.5	2	0.2	334	1.8
Married	5,456	23.8	2,980	9.6	33	2.6	1,549	8.2
Separated	1,214	5.3	1,529	4.9	4	0.3	271	1.4
Single	12,805	55.9	21,490	68.9	1,164	93.3	15,920	84.6
Widowed	281	1.2	898	0.5	1	0.1	24	0.1
Not recorded	0	0.0	3	2.9	5	0.4	65	0.3
Total	22,922	100.0	31,201	100.0	1,247	100.0	18,827	100.0

Data supplied by the Department of Social and Family Affairs and analysed by the Centre for Housing Research.
 Note: N means number.

2.4 Household Composition

Table 2.3 sets out information on the composition of rent supplement claimant households generated by the Department of Social and Family Affairs from its database of all social welfare benefit payments. As was mentioned in Section One of this report, these data include social welfare benefit claimants and their dependants only and do not cover other members of these households who are unrelated and/or non-dependent on the benefit claimant.

Table 2.3 demonstrates that almost half of households in receipt of rent supplement in March 2005 included children. Further disaggregation of these data reveals that single claimants are significantly more likely than separated, widowed or divorced claimants and couples (married and unmarried) to have dependent children. Most single claimants with children have only one child, whereas couple households or claimant households headed by a widowed, separated or divorced person are more likely to include more than one child.

Aged 30-39		Aged 40-49		Aged 50-64		Aged 65 or more		All Claimants
N	%	N	%	N	%	N	%	N
548	3.5	207	2.4	81	1.2	6	0.2	1,513
270	1.7	535	6.1	710	10.3	140	4.9	1,686
1,234	7.9	1,119	12.9	974	14.1	198	7.0	3,861
3,285	21.1	1,733	19.9	1,250	18.1	586	20.6	8,436
806	5.2	832	9.6	712	10.3	118	4.2	2,743
9,268	59.4	4,016	46.2	2,750	39.8	1,177	41.4	34,295
107	0.7	153	1.8	317	4.6	577	20.3	1,179
86	0.6	106	1.2	108	1.6	40	1.4	410
15,604	100.0	8,701	100.0	6,902	100.0	2,842	100.0	54,123

Table 2.3 Composition of Rent Supplement Claimant Households, March 2005

Household Type	%
Couples with no children	5.6
Couples + one child	3.8
Couples + two children	4.1
Couples + three children	2.2
Couples + four children	1.0
Couples + five children	0.4
Couples + six or more children	0.2
Total couples with children	11.7
Single with no children	39.4
Single + one child	18.3
Single + two children	6.0
Single + three children	2.8
Single + four children	0.5
Single + five children	0.1
Single with more than five children	0.1
Total single with children	27.8
Widowed /separated /divorced with no children	6.9
Widowed /separated /divorced + one child	3.4
Widowed /separated /divorced + two children	2.3
Widowed /separated /divorced + three children	1.2
Widowed /separated /divorced + four children	0.5
Widowed /separated /divorced + five children	0.2
Widowed /separated /divorced with more than five children	0.1
Total widowed /separated /divorced with children	7.7
Total households without children	51.9
Total households with children	47.2
Unknown	0.9
Grand total	100.0

Source: Department of Social and Family Affairs.

2.5 Nationality

Details of the nationality of all rent supplement claimants in 2005 are provided in Figure 2.3. These data are compared with data for the Irish population as a whole, taken from Census 2002. The graph demonstrates that, compared to the national population, a relatively high proportion of rent supplement claimants are of non-Irish nationality although the dependence of the latter group upon rent supplement is at least partially explained by the fact that not all non-nationals are entitled to take up paid employment.

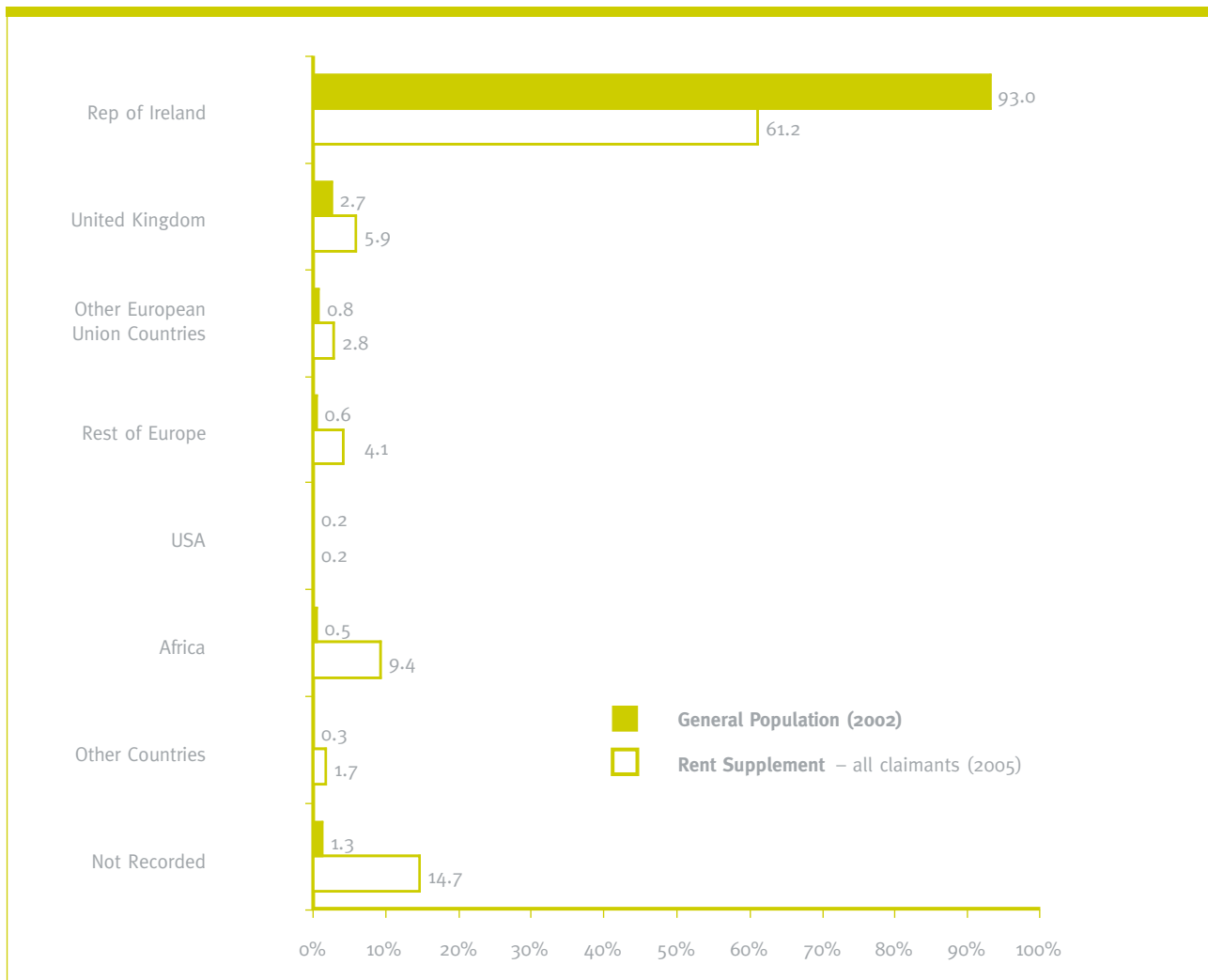
According to the database on which this analysis is based, 61.2 per cent of rent supplement claimants are Irish nationals. In addition, analysis of the surnames of the 14.7 per cent of claimants whose nationality was not recorded indicates that a substantial proportion are typical of Irish nationals (for instance, O'Toole, McCarthy, etc). However, even in the very unlikely event that all of this group are Irish, this means that a maximum of 75.9 per cent of rent supplement claimants are Irish nationals, compared to 93.0 of the entire population of the State.

There are 144 nationalities represented among the non-Irish rent supplement claimants, and in Figure 2.3 these are grouped into regions, in accordance with the United Nations typology of world macro regions. With the exception of the USA, nationals of all other world regions are more common in the rent supplement claiming population than would be expected in view of their representation in the Irish population as a whole. However, African nations are the most over-represented group in this regard. They accounted for 9.4 per cent of rent supplement claimants in 2005 (5,074 persons) but only 0.5 per cent of the Irish population. Nigerian nationals are by far the biggest component of African rent supplement claimants. In 2005, 2,766 claimants, or 5.1 per cent of all rent supplement recipients, were nationals of Nigeria.

In the case of the other world regions, rent supplement claimants are relatively evenly distributed between the relevant constituent countries. However, the 'Rest of Europe' category, which encompasses all European countries which are not European Union (EU) members, is an exception in this regard. More than two-fifths (43.9 per cent) of the 2,214 claimants in this category are of Romanian nationality.

In Table 2.4 these data on the nationality of rent supplement claimants are disaggregated according to age and gender. In relation to the latter issue, Table 2.4 reveals that the proportion of male and female claimants does vary between the various world regions. For instance, most Irish claimants are female (56.8 per cent) and this trend also applies to claimants of African nationality (57.6 per cent female) and those whose nationality is not recorded (74.5 per cent female). Conversely, 66 per cent of claimants from European countries outside of the EU are male, as are 67.5 per cent of claimants in the 'other countries' category (which consists of Latin America, Asia and Oceania). In contrast, the various nationalities are broadly evenly distributed between the different age groups. However, a slightly higher proportion of the Irish claimant population is aged under 29 and over 65 years than is the case among their non-national counterparts.

Figure 2.3 Nationality of Rent Supplement Claimants (June 2005) Compared to the General Irish Population (2002)



Source: Central Statistics Office (2003b). **Note:** Some of the results are slightly skewed by the accession of 10 new member states to the European Union in 2004.

Table 2.5 reveals some marked variations in the predominant marital status of the different national groups of rent supplement claimants. Irish claimants and those whose nationalities are not recorded (and are also likely to be Irish) are much more likely to be single than are rent supplement claimants of other nationality. 70.3 per cent of Irish rent supplement claimants were single in June 2005, compared to 32.2 per cent of claimants of African nationality and 21.4 per cent of nationals of European countries that are not EU members. This discrepancy is the result of a higher rate of marriage among the two latter groups, and, in the case of African claimants, a higher rate of divorced claimants than is the case among their Irish counterparts.

Table 2.4 Nationality, Gender and Age of Rent Supplement Claimants, June 2005

Nationality	Total N	Gender			
		Male		Female	
		N	%	N	%
Ireland	33,145	14,319	43.2	18,826	56.8
United Kingdom	3,186	1,594	50.0	1,592	50.0
Other EU Countries	1,506	695	46.1	811	53.9
Rest of Europe	2,214	1,461	66.0	753	34.0
USA	116	50	43.1	66	56.9
Africa	5,074	2,150	42.4	2,924	57.6
Other Countries	919	620	67.5	299	32.5
Not recorded	7,963	2,033	25.5	5,930	74.5
Total N/%	54,123	22,922	42.4	31,201	57.6

Source: Data supplied by the Department of Social and Family Affairs and analysed by the Centre for Housing Research.

Note: N means number

Table 2.5 Nationality and Marital Status of Rent Supplement Claimants, June 2005

Nationality	Total N	Cohabiting		Deserted		Divorced	
		N	%	N	%	N	%
		Ireland	33,145	897	2.7	1,053	3.2
United Kingdom	3,186	168	5.3	244	7.7	236	7.4
Other EU countries	1,506	80	5.3	69	4.6	66	4.4
Rest Of Europe	2,214	126	5.7	49	2.2	110	5.0
USA	116	2	1.7	5	4.3	11	9.5
Africa	5,074	157	3.1	41	0.8	643	12.7
Other Countries	919	15	1.6	23	2.5	49	5.3
Not Recorded	7,963	68	0.9	202	2.5	437	5.5
Total N/%	54,123	1,513	2.8	1,686	3.1	3,861	7.1

Source: Data supplied by the Department of Social and Family Affairs and analysed by the Centre for Housing Research.

Note: N means number

Age											
19 or less		20 to 29		30 to 39		40 to 49		50 to 64		65 or More	
N	%	N	%	N	%	N	%	N	%	N	%
1,057	3.2	12,063	36.4	7,917	23.9	5,406	16.3	4,981	15.0	1,721	5.2
23	0.7	690	21.7	1,050	33.0	773	24.3	547	17.2	103	3.2
13	0.9	491	32.6	581	38.6	275	18.3	127	8.4	19	1.3
18	0.8	735	33.2	992	44.8	310	14.0	139	6.3	20	0.9
0	0.0	18	15.5	46	39.7	24	20.7	24	20.7	4	3.4
104	2.0	1,306	25.7	2,891	57.0	678	13.4	80	1.6	15	0.3
19	2.1	223	24.3	426	46.4	160	17.4	75	8.2	16	1.7
13	0.2	3,301	41.5	1,701	21.4	1,075	13.5	929	11.7	944	11.9
1,247	2.3	18,827	34.8	15,604	28.8	8,701	16.1	6,902	12.8	2,842	5.3

Married		Single		Separated		Widowed		Unknown	
N	%	N	%	N	%	N	%	N	%
2,964	8.9	23,301	70.3	1,772	5.3	574	1.7	275	0.8
372	11.7	1,895	59.5	174	5.5	69	2.2	28	0.9
434	28.8	751	49.9	72	4.8	23	1.5	11	0.7
1,315	59.4	474	21.4	76	3.4	41	1.9	23	1.0
22	19.0	61	52.6	9	7.8	4	3.4	2	1.7
2,157	42.5	1,636	32.2	324	6.4	97	1.9	19	0.4
454	49.4	315	34.3	32	3.5	29	3.2	2	0.2
718	9.0	5,862	73.6	284	3.6	342	4.3	50	0.6
8,436	15.6	34,295	63.4	2,743	5.1	1,179	2.2	410	0.8

2.6 Source of Income

Although data on the level of income of rent supplement claimants are not available, information regarding their primary source of income is. This information is set out in Table 2.6 and is compared to 2004 data on all social welfare benefit claimants, which is the most recent available at the time of writing.

Table 2.6 highlights a number of significant differences between these two groups:

- Some social welfare benefits are not claimed by any rent supplement claimants. These include: the disablement pension and death benefit pension. However, the benefits in this category are generally claimed by only a small minority of the entire social welfare claimant population.
- Some social welfare benefits are utilised by a much smaller proportion of rent supplement recipients than is the case among the wider social welfare claimant population. For instance, only 3.6 per cent of rent supplement claimants are dependent on State old-age payments, as compared to 32.2 per cent of all social welfare benefit claimants.
- Conversely, some social welfare benefits are much more commonly availed of by rent supplement claimants than is the case among benefit claimants in general. Unemployment assistance (a means-tested support generally availed of by the long-term unemployed or those with irregular work patterns) is an example – 14.5 per cent of all claimants of this benefit are also dependent on rent supplement. Similarly, 28.2 per cent of rent supplement claimants are dependent on Supplement Welfare Allowance income support, as compared to only 3.2 per cent of all social welfare benefit claimants.
- In addition, a small minority of rent supplement claimants do not rely on Irish social welfare payments as their primary source of income, but rather claim a benefit from abroad, or rely on income from work or on maintenance from a former partner.

Tables 2.7 and 2.8 respectively detail the sources of income of the various genders, age groups and nationalities represented in the rent supplement claimant population. These Tables reveal that the predominant source of income of claimants varies according to these personal characteristics.

For instance, Table 2.7 demonstrates that male claimants are more likely to be reliant on pre-retirement allowance, disability allowance and benefit, an invalidity pension or unemployment allowance or benefit than their female counterparts. Female claimants, on the other hand, are more likely to receive a one-parent family payment – 97.9 per cent of rent supplement claimants in receipt of this benefit were female in June 2005. Comparison of these data with the 2004 social welfare statistics indicates that the gender distribution of the sources of income of rent allowance claimants broadly matches that of all social welfare benefit claimants (Department of Social and Family Affairs, various years).

Table 2.6 Source of Income of Rent Supplement (2005) and all Social Welfare Benefit Claimants (2004)

Category and Type of Payment	All social welfare benefit claimants		Rent Supplement claimants		Rent Supplement claimants as a % of all social welfare benefit claimants
	N	%	N	%	
Old-Age Pension	292,425	31.0	1,638	3.0	0.6
Pre-Retirement Allowance	11,228	1.2	323	0.6	2.9
Total Old-Age Payments	303,653	32.2	1,961	3.6	0.6
One-Parent Family Payments	212,952	22.6	13,621	25.2	6.4
Total One-Parent Family Payments	212,952	22.6	13,621	25.2	6.4
Maternity Benefit	10,356	1.1	312	0.6	3.0
Health and Safety Benefit	21	0.0	1	0.0	0.0
Adoptive Benefit	26	0.0	2	0.0	7.7
Orphan's Pension	1,571	0.2	0	0.0	0.0
Total Child Related Payments	11,974	1.3	315	0.6	2.6
Blind Pension	2,027	0.2	84	0.2	4.1
Carer's Allowance and Benefit	23,709	2.5	355	0.7	1.5
Death Benefit Pension	652	0.1	0	0.0	0.0
Disability Allowance and Benefit	132,018	14.0	8,539	15.8	6.5
Disablement Pension	12,162	1.3	0	0.0	0.0
Incapacity Pension	55,864	5.9	1,099	2.0	2.0
Injury Benefit	915	0.1	234	0.4	25.6
Total Illness, Disability and Caring Payments	227,347	24.1	10,311	19.1	4.5
Unemployment Benefit	57,699	6.1	2,387	4.4	4.1
Unemployment Assistance	82,190	8.7	11,919	22.0	14.5
Total Unemployment Supports	139,889	14.8	14,306	26.4	10.2
Return-to-Employment Supports	11,892	1.3	1,654	3.1	13.9
Return-to-Education Supports	5,247	0.6	953	1.8	18.2
Total Employment Supports	17,139	1.8	2,607	4.9	15.2
Supplementary Welfare Allowance	29,748	3.2	8,378	15.5	28.2
Total Supplementary Welfare Allowance	29,748	3.2	8,378	15.5	28.2
Earned income	0	0.0	338	0.6	N/a
Income from other social welfare benefits	0	0.0	56	0.1	Nav
Maintenance from former partner	0	0.0	941	1.7	N/a
No Income	0	0.0	46	0.1	N/a
Refugee social welfare payments	0	0.0	511	0.9	Nav
UK social security payment	0	0.0	385	0.7	N/a
Total Miscellaneous Payments	0	0.0	2,277	4.2	N/a
Not recorded	0	0.0	347	0.6	N/a
Grand Total N/%	942,702	100	54,123	100	5.7

Source: Department of Social and Family Affairs, (various years) **Note:** N means number. N/a means not applicable. Nav means not available. Data for all social welfare claimants exclude Family Income Supplement and Rent Supplement as these benefits are not primary sources of income. Old-age Pension includes both contributory, non-contributory and retirement pensions. One-Parent Family Payment includes all types of widow/ers pensions and deserted and prisoners wife's benefits and allowances. Orphan's Pension includes both contributory and non-contributory benefits. Disability Allowance and benefit includes Interim Disability Benefit. Unemployment Assistance includes payments under the Farm Assist/ Smallholders scheme. Back-to-Work Allowance includes all allowances of this type paid to employees and self employed persons and the Part-Time Job Incentive Scheme. Back-to-Education Allowances includes all return to education payments.

Table 2.7 Source of Income of Rent Supplement Claimants by Gender and Age, June 2005

Category of Payment	Type of Payment	Male		Female		19 or Less		20 to 29		30 to 39		40 to 49		50 to 64		65 or More	
		N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Old-Age Payments	Old-Age Pension	818	49.9	820	50.1	0	0.0	0	0.0	0	0.0	0	0.0	13	0.8	1,625	99.2
	Pre-Retirement Allowance	250	77.4	73	22.6	0	0.0	0	0.0	0	0.0	0	0.0	223	69.0	100	31.0
One-Parent Family Payments	One-Parent Family Payment	289	2.1	13,332	97.9	466	3.4	7,568	55.6	3,701	27.2	1,239	9.1	421	3.1	226	1.7
Child Related Payments	Maternity Benefit	3	1.0	309	99.0	15	4.8	228	73.1	63	20.2	6	1.9	0	0.0	0	0.0
	Adoptive Benefit	0	0.0	2	100.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
Illness, Disability and Caring Payments	Blind Pension	36	42.9	48	57.1	0	0.0	24	28.6	10	11.9	14	16.7	21	25.0	15	17.9
	Carer's Allowance and Benefit	98	27.6	257	72.4	2	0.6	47	13.2	122	34.4	102	28.7	74	20.8	8	2.3
Unemployment Supports	Disability Allowance and Benefit	5,130	60.1	3,409	39.9	52	0.6	1,652	19.3	2,220	26.0	2,116	24.8	2,298	26.9	201	2.4
	Invalidity Pension	710	64.6	389	35.4	0	0.0	5	0.5	64	5.8	279	25.4	627	57.1	124	11.3
Employment Supports	Injury Benefit	94	40.2	140	59.8	6	2.6	45	19.2	44	18.8	49	20.9	55	23.5	35	15.0
	Unemployment Benefit	1,478	61.9	909	38.1	11	0.5	910	38.1	796	33.3	434	18.2	227	9.5	9	0.4
Supplementary Welfare Allowance	Unemployment Assistance	8,148	68.4	3,771	31.6	303	2.5	3,690	31.0	3,636	30.5	2,299	19.3	1,879	15.8	112	0.9
	Return-to-Employment Supports	877	53.0	777	47.0	43	2.6	510	30.8	541	32.7	376	22.7	181	10.9	3	0.2
Miscellaneous Payments	Return-to-Education Supports	538	56.5	415	43.5	6	0.6	425	44.6	334	35.0	139	14.6	48	5.0	1	0.1
	Supplementary Welfare Allowance	3,719	44.4	4,660	55.6	287	3.4	2,770	33.1	3,341	39.9	1,315	15.7	586	7.0	80	1.0
Not recorded	Earned income	108	32.0	230	68.0	10	3.0	99	29.3	114	33.7	68	20.1	43	12.7	4	1.2
	Income from other social welfare benefits	19	33.9	37	66.1	1	1.8	13	23.2	11	19.6	7	12.5	15	26.8	9	16.1
Grand Total and % of Total	Maintenance from former partner	3	0.3	938	99.7	27	2.9	599	63.7	211	22.4	82	8.7	17	1.8	5	0.5
	No Income	18	39.1	28	60.9	2	4.3	17	37.0	12	26.1	10	21.7	5	10.9	0	0.0
Grand Total and % of Total	Refugee social welfare payment	320	62.6	191	37.4	15	2.9	166	32.5	255	49.9	63	12.3	10	2.0	2	0.4
	UK social security payment	212	55.1	173	44.9	0	0.0	1	0.3	11	2.9	34	8.8	102	26.5	237	61.6
Grand Total and % of Total		22,922	42.4	31,201	57.6	1,247	2.3	18,826	34.8	15,604	28.8	8,701	16.1	6,902	12.8	2,843	5.3

Data supplied by the Department of Social and Family Affairs and analysed by the Centre for Housing Research. Note: N means number.

Table 2.8 Source of Income of Rent Supplement Claimants by Nationality, June 2005

Category of Payment	Type of Payment	Ireland		United Kingdom		Other EU		Rest Of Europe		USA		Africa		Other Countries		Not Recorded	
		N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Old-Age Payments	Old-Age Pension	1,004	61.3	34	2.1	10	0.6	10	0.6	1	0.1	5	0.3	7	0.4	567	34.6
	Pre-Retirement Allowance	269	83.3	25	7.7	3	0.9	1	0.3	0	0.0	1	0.3	3	0.9	21	6.5
One-Parent Family Payments																	
	One-Parent Family Payment	8,292	60.9	585	4.3	216	1.6	179	1.3	25	0.2	856	6.3	72	0.5	3,396	24.9
Child Related Payments	Maternity Benefit	222	71.2	10	3.2	18	5.8	7	2.2	1	0.3	10	3.2	2	0.6	42	13.5
	Adoptive Benefit	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	50.0	0	0.0	1	50.0
Illness, Disability and Caring Payments	Blind Pension	40	47.6	1	1.2	2	2.4	1	1.2	0	0.0	3	3.6	1	1.2	36	42.9
	Carer's Allowance and Benefit	193	54.4	29	8.2	7	2.0	14	3.9	1	0.3	29	8.2	7	2.0	75	21.1
	Disability Allowance and Benefit	5,401	63.3	457	5.4	141	1.7	202	2.4	20	0.2	171	2.0	85	1.0	2,062	24.1
	Invalidity Pension	947	86.2	15	1.4	2	0.2	0	0.0	0	0.0	0	0.0	1	0.1	134	12.2
	Injury Benefit	143	61.1	10	4.3	11	4.7	4	1.7	3	1.3	7	3.0	3	1.3	53	22.6
	Unemployment Benefit	1,931	80.9	150	6.3	129	5.4	31	1.3	3	0.1	72	3.0	30	1.3	41	1.7
Unemployment Supports	Unemployment Assistance	8,423	70.7	1,030	8.6	394	3.3	520	4.4	34	0.3	1,010	8.5	294	2.5	214	1.8
	Return-to-Employment Supports	1,048	63.4	107	6.5	87	5.3	49	3.0	3	0.2	162	9.8	39	2.4	159	9.6
Employment Supports	Return-to-Education Supports	659	69.2	53	5.6	52	5.5	40	4.2	5	0.5	88	9.2	20	2.1	36	3.8
	Supplementary Welfare Allowance	3,287	39.2	531	6.3	350	4.2	1,028	12.3	18	0.2	2,264	27.0	272	3.2	629	7.5
Miscellaneous Payments	Earned Income	181	53.6	25	7.4	34	10.1	14	4.1	1	0.3	37	10.9	15	4.4	31	9.2
	Income from other social welfare benefits	32	57.1	3	5.4	4	7.1	0	0.0	0	0.0	6	10.7	0	0.0	11	19.6
	Maintenance from former partner	651	69.2	27	2.9	17	1.8	8	0.9	1	0.1	13	1.4	4	0.4	220	23.4
	No Income	21	45.7	4	8.7	4	8.7	2	4.3	0	0.0	5	10.9	5	10.9	5	10.9
	Refugee social welfare payment	2	0.4	0	0.0	17	3.3	98	19.2	0	0.0	323	63.2	58	11.4	13	2.5
	UK social security payment	207	53.8	83	21.6	2	0.5	1	0.3	0	0.0	1	0.3	0	0.0	91	23.6
Not recorded		192	55.3	7	2.0	6	1.7	5	1.4	0	0.0	10	2.9	1	0.3	126	36.3
Grand Total and % of Total		33,445	61.2	3,186	5.9	1,506	2.8	2,214	4.1	116	0.2	5,074	9.4	919	1.7	7,963	14.7

Data supplied by the Department of Social and Family Affairs and analysed by the Centre for Housing Research. **Note:** N means number.

Table 2.7 also details variations in source of income according to the age of claimants. It reveals that the majority of claimants dependent on the one-parent family payment are aged between 20 and 29. This reflects the high numbers of single female claimants in this age group as was discussed in Section 2.3. Recipients of unemployment benefit and assistance also tend to be in the younger age group – most are aged between 20 and 39 years. As would be expected, most recipients of pre-retirement allowance, invalidity and old-age pensions are aged over 50 years.

As is demonstrated in Table 2.8, the source of income of rent supplement claimants varies according to nationality. Those of Irish nationality are more likely to be dependent on pre-retirement allowance, an invalidity pension or unemployment benefit than their non-national counterparts. In contrast, claimants of non-EU and non-USA origin are more likely to claim a refugee social welfare payment but also to be in receipt of a payment under the Supplementary Welfare Allowance scheme. In 2005, 27 per cent of all rent supplement claimants dependent on SWA were of African nationality, while a further 12.3 per cent were from a European country outside of the EU. Claimants of African nationality also display high levels of dependence on unemployment assistance and return-to-employment and education allowances.

2.7 Concluding Comments

Access to rent supplement is confined to households dependent on social welfare benefits and return-to-work or education supports. Therefore recipients of this support are by definition disadvantaged compared to the wider Irish population. As would be expected, the profile of rent supplement claimants in June 2005 that has been presented in this section demonstrates that groups who are most likely to be disadvantaged in this country dominate the rent supplement claimant population. These groups include lone parents (46.7 per cent had incomes below 60 per cent of the median in 2000, compared to 22 per cent of the entire national population) and disabled people (54.4 per cent had incomes below 60 per cent of median in 2000) (Nolan *et al*, 2002).

However, some groups such as old-age pensioners who generally experience high rates of income poverty in this country are under-represented among rent supplement claimants. This is because older people are much more likely to be homeowners than younger people and therefore not living in private rented accommodation. Fahey *et al* (2004) report that, in 2000, 92.5 per cent of household heads aged between 65 and 75 years owned their home, compared to 53.2 per cent of those aged under 35.

This indicates that not all disadvantaged groups are proportionately represented among rent supplement claimants, but rather that this population consists of the subset of benefit dependants who are also likely to be disadvantaged by the housing market. In addition to lone parents and disabled people, this includes the following groups:

- Single people. They have higher rates of poverty than couples (48.6 per cent had incomes below 60 per cent of median in 2000) but, in addition, they are likely to have more difficulty purchasing a home than couples (National Economic and Social Council, 2004). Furthermore, probably as a result of the combination of the shortage of small social housing units and the preference given to families with children in the schemes of priority used to allocate local authority housing, they are also unlikely to be allocated a social rented dwelling (Department of Social and Family Affairs, 2004).

- Households headed by a separated, deserted or divorced person. Evidence from the United Kingdom indicates that marital breakdown is a major cause of 'housing stress', because two households have to be supported rather than one. Thus marital breakdown is strongly associated with the repossession of owner-occupied dwellings, and/or with reductions in the quality of housing occupied by one or both of the two new households (Ford *et al*, 2001).
- Minority ethnic groups. A much higher proportion of rent supplement claimants are not Irish citizens than would be expected in view of their representation in the entire population of the State and also in view of the high proportion of married claimants among this group (Irish claimants of this benefit are much more likely to be single). This situation is related to very high levels of benefit dependency among certain non-national groups. Faughnan (1999) reports that refugees have severe difficulties in accessing the labour market, due to a combination of a lack of relevant work and language skills, problems in relation to the recognition of qualifications, and discrimination. This may explain the particularly high numbers of non-EU or non-US nationals claiming rent supplement. These groups are more likely to have entered the country seeking asylum (Hughes, 2005). Clann Housing Association's (1999) study of Bosnian refugees in Ireland concludes that discrimination and high rates of benefit dependency have inhibited access to owner occupation for these groups, and many have not applied for social housing or been on a local authority waiting list for an adequate period to be granted a tenancy.

SECTION THREE
Claimant Numbers



3.1 Introduction

This section describes, and endeavours to explain, trends in rent supplement claimant numbers during the 1990s and between 2000 and June 2005. This analysis is intended to inform estimates of the numbers and types of dwellings and funding that will be required to implement the Rental Accommodation Scheme in the short to medium-term after its establishment. It is also intended to contextualise the detailed discussions of recent trends in rent supplement claim duration and cost which are set out in Sections Four and Five of this report respectively.

3.2 Long-Term Trends in Rent Supplement Claims

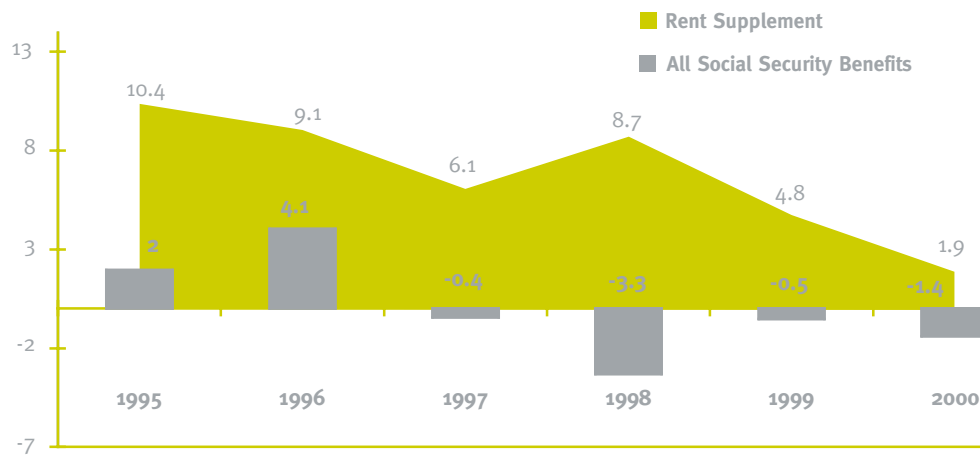
Comprehensive data regarding rent supplement claimant numbers are only available from 1994, but these data indicate that take-up of this scheme has grown each year since then. As Table 3.1 reveals, in 1994, 28,800 households were in receipt of rent supplement; by 2000 this had increased to 42,700 households. Furthermore, Figure 3.1 demonstrates that the rise in the number of rent supplement claimants has significantly outpaced inflation growth in the claimants of all social welfare benefits – indeed the latter was negative between 1997 and 2000.

Table 3.1 Rent Supplement and all Social Welfare Benefit Claimant Numbers, 1994-2000

Year	Rent supplement claimants (N)	All social welfare benefit claimants (N)	Rent supplement claimants as a % of all social welfare benefit claimants
1994	28,800	823,308	3.5
1995	31,800	839,633	3.8
1996	34,700	874,335	4.0
1997	36,800	870,852	4.2
1998	40,000	841,983	4.8
1999	41,900	838,061	5.0
2000	42,700	826,274	5.2

Source: Department of Social and Family Affairs (various years); Inter-Departmental Committee on Issues Relating to the Possible Transfer of Administration of Rent and Mortgage Supplementation from the Health Boards to the Local Authorities (1999) **Note:** N means number. Figures for all social welfare benefit claimants exclude some employment supports (currently: Back-to-Work Allowance, Back-to-Education Allowance and the Part-time Job Incentive Scheme, as well as earlier analogous benefits). Therefore these data underestimate the level of social welfare benefit take-up by approximately 2 per cent.

Figure 3.1 Annual Percentage Change in Claimants of Rent Supplement and all Social Security Benefits, 1995-2000



Source: Department of Social and Family Affairs (various years). **Note:** Data for all social welfare benefit claimants exclude some employment supports (currently: Back-to-Work Allowance, Back-to-Education Allowance and the Part-time Job Incentive Scheme, as well as earlier analogous benefits). Therefore these data underestimate the level of social welfare benefit take-up by 2 per cent.

Year-on-year growth in rent supplement claimants totalled 40.9 per cent between 1994 and 2000, but the equivalent figure for all social welfare benefit claimants is only 0.5 per cent. As a consequence, the proportion of all benefit claimants who are also rent supplement claimants grew from 3.5 to 5.2 per cent between these years.

3.3 Explaining Long-Term Trends in Rent Supplement Claims

These long-term trends in rent supplement claimant numbers have inspired concerned comment from the two committees that were appointed by Government to review the operation of this scheme during the 1990s – the Review Group on the Role of Supplementary Welfare Allowance in Relation to Housing, which reported in 1995, and the Inter-Departmental Committee on Issues Relating to the Possible Transfer of Administration of Rent and Mortgage Supplementation from the Health Boards to the Local Authorities, which reported in 1999. Reflecting the variations in the cost and take-up of rent supplement over this decade, these reports identify a variety of factors that have driven these developments, although they do concur on some of these.

The 1995 report attributes the high growth in rent supplement cost and take-up in the early 1990s to the following factors:

- improved information facilities and increased awareness of social welfare assistance
- changing social expectations and demographic trends which have led to an increase in the number of one-parent families and one-person households
- the demand-led nature of Supplementary Welfare Allowance, whereby accommodation is automatically funded once an applicant meets the terms of the scheme, whereas social rented housing is rationed among qualified applicants

- aspects of the social welfare system which provide disincentives for unemployed people to remain in their parental home, specifically the ‘benefit and privilege rule’ under which they receive a lower rate of unemployment assistance if they do so
- immigration from the United Kingdom and also increasing numbers of asylum seekers
- continuing high levels of unemployment and rising levels of long-term unemployment
- the diminution of the local authority house building programme in the years 1987–1992
- the knock-on effects of policies and initiatives outside of the SWA scheme itself, e.g. the de-institutionalisation of the health services.

The report *The Administration of Rent and Mortgage Interest Assistance*, published in 1999, agreed that the first four of these factors remained significant drivers of increased numbers of rent supplement claimants, but offered a different analysis of the influence of the latter four (Inter-Departmental Committee, 1999). The process of de-institutionalising the health services had been largely completed by the end of the 1990s – so it was not mentioned by the 1999 report as a significant influence on rent supplement. The rate of unemployment in Ireland had also fallen significantly, from 12.4 per cent in 1995 to 5.6 per cent in 1999 (European Union, 2002).

However, the 1999 report attributed the lack of impact of this trend on rent supplement claimant rates to ‘disincentives faced by some recipients of the loss of supplement on taking up employment’ and the fact that ‘... in order to minimise such disincentives, supplements can be retained (fully or partly) in certain circumstances where recipients take up employment or education/training’ (Inter-Departmental Committee, 1999: 18).

The report acknowledged that the availability of social housing was one of the factors that influenced demand for rent supplement but argued that the falling annual growth in take-up of this benefit in the late 1990s, in the face of increasing numbers of households assessed as in need of social housing (which grew from 27,247 in 1996 to 39,176 in 1999), indicated that it was not a very significant influence (Department of the Environment, Heritage and Local Government, various years). Significantly, unlike its predecessor, the 1999 report also identified provision for immigrants as an increasingly influential driver of increasing rent supplement take-up.

3.4 Recent Trends in Rent Supplement Claims

Trends in the numbers claiming rent supplement since 2001 are set out in Table 3.2. This Table indicates that the number of claimants of this supplement rose from 45,000 in 2001 to 57,960 in June 2005, a 31 per cent increase. As a result, the proportion of all social welfare benefit claimants dependent on rent supplement also rose, from 5.2 per cent in 2001 to 6.0 per cent in 2005. However, this rate of increase is significantly slower than that which prevailed in the 1990s. In the six years to 2000 the proportion of all social welfare benefit claimants also dependent on rent supplement rose by 1.7 per cent, compared to 0.8 per cent in the four and a half years to June 2005.

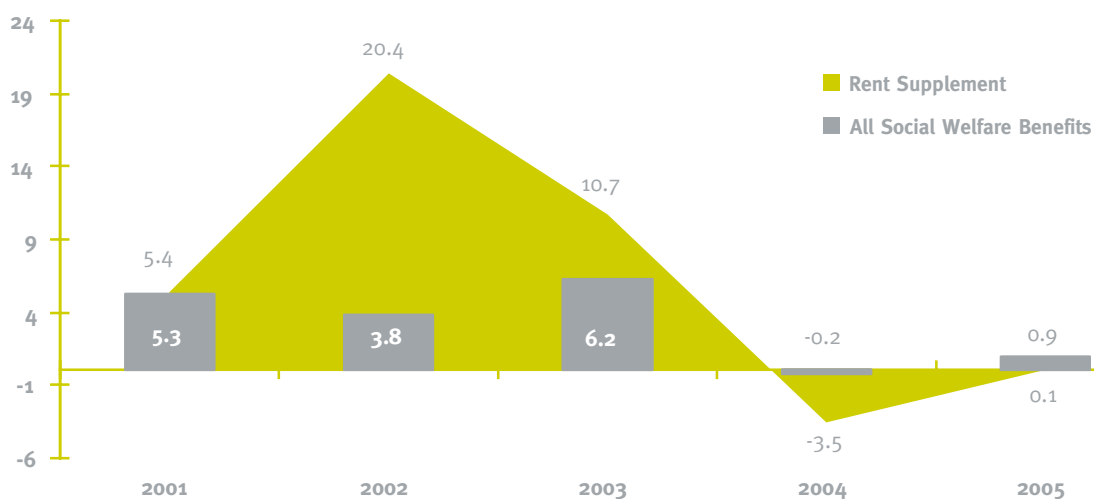
Figure 3.2 demonstrates that this aggregate growth figure disguises sharp variations in the rate of expansion in numbers of rent supplement claimants during the period 2001 to June 2005. The numbers of claimants grew by 20.4 per cent between 2001 and 2002 (a significantly higher growth rate than that which prevailed in the 1990s), but after this the rate of annual increase fell sharply. The numbers of rent claimants fell by 3.5 per cent in 2004, and has grown by a negligible amount (0.1 per cent) in the first six months of 2005, which is far below the average rate of growth which prevailed during the 1990s.

Table 3.2 Rent Supplement and all Social Welfare Benefit Claimants, 2001 - June 2005

Year	Rent supplement claimants (N)	Rent supplement claimants eligible for the Rental Accommodation Scheme (N)	All social welfare benefit claimants (N)	Rent supplement claimants as a % of all social welfare benefit claimants	Rent supplement claimants eligible for the Rental Accommodation Scheme as a % of all social welfare benefit claimants
2001	45,000	Nav	869,994	5.2	Nav
2002	54,200	Nav	903,375	6.0	Nav
2003	59,976	53,855	959,432	6.3	5.6
2004	57,872	53,392	957,732	6.0	5.6
2005	57,960	54,123	966,335	6.0	5.6

Source: Department of Social and Family Affairs (various years). **Note:** Nav means not available. These data include all social welfare benefit claimants, including participants on employment support programmes who were excluded from Table 3.1. All data refer to 31 December with the exception of data for 2005, which refer to 30 June.

Figure 3.2 Percentage Annual Change in Rent Supplement and all Social Welfare Benefit Claimants, 2001-June 2005



Note: Nav means not available. These data include all social welfare benefit claimants, including participants on employment support programmes who were excluded from Figure 3.1. All data refer to 31 December with the exception of data for 2005, which refer to 30 June. Data on rent supplement claimants include all claimants, including those who are ineligible for the Rental Accommodation Scheme.

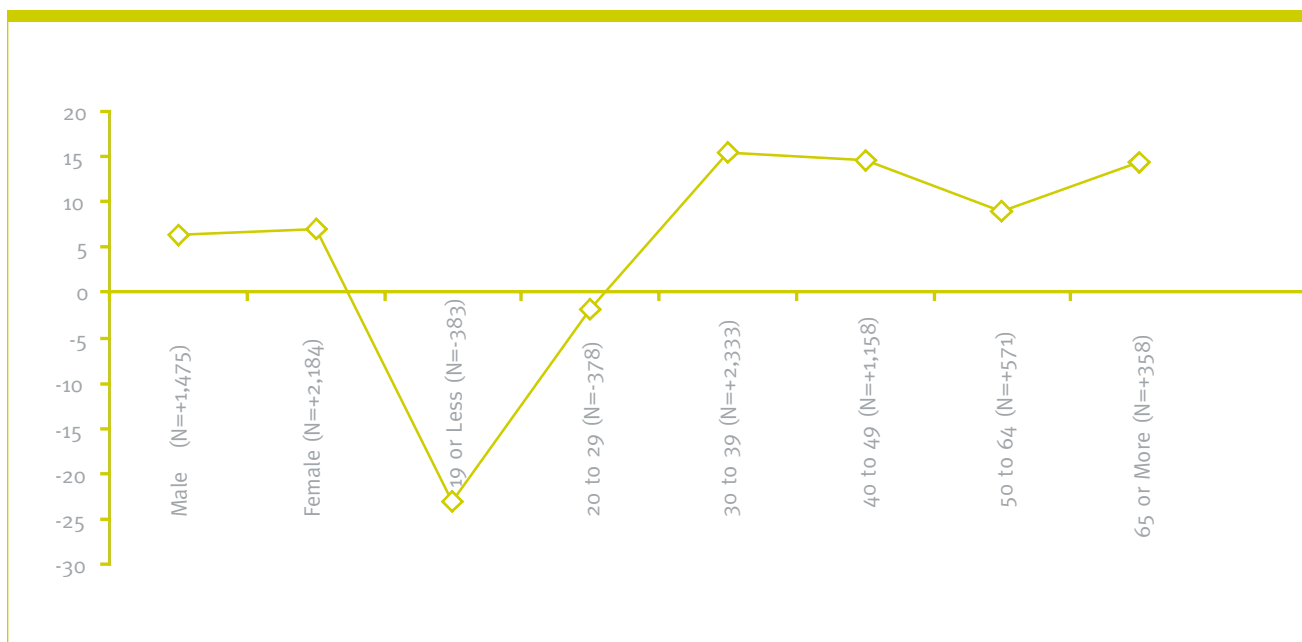
Significantly, the trend which characterised the 1990s, whereby the numbers of rent assistance claimants increased at a much greater rate than all social welfare benefit claimants, has also ceased in recent years. In 2001 the numbers of rent supplement claimants grew by only 0.1 per cent more than all social welfare benefit claimants. Although this disparity increased to 16.6 per cent in 2002, in each of the years since then, the numbers of rent supplement claimants have grown at only a marginally higher rate than all social welfare claimants. Indeed, in 2004 the total number of social security benefit claimants fell by 0.2 per cent but the number of rent supplement claimants fell by 3.3 per cent more.

3.5 In-depth Analysis of Recent Trends in Rent Supplement Claims

Figures 3.3, 3.4, 3.5, 3.6 and 3.7 examine recent trends in rent supplement claimant numbers in more detail, using December 2003 and June 2005 data taken from the Department of Social and Family Affairs database of claimants. Each graph outlines changes in proportional terms, while details of the resultant change in the number of claimants are also included, in brackets. It is important to note that these data exclude claimants who are not eligible for the Rental Accommodation Scheme (totalling 6,118 in 2003 and 3,837 in 2005). Thus they are not fully comparable with the figures for all claimants set out in Table 3.2 and Figure 3.2.

Figure 3.3 assesses changes in the gender and age of rent supplement claimants between December 2003 and June 2005. It reveals that men and women contributed relatively evenly to the growth in the number of claimants over this time, but that this increase varied significantly according to age group. The most striking change in this regard is that the proportion of younger claimants fell substantially, by 23.1 per cent in the 19 or less age group and by 1.9 per cent in the 20-29 age group, whereas the numbers of claimants aged over 29 years expanded. At the same time, it is important

Figure 3.3 Percentage and Absolute Change in Rent Supplement Claimants by Age and Gender, December 2003-June 2005



Note: N means number. These data exclude claimants who are not eligible for the Rental Accommodation Scheme.

Figure 3.4 Percentage and Absolute Change in Rent Supplement Take-Up by Marital Status, December 2003-June 2005



Note: N means number. These data exclude claimants who are not eligible for the Rental Accommodation Scheme.

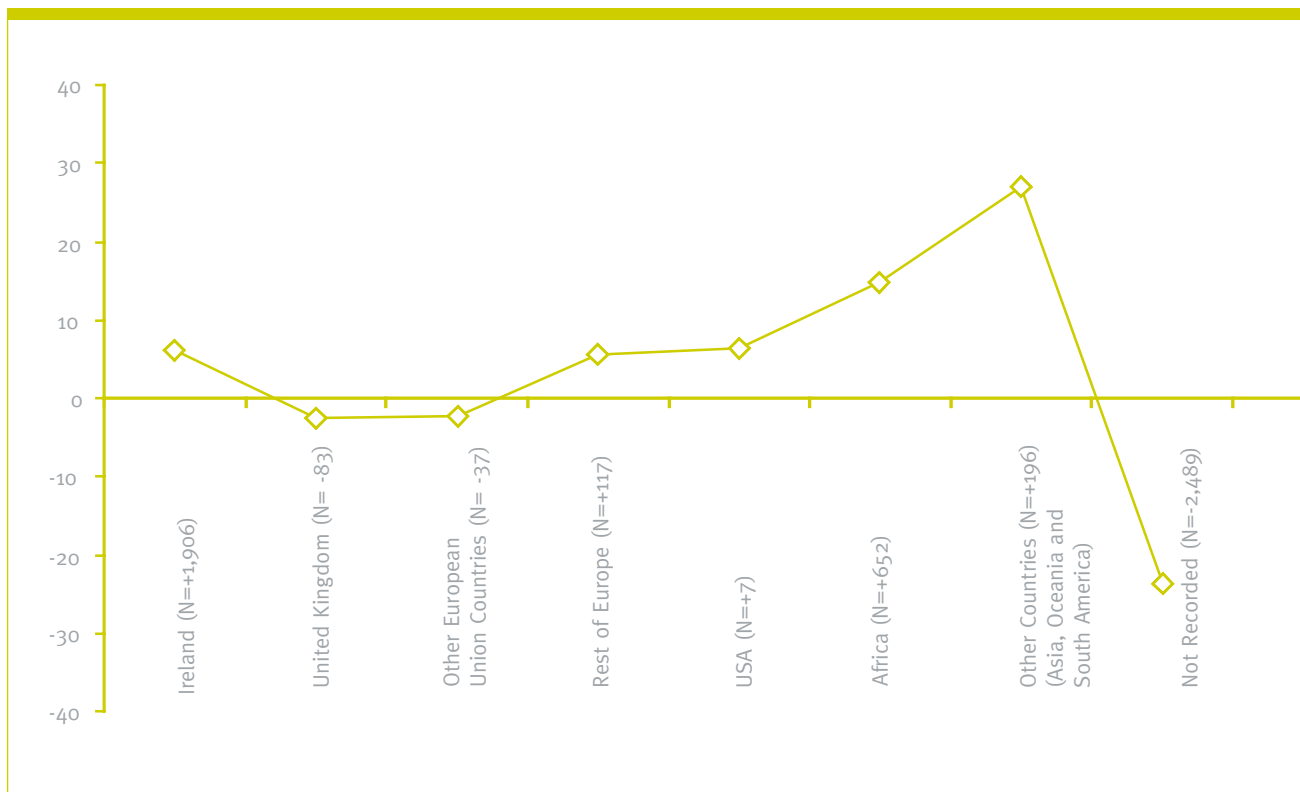
to stress that, because the 19 and younger age group makes up such a small proportion of rent supplement claimants, this large relative reduction in the claimants in this category was a relatively modest fall in absolute terms (383 claimants). Because a much larger proportion of claimants were aged between 20 and 29, the more modest 1.9 per cent proportional fall in claimants in this category translated into a similar absolute reduction in claimant numbers (378 claimants).

Figure 3.4, which examines the marital status of claimants, reveals a 20.1 per cent increase in the proportion who are separated (accounting for 459 claimants), and a smaller proportionate and absolute expansion in cohabiting, married and widowed claimants between December 2003 and June 2005. As Section Two revealed, the vast majority of rent supplement claimants are either married or single. As a result, the relatively small changes in the proportion of claimants in these categories disguise significant changes in absolute terms. The number of married claimants grew by 778 during the period under examination, while the number of single claimants fell by 1,190. This is probably linked to the concurrent fall in claimants aged 29 and under, which was highlighted above.

Figure 3.5 reveals that the proportion of rent supplement claimants who are not of Irish nationality or from a European Union member state grew significantly between December 2003 and June 2005. Among the various nationalities, the growth in claimants in the 'other countries' category (Latin America, Asia and Oceania) was proportionately greatest – 27.1 per cent. However, because nationals of these countries make up a small proportion of rent supplement claimants, this increase comprises only 196 claimants. In contrast, although the proportion of African nationals in the rent supplement claimant population grew by only 14.7 per cent, this represents 652 claimants in absolute terms.

The data on Irish claimants set out in this graph are somewhat misleading. These data indicate that the proportion of Irish nationals in the rent supplement claimant population grew by 6.1 per cent. However, this figure probably exaggerates the trend because, as was explained in Section Two, Irish nationals are likely to make up most

Figure 3.5 Percentage Change in Rent Supplement Claimants by Nationality, December 2003-June 2005



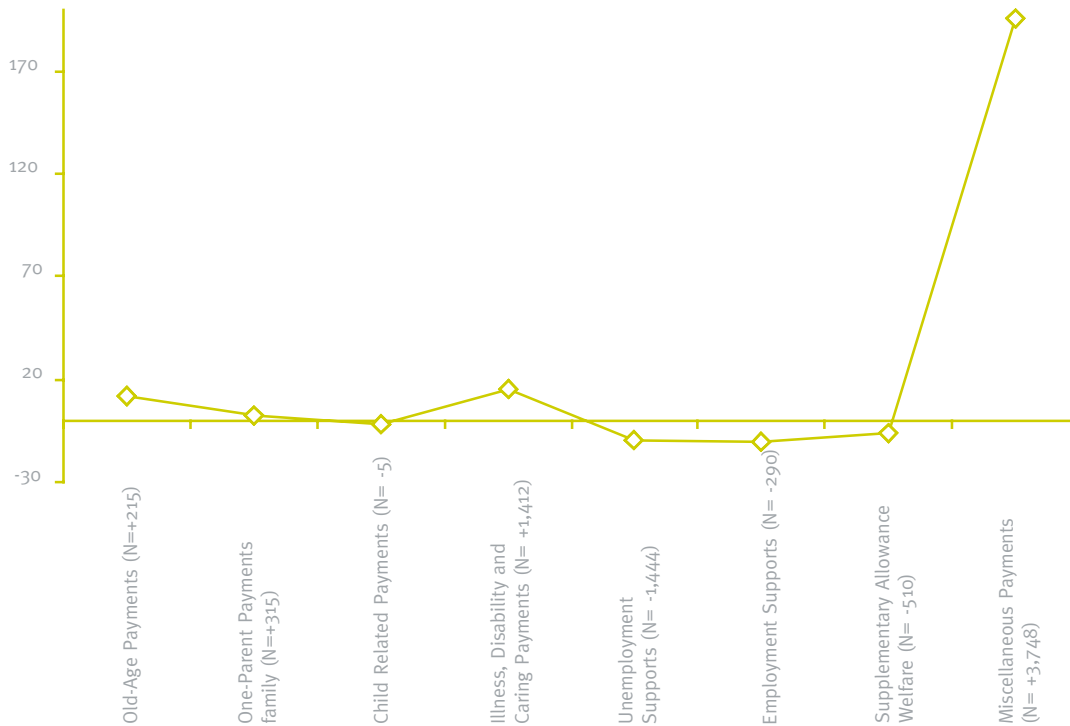
Note: N means number. These data exclude claimants who are not eligible for the Rental Accommodation Scheme. Other countries include those in Asia, Oceania and South America.

of the 'not recorded' category and that group contracted by 23.8 per cent during the period under examination.

Changes in the sources of income of rent supplement claimants between December 2003 and June 2005 are outlined in Figure 3.6. This graph reveals some interesting changes in this regard since the 1990s. For instance, the marked growth in the numbers of claimants reliant on one-parent family payment, which was highlighted in the 1995 and 1999 reviews of rent supplement, has ceased and the proportion of claimants in this category grew by only 2.4 per cent (or 315 claimants) during the period under examination (Review Group on the Role of Supplementary Welfare Allowance in Relation to Housing, 1995; Inter-Departmental Committee on Issues Relating to the Possible Transfer of Administration of Rent and Mortgage Supplementation from the Health Boards to the Local Authorities, 1999).

The proportion of claimants dependent on employment, unemployment and supplementary welfare allowance income supports fell during the period under examination. The fall in claimants reliant on the first of these payment categories was particularly high in absolute terms (1,444 claimants). In contrast, claimants dependent on illness, disability and caring social welfare payments and miscellaneous sources of income rose in relative terms, which together effected a marked increase of 4,890 in the total number of rent supplement claimants. In relation to the miscellaneous payments category, the vast majority of this increase is due to a rise of 3,505 in the number of claimants (885.1 per cent) dependent on a refugee support payment. In contrast, the rise in the number of claimants dependent on illness, disability and caring payments is mainly related to an increase of 1,194 in the number of claimants reliant on disability benefit and allowance.

Figure 3.6 Percentage Change in Rent Supplement Claimants by Source of Income, December 2003-June 2005



Note: N means number. These data exclude claimants who are not eligible for the Rental Accommodation Scheme. The above categories include the following sources of income. Old-age includes the Old-Age Pension and the Pre-Retirement Allowance. Child Related Payment includes: Adoptive Parents Benefit, Maternity Benefit and Health and Safety Benefit. Illness, Disability and Caring includes the Blind Pension, Carer's Allowance, Disability Allowance and Benefit, Invalidity Pension and Injury Benefit. Unemployment Supports include Unemployment Benefit and Unemployment Assistance. Employment Supports include Back-to-Work Allowance and Back-to-Education Allowance. Miscellaneous payments include earned income, income from other social welfare benefits, maintenance from a former partner, no income, refugee payments and UK social welfare payments.

3.6 Explaining Recent Trends in Rent Supplement Claims

The preceding discussion has highlighted a marked reduction in the rate of increase in numbers of rent supplement claimants since 2003 compared to the latter half of the 1990s. This occurred both in absolute terms and in terms of the proportion of all social welfare benefit claimants and of all private renting households dependent on this support although it should be noted that this trend was partially reversed in 2005 when claimant numbers rose by 4 per cent – to 60,176 claims – over the course of that year. The available evidence suggests that this development is related to a combination of the following factors:

- administrative changes in eligibility for rent supplement
- wider socio-economic trends
- developments in the housing system
- take-up rates

Each of these factors is examined in turn in the following pages.

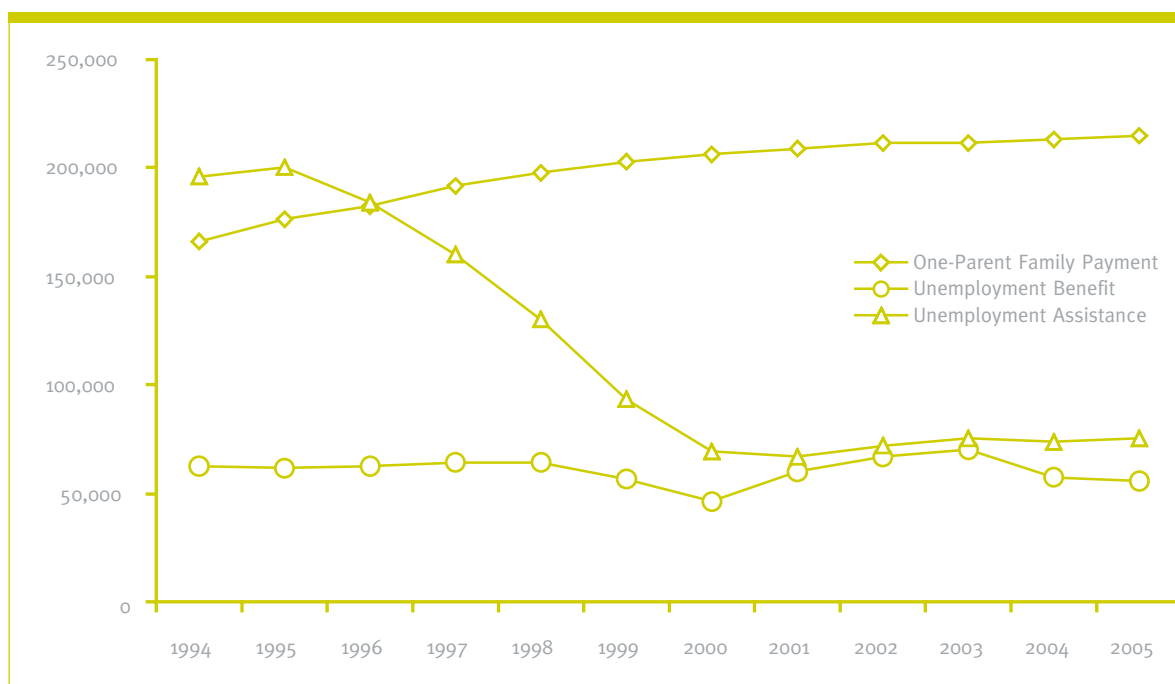
3.6.1 Administrative Changes in Eligibility

In relation to administrative changes, in 2001 a disregard of €6.35 in the rent supplement means test for applicants aged 65 and over and in receipt of a State old-age pension was introduced and subsequently increased in 2002 and 2003 (Department of Social, Community and Family Affairs, 2001). In addition, from December 2003, new applicants for rent supplement (with the exception of those registered as homeless, assessed as in need of housing by a local authority, in receipt of an old-age pension and some categories of social welfare payments for disabled people) were deemed ineligible if they had not lived in rented accommodation for six of the previous twelve months (Department of Social and Family Affairs, 2003). This provision was rescinded a year later and replaced with additional qualifying criteria. The first of these reforms may explain the increase in the proportion of claimants aged 65 or more, highlighted in Figure 3.3, while the second may have contributed to the fall in claimants aged 19 years and under (who are unlikely to have been living independently in private rented accommodation for the previous six months), also highlighted in this graph. However, because of the small number of claimants in these age groups, such changes would have had a small impact on the overall number of rent supplement claimants.

3.6.2 Socio-Economic Trends

Figure 3.7 examines several of the socio-economic trends identified as key drivers of rent supplement take-up by the Review Group on the Role of Supplementary Welfare Allowance in Relation to Housing (1995) and the Inter-Departmental Committee on Issues Relating to the Possible Transfer of Administration of Rent and Mortgage Supplementation from the Health Boards to the Local Authorities (1999). The graph demonstrates that these factors have become increasingly less influential since 2000, which explains the slow-down in the rate of increase in rent supplement claimants over that period. For instance, the numbers of claimants of one-parent family payment grew by 36,913 (22 per cent) between 1994 and 1999, but by 9,170

Figure 3.7 Numbers of Recipients of One-Parent Family Payment, Unemployment Benefit and Unemployment Assistance, 1994-June 2005



Source: Department of Social and Family Affairs (various years) **Note:** In addition to the One-Parent Family Payment, data for this category of claimant include all types of widow/ers pensions and deserted and prisoners wife's benefits and allowances. One-Parent Family Payment claimants accounted for 80,103 claims in 2004. Data for 2005 refer to June of that year.

claimants (4.1 per cent) between 2000 and June 2005. This development has clearly been reflected in the rent supplement system, as the number of lone-parent claimants in receipt of this benefit grew by only 2.4 per cent between December 2003 and June 2005.

Figure 3.7 also reveals that the numbers of claimants of unemployment benefit and unemployment assistance fell by 6,333 (10.1 per cent) and 103,261 (52.6 per cent) respectively in the five years to 1999. Although the number of unemployment benefit and unemployment assistance claimants rose by 18.6 per cent between 2000 and June 2005, total claimants of unemployment assistance numbered 75,115 by the latter date. This is less than half the equivalent figure in 1994 (Department of Social and Family Affairs, 2004). Such a development reduced the number of potential claimants of rent supplement substantially.

At the same time, however, the return of inflation in the numbers of unemployment assistance and benefit claimants since 2000 has certainly contributed to the more modest increases in the rent supplement claimant rate over this period. Significantly, 2001/2002 saw the greatest growth in unemployment benefit (10.9 per cent) and assistance (7.5 per cent) claimants of recent years. This may explain the concurrent short-term rise in the rate of growth of rent supplement claims.

The diminution in the influence of the socio-economic traditional drivers of growth in rent supplement take-up has been paralleled by the emergence of new stimuli of claimant growth. However, to date these new stimuli have effected a much smaller growth in rent supplement claimant numbers than did rising numbers of lone parents and high unemployment during the 1990s. For instance, the increase in the rate of marital breakdown in Ireland (the proportion of the population aged fifteen and older who are separated or divorced grew by 46 per cent in the inter-censal period 1996-2002) has had an impact on rent supplement claimant rates (Central Statistics Office, 2003b). Figure 3.4 demonstrates that the proportion of separated claimants grew by 20.4 per cent between December 2003 and June 2005. However, because the vast majority of rent supplement claimants are married or never married, in absolute terms the growth in the number of separated claimants has been modest.

The last decade has also seen the dramatic reversal of Ireland's traditionally high rates of negative net migration. Hughes (2005) reports that in the year to the end of April 1990, about 56,000 people left Ireland and 33,000 entered, resulting in a net loss of population of nearly 23,000 people. In contrast, as Table 3.3 demonstrates, between 1999 and 2002 the number of immigrants consistently exceeded emigrants. This development is significant from the perspective of the discussion at hand because, as was mentioned in Section Two, the rent supplement claimant population contains significantly more foreign nationals than would be expected considering their representation in the population of the State as a whole.

In addition, Figure 3.5 above demonstrates that nationals of non-EU member European countries, Africa and South America, Asia and Oceania made a significant contribution to the growth in the number of rent supplement claimants between December 2003 and June 2005. A comparison of statistics on immigration into Ireland with the countries of origin of claimants in these categories indicates that most entered this country through the asylum route and either gained refugee status or (because this analysis excludes non-nationals without leave to remain in the country) gained leave to remain on other grounds.

Nigerian citizens accounted for 35 per cent of applications for asylum in Ireland in 2002 and this group made up by far the largest proportion of African nationals in receipt of rent supplement in June 2002. Similarly, Romanian citizens, who make up the bulk of rent supplement claimants from European countries outside of the EU, made up 14.4 per cent of all applications for asylum in Ireland in 2002 (Hughes, 2005). In contrast, nationals of countries unlikely to seek asylum in Ireland such as the USA and EU member states are not significantly over-represented among rent supplement claimants.

Table 3.3 Migration and Asylum Flows in Ireland, 1999-2002

	1999	2000	2001	2002
Recorded emigration	31,600	26,600	26,200	25,600
Recorded immigration	48,900	52,600	59,000	66,900
Of which made first asylum applications	7,702	10,913	10,316	11,634

Source: Hughes, 2005.

3.6.3 Developments in the Housing System

As mentioned above, the reports of the Review Group on the Role of Supplementary Welfare Allowance in Relation to Housing (1995) and the Inter-Departmental Committee on Issues Relating to the Possible Transfer of Administration of Rent and Mortgage Supplementation from the Health Boards to the Local Authorities (1999) both acknowledged that changes in housing tenure structure can impact on rent supplement claimant numbers, although these reports expressed different views on the importance of this factor. The available evidence, set out in Table 3.4 and Table 3.5, indicates that supply side developments of this type did drive increases in claimant numbers during the first half of the 1990s. However, in recent years, the influence of this factor has been tempered by the falls in recipients of unemployment supports and lone-parent's supports outlined above.

Table 3.4 reveals that in 1991, 81,424 households or 8 per cent of all Irish households lived in private rented accommodation, but that by 2002 this had risen to 141,459 households or 11 per cent of all households (Central Statistics Office 1997, 2004).

Table 3.4 Housing Tenure in Ireland, 1991-2002

Occupancy Status	1991		2002	
	N	%	N	%
Local authority rented	98,929	9.7	88,206	6.9
Private rented	81,424	8.0	141,459	11.1
Owner occupied	808,385	79.3	990,723	77.4
Other	30,985	3.0	59,229	4.6

Source: Central Statistics Office (2004).

In contrast, between these years the proportion of households living in the local authority rented sector – the main alternative source of accommodation for rent supplement claimants – fell by almost one third. As a result, social welfare benefit claimants were channelled out of local authority housing and into rent supplement supported private rented accommodation.

Table 3.5, which compares the economic status of private renting households in 1991 and 2002, reveals that over this period the proportion of private renters who were potentially eligible for rent supplement (because they were looking for a first regular job, unemployed, looking after the home or family, retired or in the 'other' category), fell by almost 9 per cent, although as a result of the growth in the total number of private renting households this translates into a growth of 8,470 households in absolute terms. This indicates that growing numbers of private renting households during the 1990s did contribute to parallel increases in rent supplement claimant

Table 3.5 Principal Economic Status of Reference Person in Private Renting Households in Ireland, 1991, 2002

Principal Economic Status of Household's Reference Person	1991		2002	
	N	%	N	%
Working for payment or profit	46,730	57.4	91,872	64.9
Looking for first regular job	436	0.5	1,294	0.9
Unemployed	11,093	13.6	10,725	7.6
Student or pupil	7,124	8.7	11,646	8.2
Looking after home/family	6,357	7.9	10,781	7.6
Retired	7,745	9.5	6,583	4.7
Unable to work (permanently sick or disabled)	1,876	2.3	4,251	3.0
Other	46	0.1	2,389	1.7
Not stated – absent from household on census night and/or under 15 years of age	17	0.0	1,918	1.4
Total	81,424	100.0	141,459	100.0

Source: Central Statistics Office (1996; 2004). **Note:** N means number

numbers. However, the influence of this factor was moderated by a reduction in the number of tenants eligible to claim this assistance.

3.6.4 Take-Up Rates

Table 3.5 also sheds light on another potential driver of increased rent supplement claims, i.e. take-up, or the extent to which eligible claimants actually make a claim. Patterson and McNally (2003) report that the United Kingdom's equivalent of rent supplement – housing benefit – is associated with low take-up because the complexity of means-testing procedures, stigma and a lack of information prevent or inhibit qualified households from making a claim. Furthermore, as mentioned earlier in this Section, both the 1995 and 1999 reviews of rent supplement identified increased awareness of rent supplement as a factor driving increases in claimant numbers (Review Group, 1995; Inter-Departmental Committee, 1999). The data set out in Table 3.5 support this latter view as being the case in 2002; consequently, it does not indicate that the take-up is currently as low as the first analysis would imply.

These census of population data indicate that the number of private renting households eligible to claim rent supplement (because they are looking for a first regular job, unemployed, looking after the home or family, retired, unable to work or in the 'other' category) rose from 27,553 in 1991 to 36,023 in 2002. Nevertheless, the actual number of claimants totalled 54,200 in the latter year (Department of Social and Family Affairs, various years). Data on claimant numbers in 1991 are not available. However, Mills *et al* (1991) report that 8,159 households were in receipt of rent supplement in 1990. Thus, according to these data, less than one-third of the households eligible for rent supplement were in receipt of this assistance in the early 1990s, but by 2002 the opposite was the case – the number of claimants exceeded potentially qualified households by one-third. This indicates that increased take-up of rent supplement did contribute to the growth in the numbers of rent supplement claimants since the early 1990s. But in recent years the vast majority of eligible households have claimed this assistance. Indeed, take-up has exceeded expectations.

This recent discrepancy between households eligible to claim rent supplement and claimant numbers take-up of rent supplement could not be fully explained by the data on which this study is based. It may be due to the number of participants in

return-to-work schemes and in part-time employment, who were thus eligible for rent supplement, but who may have been recorded as 'employed' in the census. However, in 2002 there were only 25,322 recipients of the former type of benefits (Back-To-Work Allowance, Enterprise Allowance and Part-Time Job Incentive schemes). Assuming that the national average of 11 per cent of these lived in private rented accommodation, then a maximum of approximately 2,785 would have been eligible for rent supplement (Department of Social and Family Affairs, various years).

At the request of the authors, the Office of the Revenue Commissioners cross-tabulated the Personal Public Service (PPS) numbers of rent supplement claimants with income taxation records and found that 17,293 of this group – or the equivalent of 32 per cent of all claimants in June 2005 – were likely to have been in receipt of income from paid employment in 2005. This indicates that households with part-time earnings are the most likely explanation for the aforementioned discrepancy, although there are currently insufficient data available to determine conclusively the number of rent supplement claimants with earned income.

3.7 Concluding Comments

Between 1994 and 2000, rent supplement claims grew by 48.3 per cent, with the highest annual growth concentrated in the early years of this period. The various commissions appointed by government to examine this benefit during the period attributed the development to a combination of socio-economic drivers of demand and the 'demand led' nature of the benefit, together with social welfare benefit qualification rules which encourage new household formation (Review Group on the Role of Supplementary Welfare Allowance in Relation to Housing, 1995; Inter-Departmental Committee on Issues Relating to the Possible Transfer of Administration of Rent and Mortgage Supplementation from the Health Boards to the Local Authorities, 1999).

Between 2001 and June 2005 the rate of expansion in numbers of rent supplement claimants varied dramatically. The numbers of claimants grew by 20.4 per cent between 2001 and 2002 (a significantly higher growth rate than that which prevailed in the 1990s), but after 2002 the rate of annual increase fell sharply. Claimant numbers fell by 3.5 per cent in 2004, and grew by a negligible amount (0.1 per cent) in the first six months of 2005, which is far below the average rate of growth during the 1990s.

Comparison of the personal characteristics and source of income of rent supplement claimants in December 2003 and June 2005 indicates that the slowdown in the rate of increase in claims over this period is due to the fact that take-up of this scheme had reached maximum possible levels and that the traditional key socio-economic drivers of demand – rising unemployment and lone parenthood – had become less significant. These two factors have been replaced by new socio-economic demand drivers – rising marital breakdown, and more especially immigration – but so far these factors have effected a much smaller growth in rent supplement claimant numbers than did the drivers of demand which prevailed during the 1990s. These socio-economic developments also mitigated the potential increase in rent supplement claims associated with the rising numbers of private renting households in Ireland and the contraction of the other key source of accommodation for social welfare benefit claimants – the local authority rented tenure.

In Section Seven of this report the various drivers of demand for rent supplement which have been examined in the preceding discussion, together with data on the duration of rent supplement claims (examined in Section Four), are used to construct a model intended to assist in predicting future trends in claimant numbers.

SECTION FOUR
Claim Duration



4.1 Introduction

This section is concerned with the duration of rent supplement claims. This is a critical issue in the design of the Rental Accommodation Scheme since only claimants for eighteen months or more are eligible to participate in the scheme. Four types of evidence in relation to claim duration are examined:

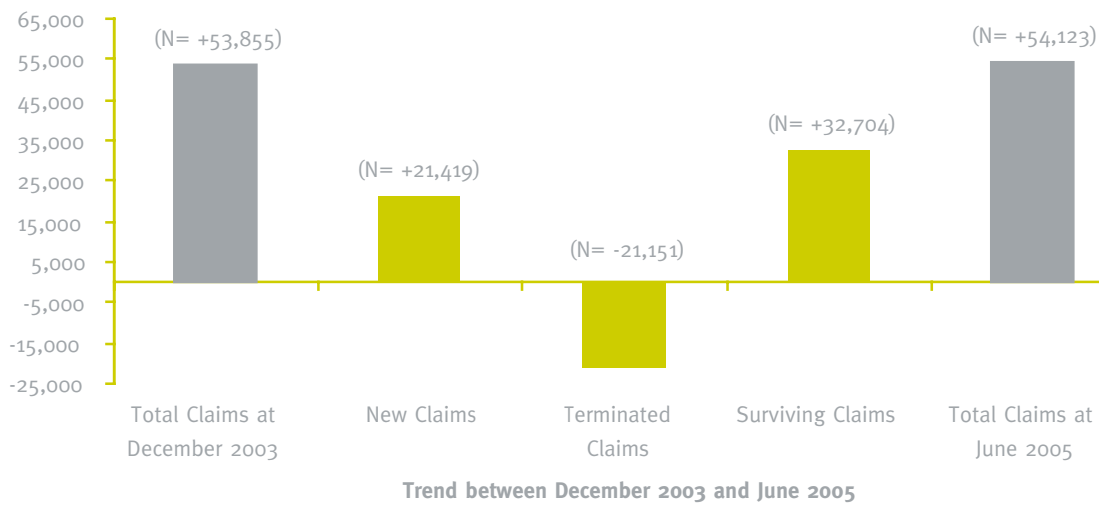
- The claim 'survival rate', or in other words the proportion of claimants at December 2003 who continuously claimed rent supplement until June 2005, is assessed (see: Nordvik and Åhrén, 2005, for further details of this method of analysis).
- The duration of all claims between these dates is examined. This part of the discussion devotes particular attention to the number of claims that are 'long-term' (i.e. eighteen months or longer in duration) because claimants in this category are eligible for entry to the Rental Accommodation Scheme.
- These two analyses are combined in order to gauge the impact of claim duration on claim survival.
- The personal characteristics and sources of incomes of claimants of eighteen months or more duration in June 2004 and June 2005 (hereafter termed long-term claimants) are outlined and compared with one another and also with the characteristics of claimants of less than eighteen months duration in the latter year (hereafter termed short-term claimants).

This analysis is intended to identify the impact, if any, of these factors on claim survival. On the basis of these various investigations the closing part of the section identifies the key factors that have driven recent trends in the duration of rent supplement claims.

4.2 Claim Survival Rate

Comparison of the databases of rent supplement claimants in December 2003 and June 2005 identifies 32,704 claims present in the system on both dates. However, only 30,141 claimants (90 per cent) in December 2003 claimed consistently during each month until June 2005. Figure 4.1 reveals that 39 per cent of all cases (21,151 claims), open in December 2003, were not open in June 2005, and that, conversely, 21,419 of the claims in June 2005 were not live eighteen months earlier. The result of this pattern of entry, exit and survival of rent supplement claims is a net increase of just 268 cases between December 2003 and June 2005.

Figure 4.1 Trends in New, Terminated and Surviving Rent Supplement Claims, December 2003-June 2005



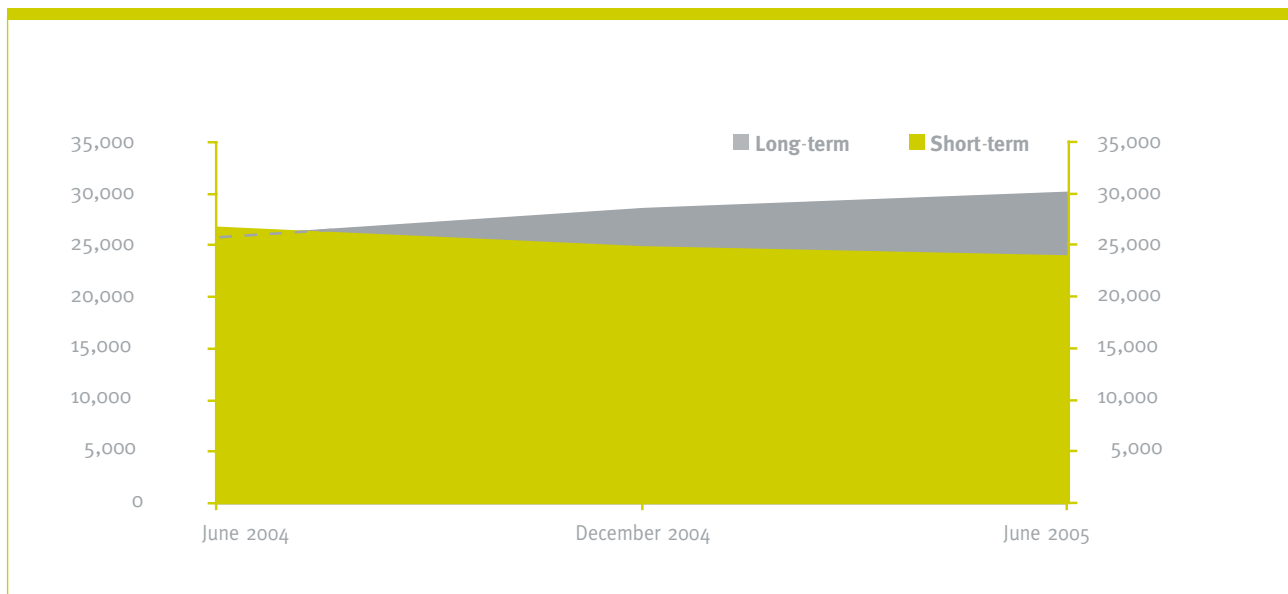
Note: N means number.

4.3 Claim Duration

Section Three of this report revealed that, compared to growth in rent supplement claimant numbers during the 1990s, the net growth in claimant numbers between December 2003 and June 2005 was relatively modest. However, Figure 4.2 demonstrates that this decline in the rate of increase in claimant numbers was accompanied by a rise in the proportion of claims of eighteen months, or more, continuous duration. This graph (which covers June 2004 to June 2005, the only period for which the requisite data are available) reveals that the number of long-term claimants rose persistently from 25,805 (49 per cent of all claimants) in June 2004, to 28,503 claimants in December 2004 (53.4 per cent of total), to 30,141 claimants (55.7 per cent of total) in June 2005. In other words, it indicates that the number of long-term rent supplement claimants grew by 16.8 per cent over a period when the total number of claimants rose by just 2.8 per cent.

Table 4.1 breaks down the information regarding the duration of claims at June 2004 and June 2005 into shorter time periods. These disaggregated data reveal significant variations in the duration of claims in both the short and long-term claim duration categories. For instance, in June 2005, almost half of those in the short-term category were claiming rent supplement for less than six months (44.7 per cent), and only one-fifth were claiming for between twelve and eighteen months (22 per cent). Similarly, among long-term claimants, most were in receipt of rent supplement for 2 to 3 years (32.3 per cent of all claimants in this category), and the number of claims falls steadily as the claim duration lengthens. However, the lengthiest claim duration category – five years or more – bucks this trend. 18.9 per cent of all long-term claimants are in this category, although only 7 per cent of long-term claimants have been continuously reliant on rent supplement for four to five years.

Figure 4.2 Trends in Duration of Rent Supplement Claims, December 2003-June 2005



Note: Short-term refers to claims of less than eighteen months. Long-term refers to claims of eighteen months or more duration.

Table 4.1 also demonstrates that the increase in the proportion of claims that are long-term over the course of 2005 was concentrated in the eighteen to 24 months and two to three years claim duration categories. The number of claimants in the former category grew by 21.2 per cent during this period, while the number in the latter grew by 42.1 per cent. Conversely, most of the fall in the proportion of claimants who were short-term was concentrated in the six to twelve month and twelve to eighteen month categories, whereas the numbers in receipt of rent supplement for less than six months decreased only marginally over this period.

Table 4.1 Estimated Duration of Rent Supplement Claims, June 2004-June 2005

Duration of Claim	June 2004		June 2005		Change June 2004-June 2005	
	N	%	N	%	N +/-	% +/-
Less than 6 months	11,025	20.9	10,725	19.8	-300	-2.7
6 to 12 months	9,793	18.7	7,986	14.8	-1,807	-18.5
12 to 18 months	6,024	11.4	5,271	9.7	-753	-12.5
Total less than 18 months	26,842	51.0	23,982	44.3	-2,860	-10.7
18 to 24 months	7,143	13.6	8,658	16.0	+1,515	+21.2
2 to 3 years	6,859	13.0	9,747	18.0	+2,888	+42.1
3 to 4 years	3,439	6.5	3,935	7.3	+496	+14.4
4 to 5 years	2,381	4.5	2,115	3.9	-266	-11.2
5 years or more	5,983	11.4	5,686	10.5	-297	-5.0
Total 18 months or more	25,805	49.0	30,141	55.7	+4,336	+16.8
Grand Total	52,647	100	54,123	100	+1,476	+2.8

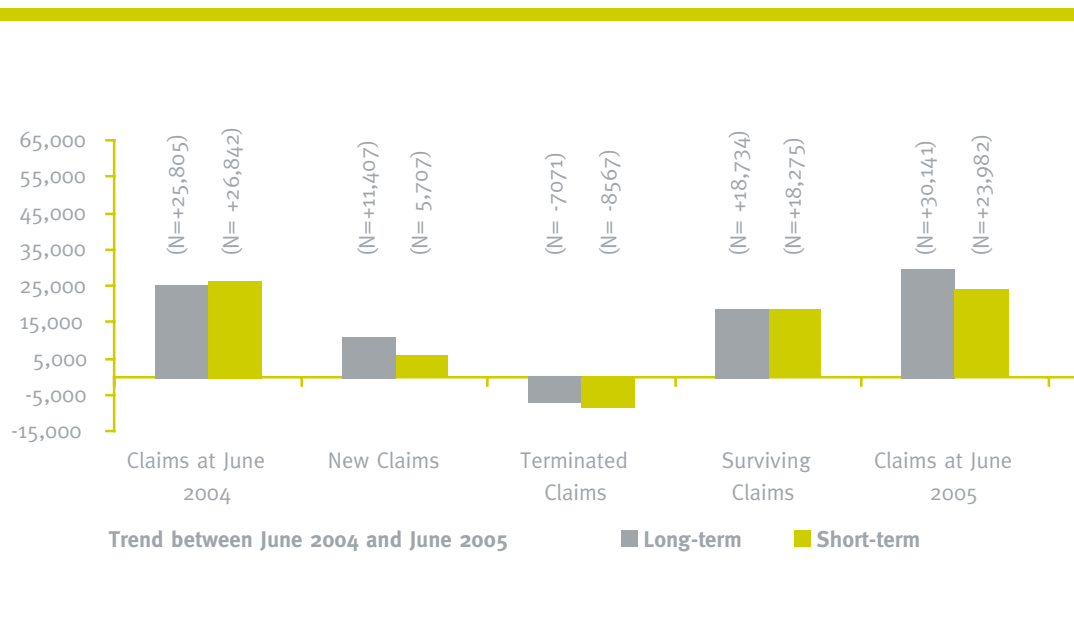
Note: N means number; note data in the subheadings are estimated on the basis of data in the total and grand total categories. Data based upon Commencement Date figures supplied by the Department of Social and Family Affairs; these data may not be accurate in all cases.

4.4 Claim Survival and Duration

Figure 4.3 disaggregates the number of new, terminated and surviving term rent supplement claims between June 2004 and June 2005 according to claim duration. This exercise, which combines the analyses presented in Sections 4.2 and 4.3 above, is intended to assess the impact of claim duration on claim survival.

In total 37,009 rent supplement claims were 'live' in both June 2004 and June 2005, which is a survival rate (i.e. June 2005 claimants as a percentage of June 2004 claimants numbers) of 70.3 per cent. Over this 12-month period, 17,114 new claimants entered the system, and 15,638 claims were terminated, which constitutes an overall entry and exit rate of 32.5 per cent and 29.7 per cent, respectively.

Figure 4.3 Trends in New, Terminated and Surviving Rent Supplement Claims by Claim Duration, June 2004-June 2005



Note: Short-term refers to claims of less than eighteen months. Long-term refers to claims of eighteen months or more duration.

Figure 4.3 demonstrates that the chances of claim survival vary according to the duration of claim, but not by a very large amount. 72.6 per cent of long-term claims in June 2004 were also live in June 2005, compared to 68.1 per cent of short-term claims. The extent of the variation in the exit rate of long and short-term claims is identical. 27.4 per cent of long-term claims that were live in June 2004 were terminated within the subsequent twelve months, while the equivalent figure for short-term claims is 31.9 per cent. The entry rate of long and short-term claimants varies by significantly more than this. The level of new long-term claims was 44.2 per cent higher and the level of short-term claims was 21.3 per cent higher in June 2005 compared to twelve months earlier.

These data indicate that the main contributory factor to the growth in the duration of rent supplement claims is short-term claimants who remain in the system for eighteen months or more, rather than existing long-term claimants who continue to rely on rent supplement for an extended period. This view is further confirmed by the data presented in Table 4.1, which reveal a growth in the number of claims of

between eighteen months and three years duration between June 2004 and June 2005, coupled with a fall in the proportion of claims of between six and eighteen months duration.

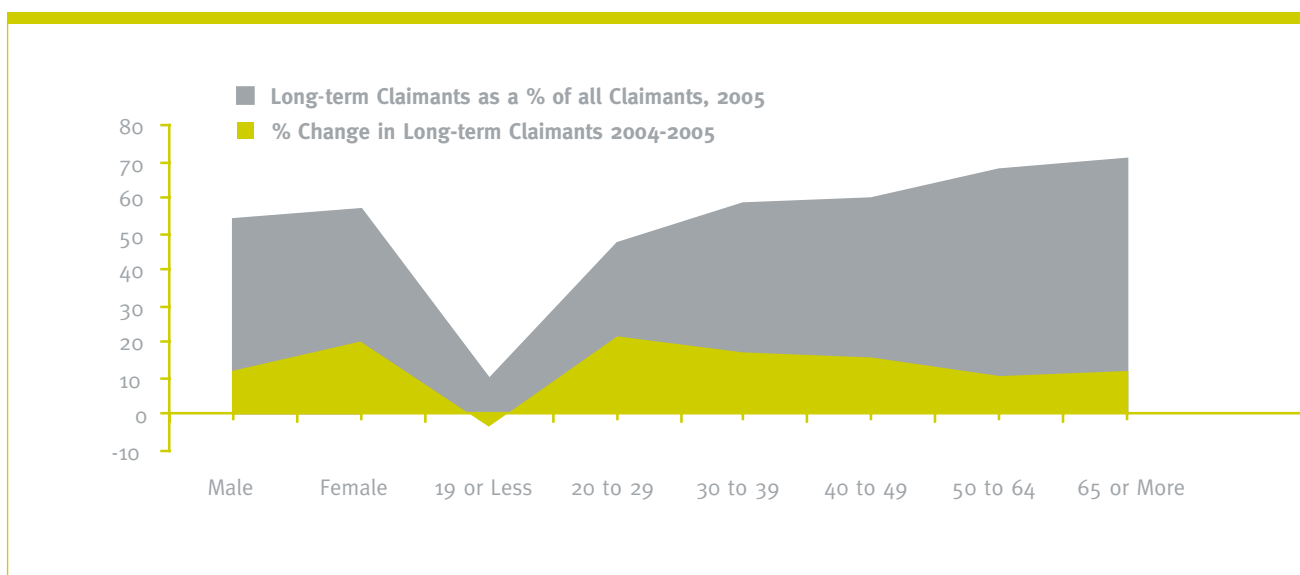
4.5 Claim Survival and Personal Characteristics of Claimants

The personal characteristics and sources of income of long-term rent supplement claimants in June 2004 and June 2005 are compared in Figures 4.4, 4.5, 4.6, 4.7, 4.8 and in Table 4.2. These graphs and numbers also detail the proportion of long-term claimants in each category, using June 2005 data.

The first of the graphs, which examines the gender and age of long-term claimants on these two dates, highlights some significant differences between these two categories in this regard. These are as follows:

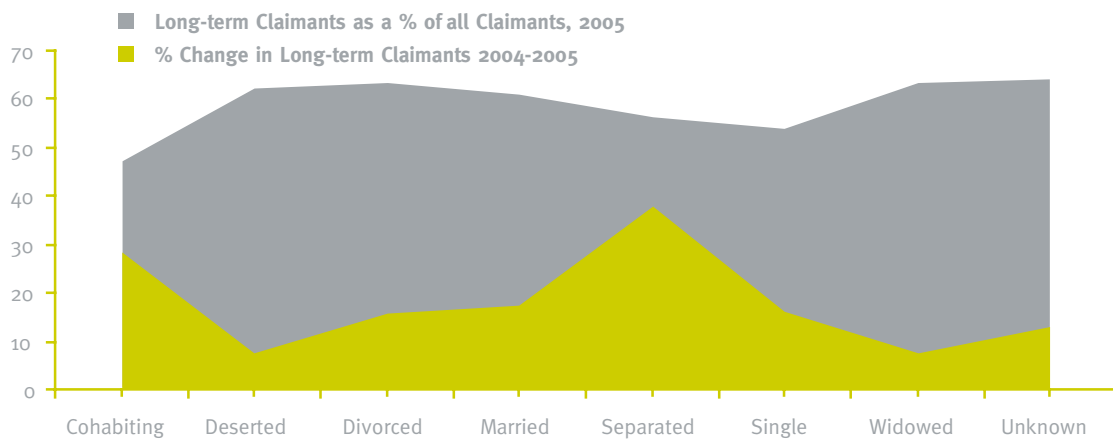
- In June 2004, 57.1 per cent of long-term rent supplement claimants were female, but this rose to 58.9 per cent by June 2005, whereas the proportion of claimants who were male fell from 42.9 to 41.1 per cent over the same period.
- In June 2005 only 9.5 per cent of claimants aged 19 or less had been in receipt of rent supplement for eighteen months or more. However, the numbers of long-term claimants in this age group also fell by 3.3 per cent between June 2004 and June 2005. This trend is obviously related to the concurrent fall in the total numbers of rent supplement claimants in this age group, highlighted in Section Three.
- The proportion of claimants that are long-term increases steadily as the age of the claimant rises. In June 2005, 43.7 of claimants in the 20 to 29 year age group had been claiming for eighteen months or more, compared to 71.3 per cent of those aged 65 or more.
- The proportion of long-term claimants in all age groups above 20 years increased during the twelve months under examination. However, the 20 to 29 year age group saw the greatest increase in this regard.

Figure 4.4 Percentage Change in Long-term Rent Supplement Claimants, June 2004-June 2005 and Long-term Claimants as a Percentage of all Claimants, June 2005 by Gender and Age



Note: Long-term refers to claims of eighteen months or more duration. N means number.

Figure 4.5 Percentage Change in Long-term Rent Supplement Claimants, June 2004-June 2005 and Long-term Claimants as a Percentage of all Claimants, June 2005 by Marital Status



Note: Long-term refers to claims of eighteen months or more duration. N means number.

Figure 4.5 demonstrates that the marital status of claimants varies in accordance with the duration of the claim. Single and separated people and cohabiting couples are less likely to claim rent supplement over the long-term. In June 2005, 53.4 per cent of single claimants were long-term, as well as 55.8 per cent of separated claimants and 46.9 per cent of cohabiting claimants. In contrast, an average of 62.1 per cent of deserted, divorced, married and widowed claimants have been in receipt of rent supplement over the long-term. Between June 2004 and June 2005 the proportion of claimants of all marital statuses who are long-term rose. However, as Figure 4.5 demonstrates, the proportion of cohabiting and separated claimants in this category rose much more than the average. This development may reflect a simultaneous rise in the total numbers of cohabiting and separated claimants, as highlighted in Section Three.

Table 4.2, which utilised data generated from the Department of Social and Family Affairs' database of all social welfare benefit claimants (see Section One for further details of this exercise), compares the composition of households and the duration of rent supplement claims. It reveals that, in general, lone-parent households and all households with children tend to be more likely to claim rent supplement over the long-term, although there are some exceptions; for instance, single persons with one child are less likely to be long-term claimants and separated/divorced/widowed persons with no children are equally likely to be short-term or long-term claimants. This data source did not allow for the comparison of results for 2005 with previous periods.

Figure 4.6 examines trends in the primary source of income of long-term rent supplement claimants. It reveals that claimants reliant on certain income sources are significantly more likely to be in receipt of rent supplement for eighteen months or more. The income sources in this category are: old-age payments (72.3 per cent of recipients were long-term rent supplement claimants in June 2004), one-parent family payment (63.2 per cent long-term) and illness, disability and caring payments (59.8 per cent long-term). In contrast, recipients of unemployment supports, child-related payments and supplementary welfare allowance income support are far less likely to claim rent supplement for more than eighteen months. In relation to SWA income support, this distribution is as would be expected, in view of the short-term, emergency nature of this benefit.

Table 4.2 Household Composition and Duration of Rent Supplement Claims, March 2005

Household Type	Short-Term	Long-Term	All Cases
	%	%	%
Couples with no children	5.7	5.5	5.6
Couples + one child	3.3	4.1	3.8
Couples + two children	3.0	4.9	4.1
Couples + three children	1.6	2.6	2.2
Couples + four children	0.8	1.1	1.0
Couples + five children	0.4	0.4	0.4
Couples + six or more children	0.2	0.2	0.2
Total couples with children	9.3	13.3	11.7
Single with no children	43.0	36.8	39.4
Single + one child	20.2	16.8	18.3
Single + two children	4.7	6.9	6.0
Single + three children	2.0	3.4	2.8
Single + four children	0.5	0.5	0.5
Single + five children	0.1	0.1	0.1
Single with more than five children	0.1	0.1	0.1
Total single with children	27.6	27.8	27.8
Widowed /separated /divorced with no children	6.9	6.9	6.9
Widowed /separated /divorced + one child	2.8	3.9	3.4
Widowed /separated /divorced + two children	2.0	2.5	2.3
Widowed /separated /divorced + three children	1.1	1.3	1.2
Widowed /separated /divorced + four children	0.5	0.5	0.5
Widowed /separated /divorced + five children	0.2	0.2	0.2
Widowed /separated /divorced with more than five children	0.1	0.1	0.1
Total widowed /separated /divorced with children	6.7	8.5	7.7
Total households without children	55.6	49.2	51.9
Total households with children	43.6	49.6	47.2
Unknown	0.8	1.2	0.9
Total	100.0	100.0	100.0

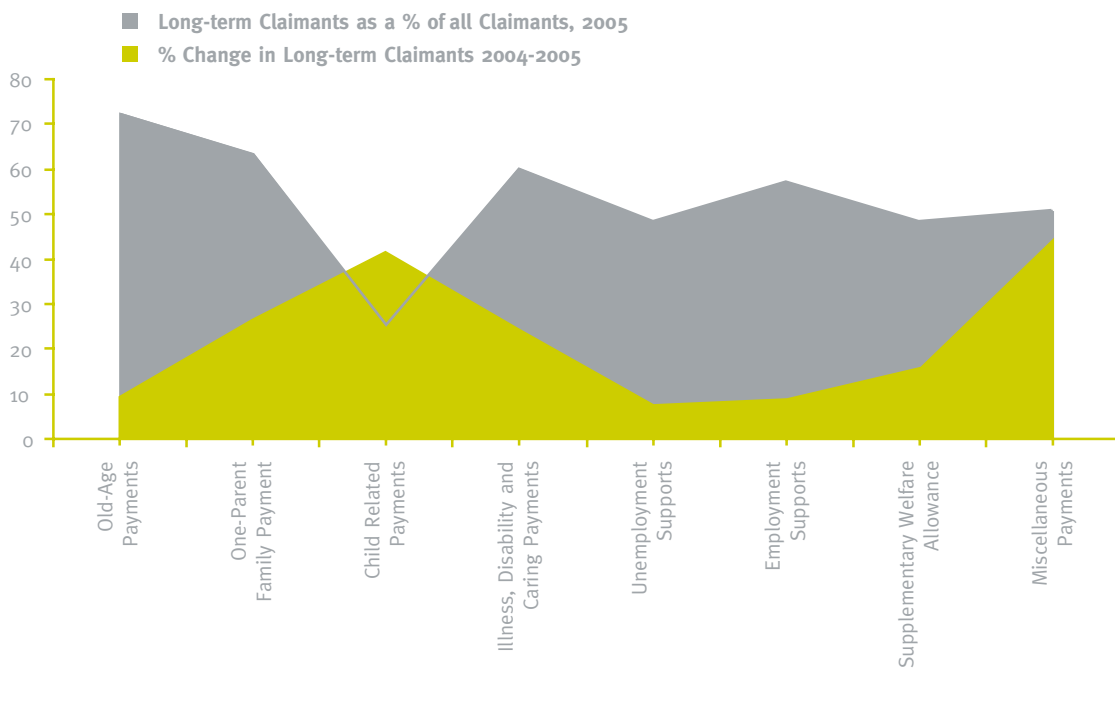
Note: Long-term refers to claims of eighteen months or more duration.

The higher proportion of unemployment support claimants among short-term recipients of rent supplement is generally related to the sharp decline in long-term unemployment in Ireland since the early 1990s (National Economic and Social Council, 2005).

Figure 4.6 also reveals that, between June 2004 and June 2005, the proportion of recipients of some income sources who were long-term rent supplement claimants grew significantly. In particular, the rise in the proportion of recipients of child-related payments who are long-term rent supplement claimants is striking. However, the small numbers of claimants reliant on this income source means

that this increase is small in absolute terms (plus 23 claimants). The rise in the proportions of recipients of one-parent family payments and illness disability and caring payments who are long-term rent supplement claimants is more significant because it translates into much larger increases in claimant numbers. The increase in recipients of illness, disability and caring payments who are long-term rent supplement claimants reflects a concurrent increase in the total number of claimants reliant on benefits of this type. However, the total number of claimants dependent on one-parent family payments only grew marginally over this period, which points to a tendency for claimants in this category to remain dependent on rent supplement over the long-term.

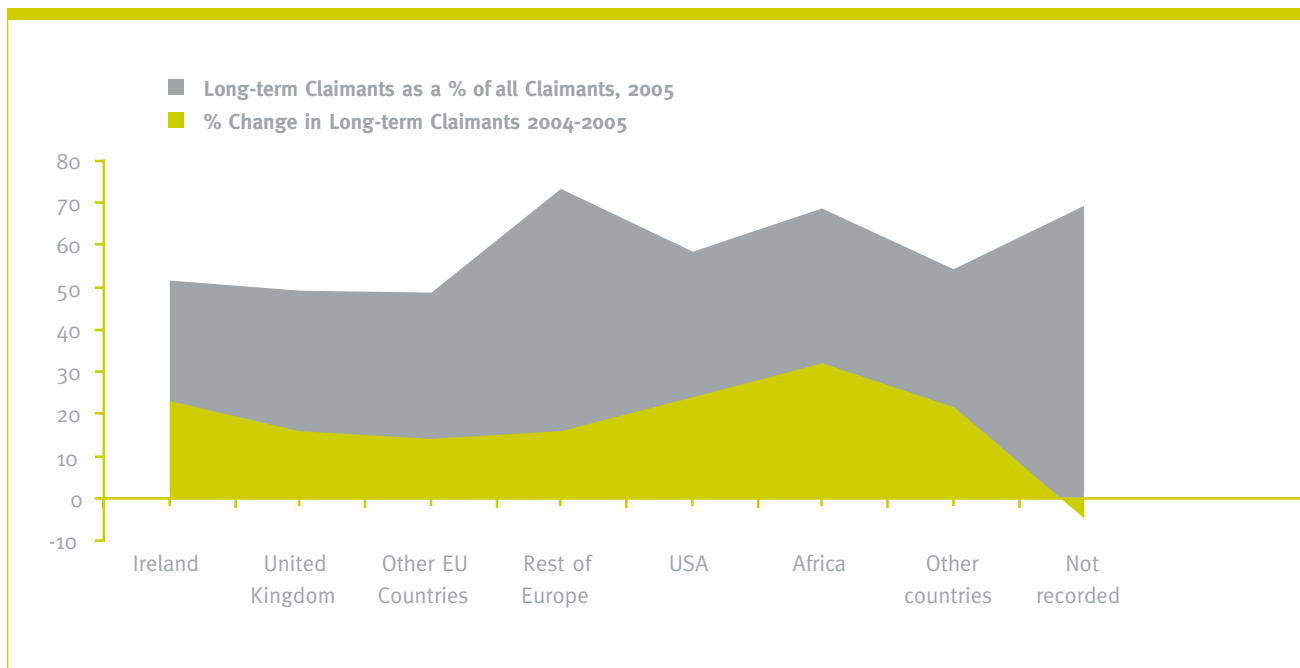
Figure 4.6 Percentage Change in Long-term Rent Supplement Claimants, June 2004-June 2005 and Long-term Claimants as a Percentage of all Claimants, June 2005 by Source of Income



Note: Old-age pension includes both contributory, non-contributory and retirement pensions. One-Parent Family Payment includes all types of widow/ers pensions and deserted and prisoners wife's benefits and allowances. Orphan's Pension includes both contributory and non-contributory benefits. Disability allowance and benefit includes Interim Disability benefit. Unemployment assistance includes payments under the Farm Assist/ Smallholders scheme. Back-to-Work Allowance includes all allowances of this type paid to employees and self-employed persons and the Part-Time Job Incentive Scheme. Back-to-Education Allowances include all return to education payments. Long-term refers to claims of eighteen months or more duration. N means number.

Section Two revealed that the proportion of non-Irish national claimants of rent supplement is higher than would be expected, considering the extent of their representation in the population of the State as a whole, and Section Three identified increasing claims by foreign nationals in recent years as a significant new driver of rent supplement take-up. Figure 4.7, which disaggregates the duration of claim by nationality, reveals that foreign national claimants from several world regions are more likely to have been in receipt of rent supplement for more than eighteen months and therefore more likely to be eligible for the Rental Accommodation Scheme. The world regions in this category are: Africa (68.2 per cent of claimants from this region were long-term in June 2005) and European countries outside of the EU (72.7 per cent long-term claimants).

Figure 4.7 Percentage Change in Long-term Rent Supplement Claimants, June 2004-June 2005 and Long-term Claimants as a Percentage of all Claimants, June 2005 by Nationality



Note: Long-term refers to claims of eighteen months or more duration

Moreover, the number of long-term claimants from Africa grew by 31.9 per cent between June 2004 and June 2005 – a much greater expansion than of any other world region, and just over twice the rate of expansion in total numbers of African citizens claiming rent supplement, detailed in Section Three. This points to a tendency for claimants in this category to remain dependent on rent supplement over the long-term.

Conversely, nationals of the Republic of Ireland, the United Kingdom and other European Union member states are less likely to claim rent supplement for eighteen months or more. In June 2005, 50.6 per cent of claimants from the first of these regions were long-term claimants, compared to 48.5 per cent of the second and 47.9 per cent of the third. It is important to acknowledge, however, that the data presented in Figure 4.7 may understate the extent to which long-term claimants dominate this group. This is because Irish nationals probably make up the vast majority of claimants whose nationality is not recorded, and most of those in this category are long-term rent supplement claimants.

4.6 Explaining Recent Trends in the Duration of Rent Supplement Claims

The preceding discussion has revealed that the reduction in the rate of increase of rent supplement claimant numbers in the period 2003 to 2005 has been accompanied by an increase in the duration of claims. The principal driver of this trend is the high rate of entry of claimants into the long-term category, which is the result of an increasing tendency for short-term recipients of rent supplement to continue claiming this benefit for eighteen months or longer, rather than a reduction in the tendency for existing long-term claimants to exit this system.

Section 4.4 above revealed that the rate of survival of long-term rent supplement claims is identical to short-term claims and that the exit rate of claimants in the latter category is only marginally lower than claimants in the former. This indicates that claim duration is not the primary determinant of claim survival. Furthermore, the lack of significant changes in most of the personal characteristics of long-term claimants between June 2004 and June 2005 indicates that the recent increase in claim duration is not related principally to this factor.

However, African nationals and recipients of one-parent family payment are an exception to this rule because the increase in the number of long-term claimants in these groups significantly exceeded the concurrent increase in the total number of claimants. This indicates that claimants in both these categories are much more likely to remain dependent on rent supplement over the long-term than are all other claimants. This tendency is confirmed by research on benefit claimants in other European countries (Dahl and Lorentzen, 2003; Gustafsson *et al*, 2002).

Rather than the personal characteristics of claimants, the available evidence indicates that the recent increase in rent supplement claim duration is related to the rules regarding eligibility for this benefit – specifically to the series of amendments instituted in recent years that extended eligibility of recipients for a period after they have returned to work. Until the late 1990s, any existing rent supplement recipient with earnings in excess of €317.43 (IR£250) automatically ceased to qualify for this benefit. Following the recommendations of a report commissioned by the Department of Social and Family Affairs, this cut-off line was replaced with a tapered arrangement in 1999 (Goodbody Economic Consultants, 1998).

As a consequence, any person who has been unemployed for 12 months or more or is participating on a return-to-work scheme and is in receipt of income under €317.43 per week from employment of more than 30 hours will have his/her rent supplement payment reduced by 25 per cent per year over four years (Department of Social, Community and Family Affairs, 2000a; 2000b). In practice this arrangement translates into a reduction of 25 per cent in year one, 50 per cent in year two, 75 per cent in years three and four and 100 per cent in year five in the amount of rent supplement paid.

The aforementioned report also concluded that the fact that rent supplement contribution to rent increases by €1 for every additional €1 earned above the basic social welfare rate presented problems for those taking up part-time work. As a result, an income disregard of €31 was introduced in 2000 in order to help incentivise labour supply. The level of disregard was increased in subsequent years and set at €60 in 2005 with a further increase under Budget 2006 whereby half of any additional earnings between €60 and €90 is now also disregarded. Given the level of employment creation and, in particular, the availability of part-time work in the service sector during the first half of this decade, these changes may have enabled a significant number of rent supplement claimants who would formerly have been forced to relinquish the benefit on gaining employment, to retain it.

4.7 Concluding Comments

Between December 2003 and June 2005, the number of long-term rent supplement claimants grew by 16.8 per cent, whereas the total number of claimants rose by just 2.8 per cent. This indicates that in addition to the new socio-economic drivers of rent supplement claim inflation highlighted in Section Three, increasing claim duration has also increased take-up of rent supplement. Indeed, in view of the fact that the rate of increase in numbers of claimants of this benefit has fallen sharply in recent years, if the duration of claims had not increased at the same time it is possible that claimant numbers might have contracted.

In addition to its influence on claimant numbers, the recent increase in the duration of rent supplement claims is critical from the point of view of the design of the Rental Accommodation Scheme (RAS) because it has effected an increase in the numbers of claimants eligible for this programme. Moreover, the factors that have driven this increase in claim duration (such as amendments to the rules regarding retention of this benefit on commencing paid employment) are a critical consideration in the design of the RAS.

The disincentive to completely terminate rent supplement claims that has been created by the former initiatives could be reinforced by the advent of the new scheme. In other words, there is a danger that the introduction of the Rental Accommodation Scheme may provide an additional incentive for claimants to remain claiming rent supplement for long enough to make sure they qualify for this scheme, thereby further increasing claim duration and claimant numbers. These key issues are examined in further detail in Section Five.

SECTION FIVE
Finance



5.1 Introduction

This section examines a number of aspects of the finance of rent supplement, including: trends in cost inflation over the long-term and in recent years, the drivers of these cost inflation patterns and the financial implications for Government of the establishment of the Rental Accommodation Scheme (RAS). The financial implications of rent supplement for individual claimants are also examined in this section. The extent, if any, of disincentives to employment take-up (or unemployment traps) associated with the rent supplement are identified, as is the potential for addressing these disincentives by means of the RAS and the financial implications for existing rent supplement claimants of transfer to this new scheme.

5.2 Total Expenditure

5.2.1 Long-Term Expenditure Trends

Data regarding the cost of provision of rent supplement are available between 1989 and 2000 and are set out in Table 5.1. This table identifies marked growth in the costs of provision of this benefit, which has significantly outpaced growth in expenditure on Supplementary Welfare Allowance (SWA) benefits as a whole. Consequently, the proportion of the entire SWA budget which is devoted to rent supplement expanded from 13.6 per cent in 1989 to 48.0 per cent in 2000. Indeed, in some years during this period, it reached a higher share than the latter figure.

The extent of this cost inflation inspired concerned comment from both of the committees that were appointed by Government to review the operation of this scheme during the 1990s – the Review Group on the Role of Supplementary Welfare Allowance in Relation to Housing, which reported in 1995, and the Inter-Departmental Committee on Issues Relating to the Possible Transfer of Administration of Rent and Mortgage Supplementation from the Health Boards to the Local Authorities, which reported in 1999. However, these reports devoted very little space to analysis of the reasons for these inflation patterns. The 1995 report does not examine specific cost inflators at all, but it does devote ample space to an analysis of drivers of rising take-up of this benefit (summarised in Section Three), implying that the former is a function of the latter.

The 1999 report generally relates cost inflation to growth in claimant numbers but also singles out two factors that have had a particular impact on cost. These are: inflation in the private residential rented market more broadly, which has necessitated increases in the maximum rent levels payable under the rent supplement scheme, and provision for immigrants. In particular, it relates rising rent supplement expenditure in 1997 and 1998 to the additional cost of providing accommodation for asylum seekers (estimated at €8.8 million in the latter year) (Inter-Departmental Committee, 1999).

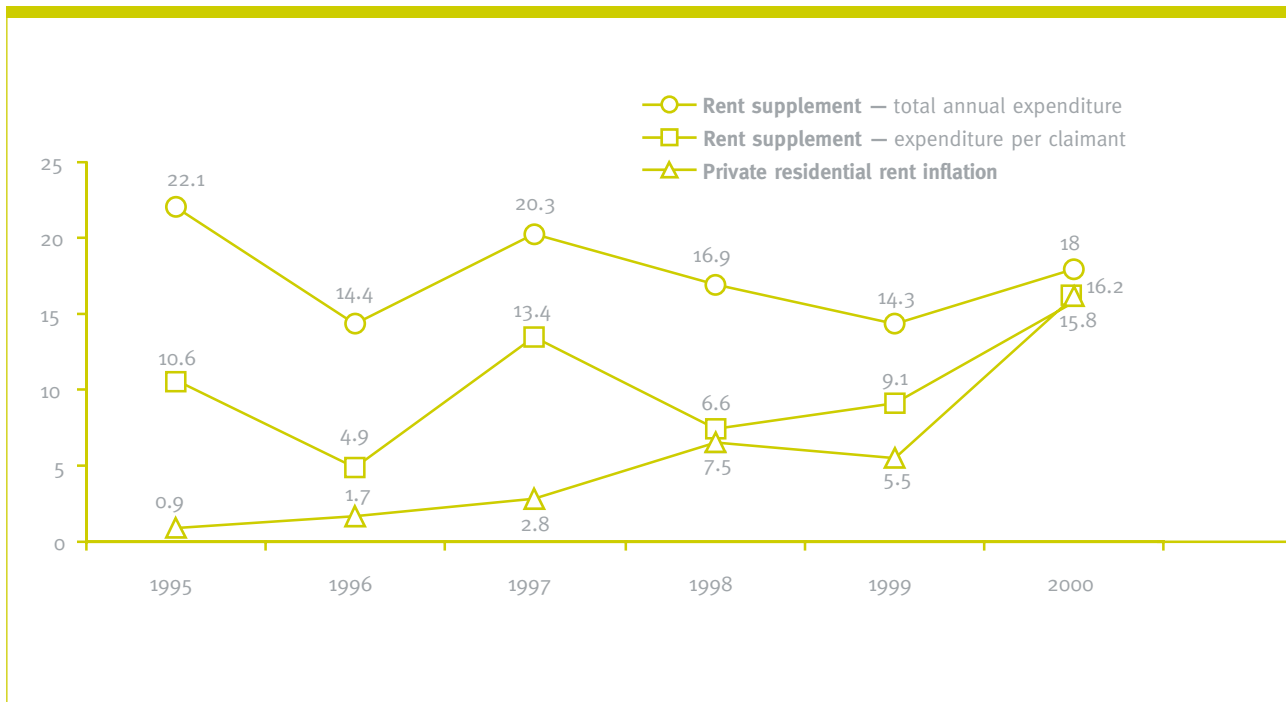
Table 5.1 Expenditure on Rent Supplement and all Supplementary Welfare Allowance Benefits (in Current and Constant Prices), 1989-2000

Year	Expenditure on rent supplement (at current prices) €	Expenditure on all Supplementary Welfare Allowance benefits (at constant 1989 prices) €	Expenditure on rent supplement as a % of all Supplementary Welfare Allowance Expenditure (at current prices) %	Expenditure on rent supplement as a % of all Supplementary Welfare Allowance Expenditure (at constant 1989 prices) %
1989	7,745,404	56,884,266	13.6	13.6
1990	10,919,745	73,517,835	14.9	14.9
1991	18,284,228	94,344,539	19.4	19.4
1992	29,203,975	128,370,520	22.7	22.7
1993	49,183,864	139,671,189	35.2	35.2
1994	56,884,266	153,638,307	37.0	37.0
1995	69,454,673	170,398,850	40.8	40.8
1996	79,485,604	195,793,612	40.6	40.6
1997	95,611,277	222,966,007	42.9	42.9
1998	111,736,951	249,630,506	44.8	44.8
1999	127,702,000	250,684,389	50.9	50.9
2000	150,740,000	314,100,000	48.0	48.0

Source: Central Statistics Office (2005b); Department of Social and Family Affairs (various years); Inter-Departmental Committee on Issues Relating to the Possible Transfer of Administration of Rent and Mortgage Supplementation from the Health Boards to the Local Authorities (1999).

Figure 5.1 presents these long-term trends in rent supplement cost inflation in relative terms, and compares them to developments in the private rented residential market as a whole. It reveals that trends in the cost of rent supplement are somewhat more complex than either of the above-mentioned reports imply. Although the increase in the overall expenditure on rent supplement between 1995 and 2000 totalled 117 per cent, expenditure per head on rent supplement grew at just over half this rate – 62 per cent – over this five-year period.

Figure 5.1 Percentage Annual Change in Expenditure on Rent Supplement and in Private Residential Rents (in Current Prices), 1995-2000



Source: Department of Social and Family Affairs (various years); Inter-Departmental Committee on Issues Relating to the Possible Transfer of Administration of Rent and Mortgage Supplementation from the Health Boards to the Local Authorities (1999). Data on annual private residential rent inflation were generated by the Central Statistics Office from the Consumer Price Index.

It is also interesting to note that the increases in total and per claimant expenditure on rent supplement follow a broadly similar pattern over the years under examination, characterised by parallel rises and falls in expenditure. The pattern of general private rent inflation is markedly different. It increased slowly and steadily between 1995 and 1997, but grew very rapidly between 1998 and 2000.

5.2.2 Recent Expenditure Trends

Table 5.2 details trends in rent supplement expenditure between 2001 and 2005. It reveals that spending on this benefit more than doubled, increasing by 104.5 per cent over this period, whereas expenditure on all Supplementary Welfare Allowance benefits grew by just 78.6 per cent. As a result, the percentage of all SWA expenditure devoted to rent supplement (in current terms) rose from 47.9 to 54.8 per cent between these years.

Figure 5.2 outlines trends in rent supplement inflation per head between 2001 and 2004 and compares them to trends in general private residential rent inflation. It

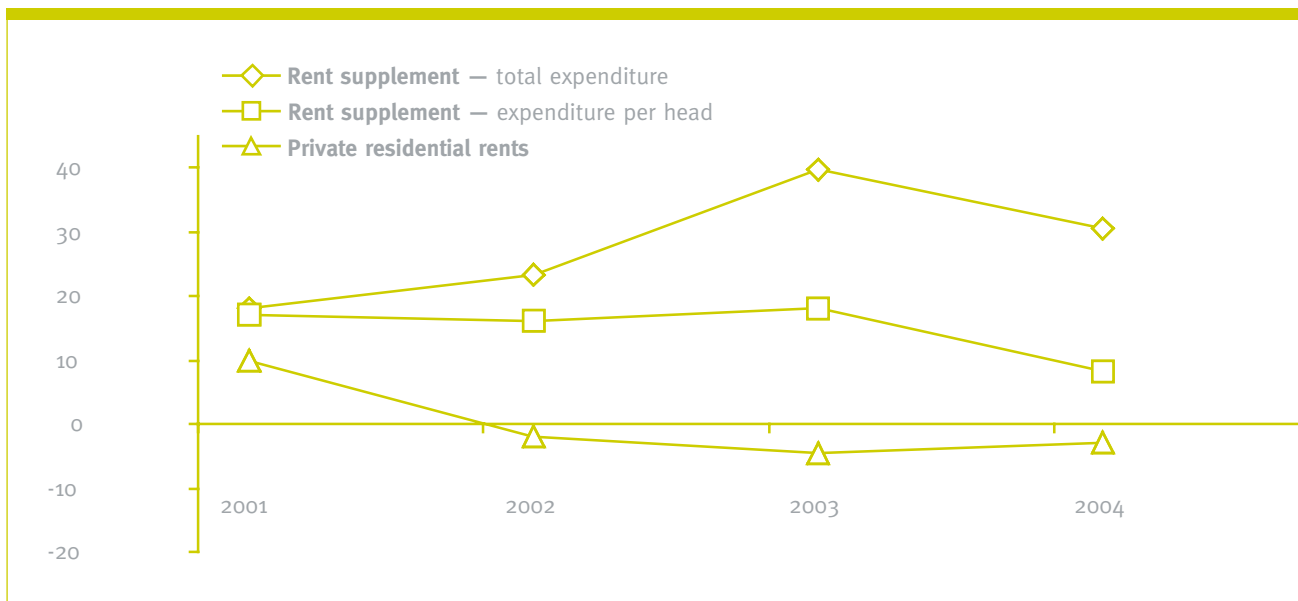
Table 5.2 Expenditure on Rent Supplement and all Supplementary Welfare Allowance Benefits, 2001-June 2005 (in Current and Constant Prices)

Year	Expenditure on rent supplement (at current prices) €	Expenditure on rent supplement (at constant 2001 prices) €	Expenditure on all Supplementary Welfare Allowance benefits (at current prices) €	Expenditure on all Supplementary Welfare Allowance benefits (at constant 2001 prices) €	Expenditure on rent supplement as a % of all Supplementary Welfare Allowance Expenditure (at current prices) %	Expenditure on rent supplement as a % of all Supplementary Welfare Allowance Expenditure (at constant 2001 prices) %
2001	185,800,000	185,800,000	388,100,000	388,100,000	47.9	47.9
2002	259,900,000	248,511,977	519,040,000	496,297,254	50.1	50.1
2003	339,300,000	313,445,532	631,510,000	583,389,294	53.7	53.7
2004	353,800,000	319,918,600	681,704,000	616,421,112	51.9	51.9
2005 (est.)	380,000,000	335,985,853	693,138,000	612,854,111	54.8	54.8

Source: Central Statistics Office (2005b); Department of Social and Family Affairs (various years); Inter-Departmental Committee on Issues Relating to the Possible Transfer of Administration of Rent and Mortgage Supplementation from the Health Boards to the Local Authorities (1999). Note data for 2005 are estimated based upon data from January to June only.

reveals that recent developments in this regard differ significantly from the pattern that prevailed during the 1990s. Although expenditure on rent supplement increased during each year under examination, the rate of growth was much higher in 2003 and 2004 when expenditure grew by 39.9 per cent and 30.6 per cent respectively, whereas the inflation rate fell significantly in 2004 and again in 2005. Section Three of this report revealed that 2002 and 2003 were characterised by a short-term rise in rent supplement claimant numbers. The key role that this development played in driving this short-term growth in total rent supplement expenditure is confirmed by the data on expenditure per claimant which are also set out in Figure 5.2. These data reveal

Figure 5.2 Percentage Annual Change in Expenditure on Rent Supplement and in Private Residential Rents (in Current Prices), 2001-2004



Source: Department of Social and Family Affairs (various years); Inter-Departmental Committee on Issues Relating to the Possible Transfer of Administration of Rent and Mortgage Supplementation from the Health Boards to the Local Authorities (1999). Data on annual private residential rent inflation were generated by the Central Statistics Office from the Consumer Price Index.

that expenditure per claimant grew at a broadly similar rate each year between 2001 and 2003. Figure 5.2 also reveals that private residential rent inflation fell steadily between 2001 and 2004, and indeed was negative during the two latter years of this period. Although rent supplement expenditure did not follow an identical pattern, the slowing growth in this regard since 2003 may have been influenced by the simultaneous reduction in general private residential rent inflation.

5.2.3 Rent Levels and Personal Characteristics of Claimants

In June 2005 the mean (or average) weekly rent of a dwelling rented, using rent supplement, was €138.13 and the mode (or most common) rent paid was €115.00 per week. This section examines variations in rent paid according to the personal characteristics, sources of income and locations of claimants, in an attempt to elucidate any relationship between these two variables. These data exclude any claimants whose rent payment level could be considered anomalous, for instance because it is excessive or negative. Information on the contribution which claimants make to these rents is provided in Section 5.3.

Table 5.3 disaggregates the level of rent paid by rent supplement claimants according to their gender, age, marital status and nationality. The key trends revealed by this analysis are as follows:

- Female claimants pay higher rents than their male counterparts – 76.4 per cent of females paid rents of between €100 and €300 per week, compared to 47.2 per cent of males.
- Older claimants tend to pay lower rents – 21.3 per cent of claimants aged over 65 years paid less than €50 per week in rent, compared to 1.7 per cent of claimants aged between 30 and 39; and 53.1 per cent of the former group paid rents of between €50 and €100 per week, compared to 27.2 per cent of the latter.
- Married people pay higher rents than single or formerly married claimants. Almost two-thirds (or 64.5 per cent) of married claimants paid rents of less than €200 per week in June 2005, compared to 77 per cent of cohabiting claimants, 77.7 per cent of divorced claimants, 82.3 per cent of single claimants, 90 per cent of deserted claimants and 90.9 per cent of widowed claimants.
- Irish and UK nationals pay lower rents than nationals of African countries or European countries that are not EU members. 86 per cent of Irish citizens paid less than €200 per week in rent in June 2005, as did 93.8 per cent of UK nationals. However, only 49 per cent of African rent supplement claimants and 43.1 per cent of claimants from non-EU European countries paid rents of less than this amount.

Table 5.3 Weekly Rent Paid on Properties Rented Under the Rent Supplement Scheme, by Gender, Age, Marital Status and Nationality of Claimant, June 2005

Category		Rent Paid				
		Less than €50 %	€50 to €100 %	€100 to €200 %	€200 to €300 %	More than €300 %
All claimants	All claimants	3.9	32.3	43.5	20.2	0.1
Gender	Male	4.9	47.8	36.3	10.9	0.1
	Female	3.2	20.4	49.1	27.3	0.1
Age	19 or less	1.4	25.3	53.2	20.1	0.0
	20 to 29	1.4	23.9	48.4	26.3	0.0
	30 to 39	1.7	27.2	44.1	26.8	0.2
	40 to 49	3.9	37.8	43.2	14.9	0.2
	50 to 64	8.5	51.0	36.0	4.5	0.1
	65 or more	21.3	53.1	24.4	1.2	0.0
Marital Status	Cohabiting	0.5	16.6	59.9	22.9	0.1
	Deserted	4.9	42.1	43.1	9.9	0.1
	Divorced	3.4	25.9	48.4	22.2	0.1
	Married	1.9	15.8	46.8	35.2	0.3
	Separated	3.1	33.9	47.3	15.6	0.1
	Single	4.3	36.5	41.5	17.7	0.0
	Widowed	13.0	44.4	33.5	9.1	0.0
	Not recorded	6.2	37.3	44.0	12.6	0.8
Nationality	Ireland	4.3	37.1	44.6	14.0	0.0
	United Kingdom	2.8	41.5	49.5	6.2	0.0
	Other EU	1.7	31.8	42.3	24.2	0.0
	Rest of Europe	0.3	10.8	32.0	56.7	0.3
	USA	3.7	31.2	54.1	11.0	0.0
	Africa	0.3	11.1	37.6	50.7	0.3
	Other countries	1.2	23.3	42.8	31.8	0.8
	Not recorded	6.7	27.4	43.0	22.8	0.1

The reasons for many of these divergences are obvious. The higher levels of rents paid by females and also by married claimants is most likely related to the higher numbers of children in households of this type, which would necessitate their securing larger accommodation. The older age profile of claimants who pay the lowest rents probably reflects the higher than average numbers of older people who are living in accommodation provided by housing associations, the construction of which was funded under the Department of the Environment, Heritage and Local Government Capital Assistance Scheme. Tenants of this type of accommodation qualify for rent supplement but the maximum payment available to them was capped at €50 per week for a single person, and €55 for a couple in June 2005. This subsidy is significantly below the limits that apply to claimants living in the private rented sector and obviously limits the rents that these housing associations can charge.

The higher average rents paid by certain groups of foreign nationals may also be related to the larger size of these households – Section Two of this report disclosed that rent supplement claimants who are citizens of European countries that are not EU members are much more likely to be married than their Irish counterparts. Section Two also reported that foreign national rent supplement claimants are significantly over-concentrated in some parts of Dublin, specifically: Fingal and South Dublin County Council operational areas and to a lesser extent Dublin City Council, compared to rural areas. Surveys conducted by the Irish Auctioneers and Valuers Institute (2000, 2001, 2002, 2003, 2004) indicate that private residential rents are much higher in the capital, which helps to explain the higher rents paid by categories of claimants concentrated there. This point is discussed in greater detail in Section Six where the level of rent paid by claimants is disaggregated by location.

Table 5.4 disaggregates the level of rent paid by rent supplement claimants by their source of income. The key trends revealed by this analysis are as follows:

- Recipients of the old-age pension pay the lowest rents. This would be expected, considering the lower average rents paid by claimants aged 65 and more.
- Recipients of one-parent family payments and child related payments pay higher rents than claimants dependent on other sources of income. 94.3 per cent of recipients of the first of these benefits, and 95.4 per cent of recipients of the second, paid between €100 and €300 per week in rent in June 2005, compared to only 40.4 per cent of recipients of employment support payments. Differences in this regard are most likely due to variations in the average size of the households dependent on these various supports.

Table 5.4 Weekly Rent Paid on Properties Rented Under the Rent Supplement Scheme, by Source of Income, June 2005

Category	Less than €50 %	€50 to €100 %	€100 to €200 %	€200 to €300 %	More than €300 %
Old-age payments	20.3	54.6	23.6	1.4	0.1
One-parent family payments	0.7	4.9	56.5	37.8	0.1
Child related payments	0.4	4.2	61.6	33.8	0.0
Illness, disability and caring payment	7.5	48.0	37.4	7.0	0.1
Unemployment Supports	3.2	47.3	39.5	10.0	0.0
Employment Supports	5.7	53.7	31.7	8.7	0.1
Supplementary Welfare Allowance	1.1	20.8	43.0	34.9	0.2
Miscellaneous payments	0.8	15.4	57.5	26.2	0.2
Not recorded	10.1	19.8	41.3	28.8	0.0

5.3 Costs for Individual Claimants

5.3.1 Claimant Contribution to Rents

The rents paid to landlords who let accommodation to rent supplement claimants come from two sources: the Health Services Executive which contributed 86 per cent (or an average of €118.31 per case) of the total cost of these rents in June 2005, and a contribution made by the claimant which accounted for 14 per cent (or €19.82 per case) of total rent expenditure at this time. The Department of Social and Family Affairs specifies the minimum contribution that rent supplement claimants must make to their rents (Department of Social and Family Affairs, 2005). This varies according to the income and the size of the household in question. In June 2005 the lowest level of rent contribution paid by most claimants was €13 per week. Claimants whose household income exceeded €148.80 per week had to pay a higher rent contribution than this, but it varied by household structure.

Table 5.5 demonstrates that in June 2005, 13 per cent of rent supplement claimants were contributing less than €13 per week to their rent, 39 per cent paid a contribution of €13 and 27 per cent contributed more than €13 but less than €20 per week. Analysis of the contribution rules applicable at the time these data were generated indicates that all of the households in the first two of these categories, and the vast majority of households in the third, made the lowest contribution to their rent allowable under the terms of the rent supplement scheme. The remaining 9,851 claimants (20.4 per cent of total) paid more than the minimum rent contribution, which indicates that this group were in receipt of income in excess of basic social welfare payment levels.

Table 5.5 Rent Supplement Claimants' Contribution to Weekly Rent Paid on Properties Rented Under the Rent Supplement Scheme, June 2005

Weekly Personal Contribution to Rent	N	%
< €13	6,500	13.4
= €13	18,872	39.0
> €13 ≤ €20	13,130	27.2
> €20 ≤ €40	5,252	10.9
> €40 ≤ €60	2,315	4.8
> €60 ≤ €80	1,464	3.0
> €80 ≤ €100	820	1.7
Total	48,353	100

5.3.2 Claimants in Receipt of Income from Employment

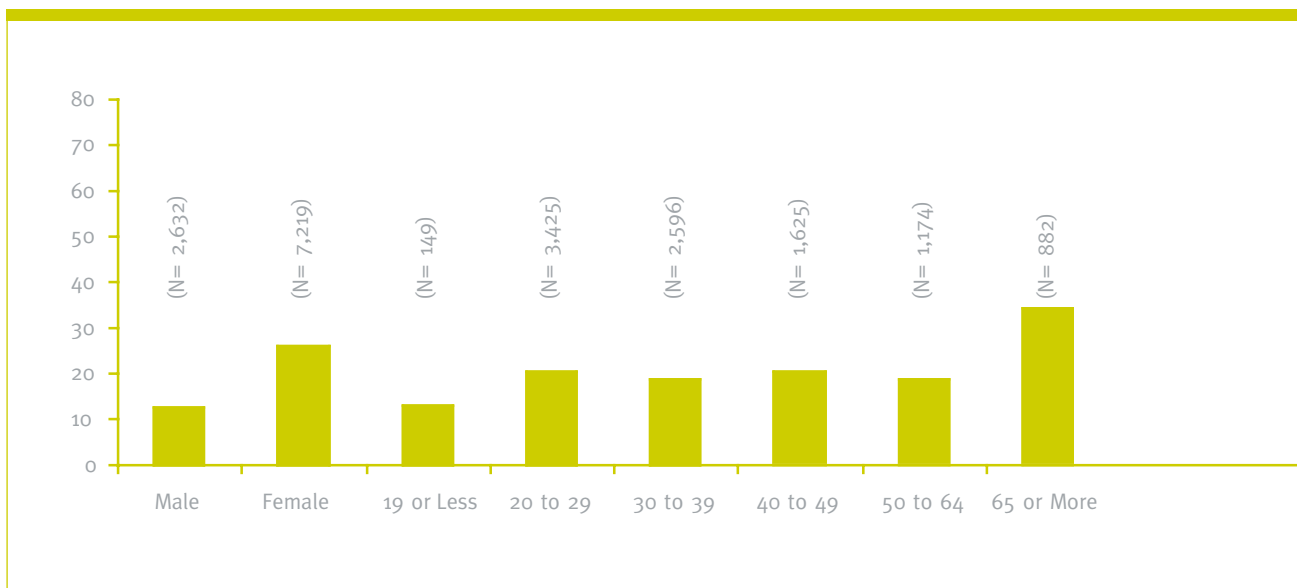
Analysis of those claimants who contributed in excess of €20 per week to their rent would therefore help to reveal the characteristics of claimants who were in receipt of income in excess of that gleaned from social welfare payments – this could include maintenance received or income from capital but is more likely to result from earnings from full or part-time work. The results of this analysis are set out in Figures 5.3, 5.4, 5.5 and 5.6 below.

The first of these graphs, which examines the gender and age of claimants in this category, reveals that 23.1 per cent of female claimants have income in addition to their basic social welfare payment, as compared to only 11.5 per cent of men.

Claimants aged 65 or more are significantly more likely to have such additional income compared to their younger counterparts. This trend may be related to the easing of the means test for access to rent supplement for this age group since 2001, which was mentioned in Section Three.

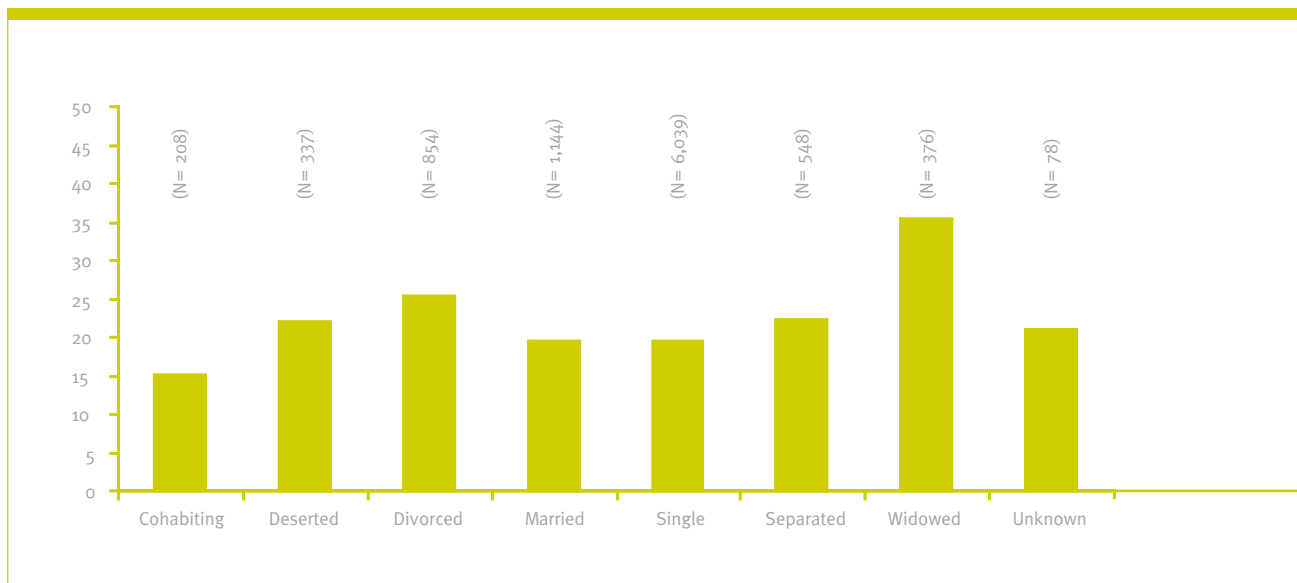
Figure 5.4 reveals that widowed and divorced rent supplement claimants were significantly more likely to have additional income than their cohabiting, married or single counterparts. In June 2005, 35.4 per cent of widowed claimants had additional income, as compared to only 15.1 per cent of cohabittees. This pattern is most likely

Figure 5.3 Percentage of Rent Supplement Claimants Contributing More than €20 per Week to their Rent by Gender and Age, June 2005



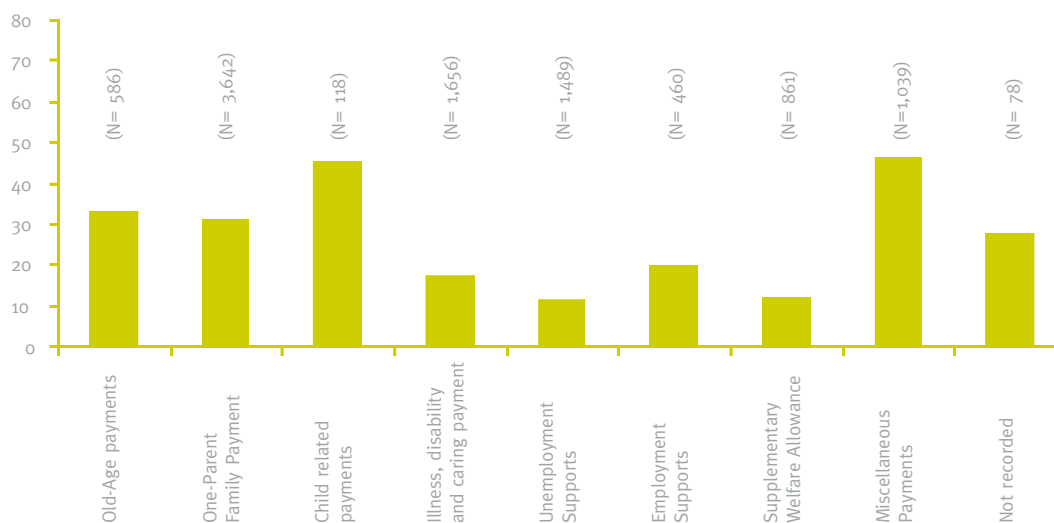
Note: N means number.

Figure 5.4 Percentage of Rent Supplement Claimants Contributing More than €20 per Week to their Rent by Marital Status, June 2005



Note: N means number.

Figure 5.5 Percentage of Rent Supplement Claimants Contributing More than €20 per Week to their Rent by Source of Income, June 2005



Note: N means number. These data exclude claimants who are not eligible for the Rental Accommodation Scheme. The above categories include the following sources of income. Old-Age includes the Old-Age Pension and the Pre-Retirement Allowance. Child-Related Payment includes: Adoptive Parents Benefit, Maternity Benefit and Health and Safety Benefit. Illness, Disability and Caring include the Blind Pension, Carer's Allowance, Disability Allowance and Benefit, Invalidity Pension and Injury Benefit. Unemployment Supports include Unemployment Benefit and Unemployment Assistance. Employment Supports include Back-to-Work Allowance and Back-to-Education Allowance. Miscellaneous payments include earned income, income from other social welfare benefits, maintenance from a former partner, no income, refugee payments and UK social security payments.

the result of access to income such as maintenance or pensions perhaps from the former spouses of divorced or widowed claimants.

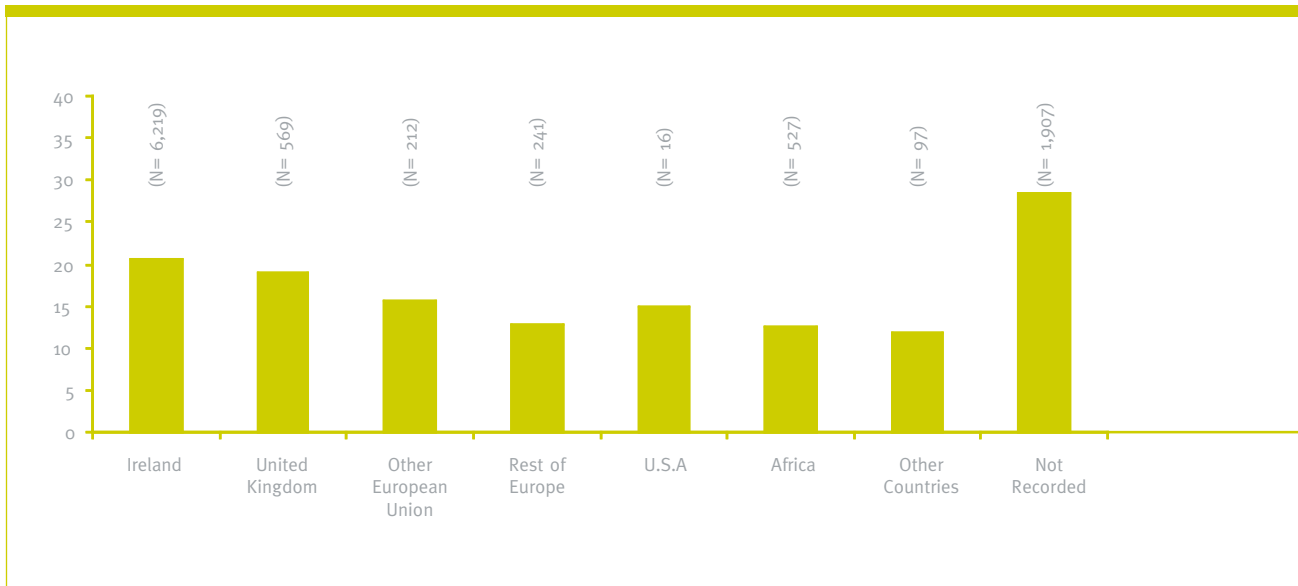
Figure 5.5 reveals that the proportion of rent supplement claimants who contribute more than €20 per week to their rent varies significantly, according to their source of income. 32.7 per cent of recipients of old-age payments, and 30.9 per cent, 45.2 per cent and 46.3 per cent of recipients of one-parent family, child-related and miscellaneous payments respectively have income additional to the basic social welfare benefits to which they would be entitled. The high proportion of claimants in receipt of miscellaneous payments with additional income is not surprising, considering that many of those in this category have access to income from work or maintenance from former partners. As was mentioned above, the large numbers of old-age pensioners with additional income may be related to the easing of the rent supplement qualification criteria for this group, while the probability is that recipients of one-parent family and child-related payments may have access to income from former partners, although employment earnings may also have been a factor in these cases.

Only 11.3 per cent of claimants dependent on unemployment support have additional income, as do 19 per cent of claimants reliant on employment supports. Earnings would be the most likely source of additional income for these groups, which may indicate that the retention of rent supplement on gaining employment is a significant driver of increasing duration and consequently increasing numbers of rent supplement claims, as was argued in Section Four above.

Figure 5.6, which details the nationality of rent supplement claimants who contribute more than €20 per week to their rent, reveals that Irish nationals are significantly

more likely to have additional income than their foreign national counterparts, most especially citizens of countries outside the European Union. In June 2005, 20.7 per cent of Irish claimants had additional income, as did 28.3 per cent of claimants whose nationality was not recorded, and the available evidence indicates that most claimants in this category are in fact Irish. By contrast, only 12.7 per cent of claimants from European countries outside the EU, 12.6 per cent of African nationals and 11.8 per cent of those in the ‘other countries’ category’ (which includes South America, Asia and Oceania) had additional income.

Figure 5.6 Percentage of Rent Supplement Claimants Contributing More than €20 per Week to their Rent by Nationality, June 2005



Note: N means number.

This pattern may reflect the higher marriage rate among claimants in these categories, which means that they are unlikely to garner additional income from former partners. It may be linked to lower participation rates in full or part-time employment than is the case among claimants of Irish nationality. Or it may be partially explained by those awaiting a decision on their claim for asylum (or awaiting deportation) being precluded from working. The data presented in Section Four, which revealed a strong tendency for citizens of African and non-EU member European countries to remain dependent on rent supplement over the long-term, would indicate that the latter of these two factors is the most significant.

5.3.3 Disincentives to Employment Take-Up

The preceding discussion regarding access to additional earnings from full and part-time work on the part of rent supplement claimants raises the issue of whether any disincentives to employment take-up are inherent in this scheme. As previously mentioned, such disincentives have been identified in comparable ‘housing benefit’ and ‘housing allowance’ systems in other countries and in the 1990s, several reviews commissioned by the State recommended measures to address this issue in the rent supplement system. In response, the Department of Social and Family Affairs began to introduce income disregards whereby some portion of earnings were excluded when determining a claimant’s personal contribution.

This process has been progressively pursued since 2000 and by 2006, the level of disregard had risen to €60 per week. This has subsequently been increased to a maximum of €75 per week under Budget 2006 although the department has not, to date, undertaken any empirical research into ascertaining the specific relationship

between these and other changes and the motivation of rent supplement claimants to return to work. The following section indicates that some disincentives continue to persist in the rent supplement system and the implications of this for the implementation of the RAS are discussed.

Under the terms of the Supplementary Welfare Allowance scheme, rent supplement is not available to those in full-time employment or engaged in full-time education or a trade dispute. In this context, full-time employment is regarded as 30 hours or more paid work in a week – the level of income associated with this work (or the individual household circumstances or housing expenditure) is not a factor in this decision to withdraw rent supplement. The exception to this occurs where a person who has been unemployed for twelve months commences full-time employment and in such cases, he/she may retain rent supplement on a tapered basis over four years so long as his/her income remains below the €317.43 per week threshold. It should be noted, however, that this threshold has not been revised for almost a decade. As such, rent supplement is the only secondary benefit for which entitlement is based on employment status and not income (McCashin, 2004).

Inherent in these benefit access and retention rules are potential unintended incentives which encourage households – as rational economic actors – to adapt their behaviour in a manner that may actually increase the cost to the State (Nordvik and Åhrén, 2005). For instance, a household consisting of a single parent in full-time employment with a young child – and with the associated costs of rent and childcare, etc. – may find it more financially advantageous to cease full-time employment and commence a rent supplement claim. Although the RAS will not necessarily preclude such initial behaviour, it may facilitate a return to full-time employment. Similarly, the structure of rent supplement may create disincentives for those currently reliant upon this scheme to enter the mainstream labour force because they may have difficulty in securing earnings which compensate them for the loss of their primary social welfare benefits, rent supplement and other secondary benefits. These phenomena – whereby a rise in gross income may effect a fall in net income, which in turn may discourage benefit recipients from entering mainstream employment – are known as the ‘poverty trap’ and the ‘unemployment trap’ (McCashin, 2004).

As was explained in Section 4.6, in recent years a number of amendments have been made to increase income cut-off points and taper payment withdrawal for rent supplement in an effort to address these disincentives and traps. Table 5.6 examines the impact of these reforms on two hypothetical households reliant on the social welfare benefits most commonly claimed by rent supplement recipients – the one-parent family payment and unemployment assistance. Specifically, the financial implications of earnings of €7.65 per hour (the minimum wage at the time of writing) and €14.34 per hour (the average industrial wage at the time of writing) are examined (Central Statistics Office, 2005b). These calculations also take into account the fact that households with children who work for 19 hours or more per week are entitled to family income supplement.

This analysis indicates that current arrangements for the withdrawal of rent supplement on commencement of paid work do incentivise employment take-up for certain types of employment and, in particular, for part-time work. For some of the hypothetical households examined, it is unattractive to work longer hours. For instance, Table 5.6 demonstrates that a household with one dependent child, claiming one-parent family payment with no earned income, will have a net income of €152.60 per week after rent costs. The net income of this and other households – before any income tax liability – increases on commencement of part-time work and in the case of work paid at the minimum wage, it will rise to a maximum of €292.13 where 19 hours per week are worked, but for every additional hour worked net income falls as the personal contribution to rent rises.

Given that rent supplement is intended to act as an income support it is a legitimate tenet of the system that, as income rises, a person will be responsible for a higher proportion of his/her own housing costs. Nevertheless, the rate of withdrawal is quite

Table 5.6 Impact of Earnings on the Net Income of Rent Supplement Claimants Reliant on One-Parent Family Payment and Unemployment Assistance, 2005

Income and expenditure on rent	Hours of Work							
	0	4	9	14	19	24	29	31
One-Parent Family Payment	€168.10	€168.10	€168.10	€168.10	€168.10	€155.60	€135.60	€128.10
+ Earned income at €7.65 per hour	€0.00	€30.60	€68.85	€107.10	€145.35	€183.60	€221.85	€237.15
+ Family Income Supplement	€0.00	€0.00	€0.00	€0.00	€79.53	€67.88	€61.52	€58.68
= Gross income (A)	€168.10	€198.70	€236.95	€275.20	€392.98	€407.08	€418.97	€423.93
Rent Supplement	€204.50	€204.50	€195.65	€157.40	€119.15	€93.40	€75.15	€0.00
+ Personal contribution to rent (B)	€15.50	€15.50	€24.35	€62.60	€100.85	€126.60	€144.85	€220.00
= Total Rent	€220.00	€220.00	€220.00	€220.00	€220.00	€220.00	€220.00	€220.00
A-B= Net Income	€152.60	€183.20	€212.60	€212.60	€292.13	€280.48	€274.12	€203.93
Net as a % of gross income	90.8%	92.2%	89.7%	77.3%	74.3%	68.9%	65.4%	48.1%
One-Parent Family Payment	€168.10	€168.10	€168.10	€148.10	€110.60	€0.00	€0.00	€0.00
+ Earned income at €14.34 per hour	€0.00	€57.36	€129.06	€200.76	€272.46	€344.16	€415.86	€444.54
+ Family Income Supplement	€0.00	€0.00	€0.00	€0.00	€52.23	€89.39	€56.69	€43.61
= Gross income (A)	€168.10	€225.46	€297.16	€348.86	€435.29	€433.55	€472.55	€488.15
Rent Supplement	€204.50	€204.50	€135.44	€83.74	€49.54	€97.13	€34.07	€0.00
+ Personal contribution to rent (B)	€15.50	€15.50	€84.56	€136.26	€170.46	€122.87	€185.93	€220.00
= Total Rent	€220.00	€220.00	€220.00	€220.00	€220.00	€220.00	€220.00	€220.00
A-B= Net Income	€152.60	€209.96	€212.60	€212.60	€264.83	€310.68	€286.62	€268.15
Net as a % of gross income	90.8%	93.1%	71.5%	60.9%	60.8%	71.7%	60.7%	54.9%
Unemployment Assistance	€148.80	€138.06	€115.11	€92.16	€69.21	€50.06	€31.70	€24.36
+ Earned income at €7.65 per hour	€0.00	€30.60	€68.85	€107.10	€145.35	€183.60	€221.85	€237.15
+ Family Income Supplement	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
= Gross income (A)	€148.80	€168.66	€183.96	€199.26	€214.56	€233.66	€253.55	€261.51
Rent Supplement	€102.00	€102.00	€102.00	€102.00	€96.24	€77.14	€57.25	€42.94
+ Personal contribution to rent (B)	€13.00	€13.00	€13.00	€13.00	€18.76	€37.86	€57.75	€72.06
= Total Rent	€115.00	€115.00	€115.00	€115.00	€115.00	€115.00	€115.00	€115.00
A-B= Net Income	€135.80	€155.66	€170.96	€186.26	€195.80	€195.80	€195.80	€189.45
Net income as a % of gross income	91.3%	92.3%	92.9%	93.5%	91.3%	83.8%	77.2%	72.4%
Unemployment Assistance	€148.80	€122.00	€78.98	€41.83	€0.00	€0.00	€0.00	€0.00
+ Earned income at €14.34 per hour	€0.00	€57.36	€129.06	€200.76	€272.46	€344.16	€415.86	€444.54
+ Family Income Supplement	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
= Gross income (A)	€148.80	€179.36	€208.04	€242.59	€272.46	€344.16	€415.86	€444.54
Rent Supplement	€102.00	€102.00	€102.00	€68.21	€38.34	€0.00	€0.00	€0.00
+ Personal contribution to rent (B)	€13.00	€13.00	€13.00	€46.79	€76.66	€115.00	€115.00	€115.00
= Total Rent	€115.00	€115.00	€115.00	€115.00	€115.00	€115.00	€115.00	€115.00
A-B= Net Income	€135.80	€166.36	€195.04	€195.80	€195.80	€229.16	€300.86	€329.54
Net as a % of gross income	91.3%	92.8%	93.8%	80.7%	71.9%	66.6%	72.3%	74.1%

Note: The above calculations assume that the recipient of One-Parent Family Payment has one dependent child, and the recipient of Unemployment Assistance has no dependants; that recipients were out of work for at least one year, have been working for less than one year and that their rent equals the maximum payable in the Dublin area under the rent supplement scheme (Quarter 2, 2005). Net income refers to gross income less the personal contribution to rent. For those with earnings in excess of €300 per week, rent supplement is based on earnings after PRSI and Health Contribution (@ 6 per cent) subject to specified allowances and exemptions. These figures assume no travel costs. For the recipient of Unemployment Assistance it is assumed that he/she works for 3 days or less in a given week. For those working at least 19 hours per week, Family Income Supplement is based on after-tax earnings and is paid at a minimum rate of €20 per week regardless of the amount which the household qualifies for. All tax liabilities are calculated on the basis of a full tax year.

steep and as Table 5.6 illustrates, a claimant with work at the minimum wage could find that an earned income of €220 will imply an increase in the personal contribution of €130 (or in other words, increased housing costs will account for 59 per cent of any additional earnings). It is to be expected that this fall in the amount of rent supplement payable will have negative implications for work take-up and may render work an unattractive prospect under certain circumstances. Although the fall in income after housing costs (as a proportion of gross income) is a reflection of the withdrawal of all relevant social welfare payments, it would appear that rent supplement is a key driver of this phenomenon.

Figure 5.7, which charts these findings in a line graph, reveals that these disincentives to work more than 30 hours per week are particularly strong, because rent supplement is completely withdrawn when working hours reach this level. However, the extent of disincentives to work vary according to the characteristics of the household in question. In the case of recipients of unemployment assistance the disincentive to work more than 30 hours per week are weaker when hourly earnings are higher – in the case of the examples used when the average industrial wage rather than the minimum wage is earned. In contrast, recipients of one-parent family payment earning the average industrial wage have no monetary incentive to work more than 24 hours per week because, if they do so, family income supplement in addition to rent supplement will be cut.

For the households in Figure 5.7, it should be noted that in the case of the recipient of the one-parent family payment, any hours worked above the 30-hour threshold are interpreted as full-time employment and thus, no rent supplement is receivable (e.g. no benefit retention applies unless the recipient is participating in a community employment scheme). In contrast, the recipient of unemployment assistance may continue to work above the 30-hour threshold whereby benefit retention at 75 per cent arises.

Figure 5.7 Comparison of Rent Supplement Recipients' Net Income as a Proportion of Gross Income as Supply of Labour Increases, by Household and Income Type, June 2005.



Note: The above calculations assume that the recipient of One-Parent Family Payment has one dependent child, and the recipient of Unemployment Assistance has no dependants; that recipients have been working for less than one year and that their rent equals the maximum payable in the Dublin area under the rent supplement scheme. This also assumes that both persons are working in mainstream employment (e.g. not on a Community Employment Scheme, etc.).

5.4 Impact of Transfer to the Rental Accommodation Scheme

As was mentioned in Section One of this report, in July 2004 the Government decided that local authorities will assume responsibility for meeting the housing needs of households continuously dependent on rent supplement for more than eighteen months, in an initiative entitled the Rental Accommodation Scheme (RAS). On transfer to the RAS the contribution that these former rent supplement claimants make to their rent will be calculated in the same way as local authority housing rents. Since 1976 the rents levied on all local authority rented dwellings in Ireland have been related to tenant incomes – a system which is colloquially termed ‘differential rents’. Individual local authorities have the power to devise differential rents determination schemes, subject to guidance from the DoEHLG. The most recent circular from the Department on this issue stipulates that:

- the rent payable should be related to income
- allowances should be made for dependent children
- a contribution towards rent should be required from subsidiary earners
- the adequacy of rental income to meet the cost of managing and maintaining the housing stock should be taken into account
- the use of banded income categories and applicable rent fractions, which creates the potential for poverty traps as well as high marginal rates of rent, should be phased out
- no more than 15 per cent of any increase in old-age pensions should be absorbed in rent
- local authorities should be mindful of policies adopted by adjacent authorities when devising and implementing rent schemes (Department of the Environment and Local Government, 2002).

In 2005, the 102 local authorities that are social landlords employed 76 separate schemes to determine rents on their dwellings. The difference between the number of schemes and landlords is due to the fact that one local authority (Cork County Council) operates three separate schemes covering different parts of its operational area, while a number of borough and town councils use the same rent determination scheme as the county council in which they are located.

Table 5.7 illustrates the differential rents paid by households of varying composition and income type, living in dwellings rented from borough, city and county councils. It reveals that rents vary significantly between authorities. In the case of a couple with no children reliant on unemployment assistance, for instance, the most expensive rent payable under the differential rents system is 96 per cent higher than the lowest rent. These differences, which reflect geographical variations in the terms of differential rents determination systems, raise concerns about horizontal equity (or the extent to which tenant households with similar incomes are treated uniformly by local authority rent determination schemes).

At the same time, however, these data indicate that most differential rent schemes are broadly progressive (i.e. which households with different incomes are charged correspondingly higher or lower rents) and that only a small minority of these schemes have inherent poverty or unemployment traps. Detailed analysis of the terms of these differential rent calculation formulae reveals poverty traps in only a quarter of borough, city and county councils, and significant problems of this type in approximately half of these.

From the perspective of the effective and equitable operation of the Rental Accommodation Scheme, the relative absence of poverty traps – or upper limits on hours worked – associated with the differential rents determination schemes currently in use by local authorities is a key advantage over the rent supplement system. Consequently transfer to the RAS will certainly increase the incentives for

Table 5.7 Estimated Rents Charged to Households Renting Dwellings from Borough, City and County Councils, by Income Type and Household Composition, 2005

Local Authorities		Single No children			
		Unemployment Assistance	Non Contributory Old-Age Pension	Average Industrial Earnings (39 hours worked)	Average Industrial Earnings (24 hours worked)
Borough Councils	Clonmel	16.80	22.80	85.00	31.40
	Drogheda	16.00	19.10	94.00	28.30
	Kilkenny	20.00	18.00	88.00	35.00
	Sligo	16.00	15.00	100.00	33.00
	Wexford	24.70	25.40	106.60	42.10
City Councils	Cork	19.50	24.10	70.70	30.50
	Dublin	17.52	22.10	68.70	28.56
	Limerick	19.50	24.00	80.00	32.00
	Galway	21.10	27.10	89.30	35.80
	Waterford	12.50	13.50	85.50	36.50
County Councils	Carlow	22.00	28.00	90.00	35.90
	Cavan	12.80	21.00	80.50	37.80
	Clare	20.50	29.00	83.30	30.00
	Cork North	17.00	17.00	68.00	16.00
	Cork South	16.00	22.00	84.00	Nav
	Donegal	21.30	15.00	76.90	24.46
	Dun Laoghaire - Rathdown	24.40	27.70	72.60	34.30
	Fingal	16.39	19.72	53.90	40.50
	Galway	25.80	31.90	74.00	32.00
	Kerry	17.00	23.00	66.00	36.50
	Kilkenny	21.50	27.50	90.00	36.50
	Laois	13.00	18.00	60.00	27.00
	Leitrim	27.00	33.00	95.00	42.00
	Limerick	17.00	23.00	Nav	32.00
	Longford	25.00	32.00	102.00	41.50
	Louth	16.00	19.10	94.00	28.30
	Mayo	16.37	19.72	94.80	41.28
	Meath	19.10	12.70	104.00	37.50
	Monaghan	21.50	29.00	78.50	35.50
	North Tipperary	14.90	18.00	46.00	22.50
	Offaly	17.00	24.00	92.50	34.00
	Roscommon	29.80	35.90	60.00	34.50
	Sligo	16.00	15.00	100.00	33.00
	South Dublin	15.40	18.30	49.50	22.80
	South Tipperary	13.80	19.90	99.60	28.50
	Waterford	18.00	23.10	85.20	31.70
Westmeath	17.00	24.00	92.00	34.00	
Wexford	24.70	25.40	106.60	42.10	
Wicklow	16.00	22.10	84.20	30.70	
% Difference between the highest and lowest rent		138	183	132	163

Note: Data for Kildare County Council and the west area of Cork County Council are not available.

Single One child			Couple No Children		Couple with Two Children	
One parent Family Payment	Community Employment Scheme	Average Industrial Earnings (24 hours worked)	Unemployment Assistance	Community Employment Scheme	Unemployment Assistance	Community Employment Scheme
18.70	52.20	62.90	36.40	35.40	39.40	36.10
16.80	43.70	61.30	31.90	44.00	39.10	49.60
23.00	57.00	42.00	40.00	53.00	44.00	58.00
17.00	59.00	58.00	39.00	56.00	44.00	60.00
27.45	23.85	40.35	48.40	41.45	56.20	56.05
22.00	47.10	55.20	28.60	37.80	32.90	40.80
19.42	17.16	52.58	27.52	33.54	30.56	33.16
21.50	21.50	60.50	36.50	34.00	40.00	34.00
22.70	22.70	55.30	40.80	38.90	43.10	39.10
13.50	20.00	64.30	37.00	30.30	46.50	27.70
24.50	58.00	68.50	41.50	55.00	46.00	59.50
19.10	19.00	53.40	40.10	40.10	44.40	44.40
26.20	26.20	35.30	42.10	38.40	46.00	42.20
19.00	19.00	45.00	33.50	24.50	37.50	27.50
17.50	17.50	17.50	35.50	25.50	38.00	28.00
22.70	22.70	49.20	36.50	36.50	39.50	39.50
26.40	26.40	77.80	37.80	36.40	43.40	39.90
18.49	26.49	42.81	27.23	33.59	30.92	34.77
29.50	29.50	62.00	45.50	45.50	51.90	51.90
19.00	46.00	Nav	37.00	31.00	40.00	34.00
24.50	58.00	70.00	41.50	55.00	46.00	59.50
13.50	13.50	72.00	38.00	27.50	37.50	31.50
10.00	10.00	52.00	44.00	44.00	10.00	10.00
20.00	53.00	78.50	36.00	38.00	41.00	41.00
29.00	66.50	61.30	44.50	60.00	51.00	66.00
16.80	43.70	71.44	31.90	44.00	39.10	49.60
27.22	60.70	77.70	46.30	59.87	46.62	60.13
22.40	64.30	53.00	43.80	31.70	49.20	31.40
27.00	27.00	54.60	39.50	39.50	45.00	45.00
15.60	15.60	68.00	27.50	27.50	31.70	31.70
19.00	56.00	52.30	30.00	45.00	33.00	48.00
31.60	31.60	58.00	49.50	41.30	52.20	43.90
17.00	59.00	39.40	39.00	56.00	44.00	60.00
17.30	17.30	59.90	25.30	27.00	28.50	30.30
15.70	15.70	63.00	33.50	27.90	39.40	33.80
18.80	16.00	68.00	36.70	36.70	39.40	39.40
19.00	19.00	40.35	30.00	30.00	33.00	33.00
27.45	23.85	Nav	48.40	41.45	56.20	56.05
18.50	52.00	62.70	35.90	49.30	39.80	53.30
216	565	349	96	145	462	560

former rent supplement claimants to gain full-time employment, bearing in mind, of course, that poverty traps are only one of many factors that impact on employment opportunities and decisions. However, in view of the fact that the advent of the RAS will radically increase the number of rents assessed using differential rents, the DoEHLG may wish to consider encouraging local authorities to address the poverty traps which do exist in this system.

Problems of this type are largely confined to ‘banded’ rent determination arrangements (whereby rent is set at a certain percentage or fraction of incomes below a certain level and at a higher rate in the case of incomes which exceed this level). Significantly, current DoEHLG guidelines on local authority housing rents suggest that use of this method should be abandoned in favour of calculating rents on the basis of a single percentage or fraction of household income (Department of the Environment and Local Government, 2002).

Use of differential rents also raises some challenges for the implementation of the RAS, but these are not insurmountable. For instance, as was mentioned above, the geographical variations in the terms of differential rents determination systems raise concerns about horizontal equity. In addition, this highly fragmented system may create challenges for the administration of the Rental Accommodation Scheme in terms of explaining rent calculation formulae to the participants in this scheme, and calculating rents using many multiples of the methods currently used to calculate claimants’ contributions to rent supplement. Thus, the DoEHLG should remind local authorities of the need to take account of the policies adopted by adjacent authorities when devising and implementing rent schemes, as in current guidelines on differential rents calculation (Department of the Environment and Local Government, 2002).

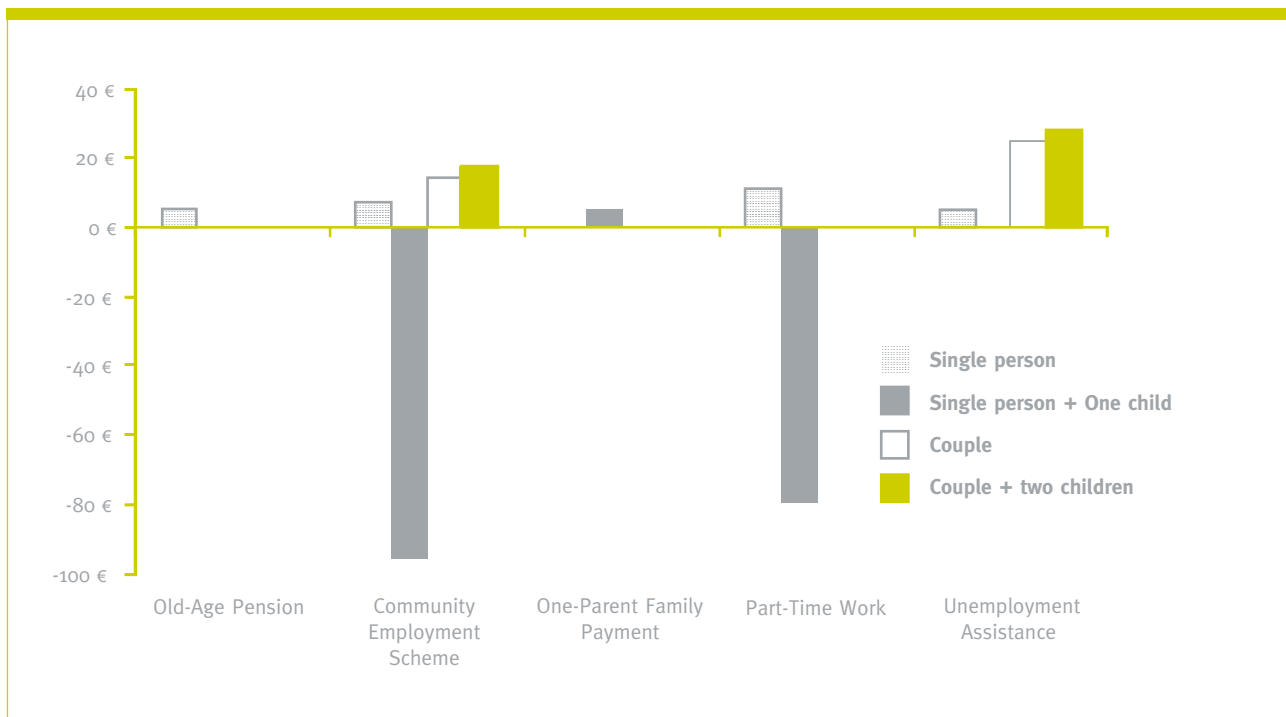
Figure 5.8 demonstrates that the amount of rent payable by some categories of rent supplement claimants will change significantly on transfer to the RAS rent calculation system, which may create problems for those adversely affected. For instance, recipients of unemployment assistance could see their rent contribution rise in some cases by about €17 on transfer from rent supplement to the RAS, depending on their family circumstances. In contrast, many households headed by pensioners and those in receipt of an earned income are likely to benefit financially from the new RAS rent assessment arrangements.

This situation arises because differential rent schemes tend to set minimum rent payable above the minimum contribution under rent supplement but, thereafter, charge rent at a much lower rate on income above the relevant basic social welfare payment rate than is the case under the rent supplement arrangements. Furthermore, differential rent schemes tend to assess rent payable on the basis of take-home pay, whereas the rent supplement system only takes account of Pay-Related Social Insurance (PRSI) contributions and does not deduct any income tax paid when determining the level of personal contribution. In order to overcome this problem, the DoEHLG may wish to consider introducing transitional arrangements, under which these rent increases would be phased in over several years, rather than imposed immediately after transfer to the RAS.

In view of the fact that approximately 20 per cent of recipients of rent supplements in June 2005 had income from paid work, the rise in the rent contributions that households reliant solely on social welfare benefits will make on transfer to the Rental Accommodation Scheme would indicate that budgetary implications of this programme for the Exchequer will be neutral. Indeed, the RAS has the potential to achieve savings for the State in comparison with the current costs of provision of rent supplement. However, the data on which this report is based do not allow for the generation of definitive calculations on the cost of transferring long-term rent supplements to the RAS, because definitive information on the composition and income of rent supplement claimant households is not available.

Obviously, accurate costing of the Rental Accommodation Scheme is vital for its effective implementation, so the Department of the Environment, Heritage and

Figure 5.8 Estimated Difference in the Contribution to Rent Payable by Rent Supplement Claimants and Participants in the Rental Accommodation Scheme (€), 2005



Note: These calculations are based on the average local authority housing rents payable to borough, city and county councils.

Local Government and the Department of Social and Family Affairs should work together to ensure this information can be generated. In addition, there is a need for continuous monitoring of the costs of each stage of the implementation of the Rental Accommodation Scheme. Monitoring the costs of transferring each rent supplement claimant to the RAS would aid the production of accurate estimates of the total cost of this programme.

5.5 Concluding Comments

This section examined the long-term trends in the cost of rent supplement and found that, between 1994 and 2004, total expenditure (in current terms) on rent supplementation grew by 522 per cent and significantly outpaced growth in expenditure on all Supplementary Welfare Allowance benefits. However, when measured on the basis of expenditure per claimant, the rate of inflation in the cost of rent supplement between these years was significantly less than this (210 per cent) but still grew faster than claimant numbers (which expanded by 101 per cent). The evidence examined here indicates that continuing growth in rent supplement expenditure since 2000, despite the sharp fall in the general private residential rent inflation until early 2005, is related to changes in the characteristics of the rent supplement claimant population – specifically to the growth in the numbers of female and foreign claimants – as the rents paid for properties inhabited by these claimants is relatively high.

However, due to shortcomings in the available data on the rents paid under this scheme, a definitive conclusion regarding the drivers of trends in expenditure on rent supplement could not be reached. In view of the significant cost of this programme

to the Exchequer, the Department of Social and Family Affairs should consider addressing these information shortcomings. In particular, details of when Community Welfare Officers exercise the option of overriding rules on the maximum payment made under this scheme and on the incomes of claimants should be collated and analysed on a regular basis.

This section also examined poverty traps and disincentives to employment take-up inherent in the rent supplement scheme. It concluded that recent changes to the terms of this scheme have largely removed disincentives to take up part-time work but have been less effective in incentivising claimants to take up full-time employment and consequently exit the rent supplement system altogether. Detailed analysis of the causes of this phenomenon are outside the scope of this study. Nevertheless, the preceding discussion has highlighted particular problems in this regard among recipients of Family Income Supplement and the international research evidence also indicates that they are related to failure to regularly update rules regarding the income disregards and maxima when calculating the rate of withdrawal of rent supplement (Kemp, 2000). In view of the lengthening duration of rent supplement claimants, highlighted in Section Four, and the implications of this trend for numbers of participants in the Rental Accommodation Scheme, the DSFA may wish to consider examining these disincentives to take up full-time work in more detail, and introducing appropriate reforms.

Finally, this section examined the financial implications of the establishment of the Rental Accommodation Scheme for individual rent supplement claimants and for the Exchequer. In relation to the former, it highlighted that the rent contributions payable by claimants reliant solely on income from social welfare benefits may rise on transfer to the RAS and suggested that short-term arrangements to ease this transition for the households in question may be required. The analysis presented here indicates that the RAS is likely to be budget neutral or may effect a reduction in expenditure compared to the rent supplement scheme. However, shortcomings in the data available to the authors mean that definitive estimates of the cost of implementing the RAS cannot be reached. This information gap is problematic and should be addressed.

SECTION SIX
Location



6.1 Introduction

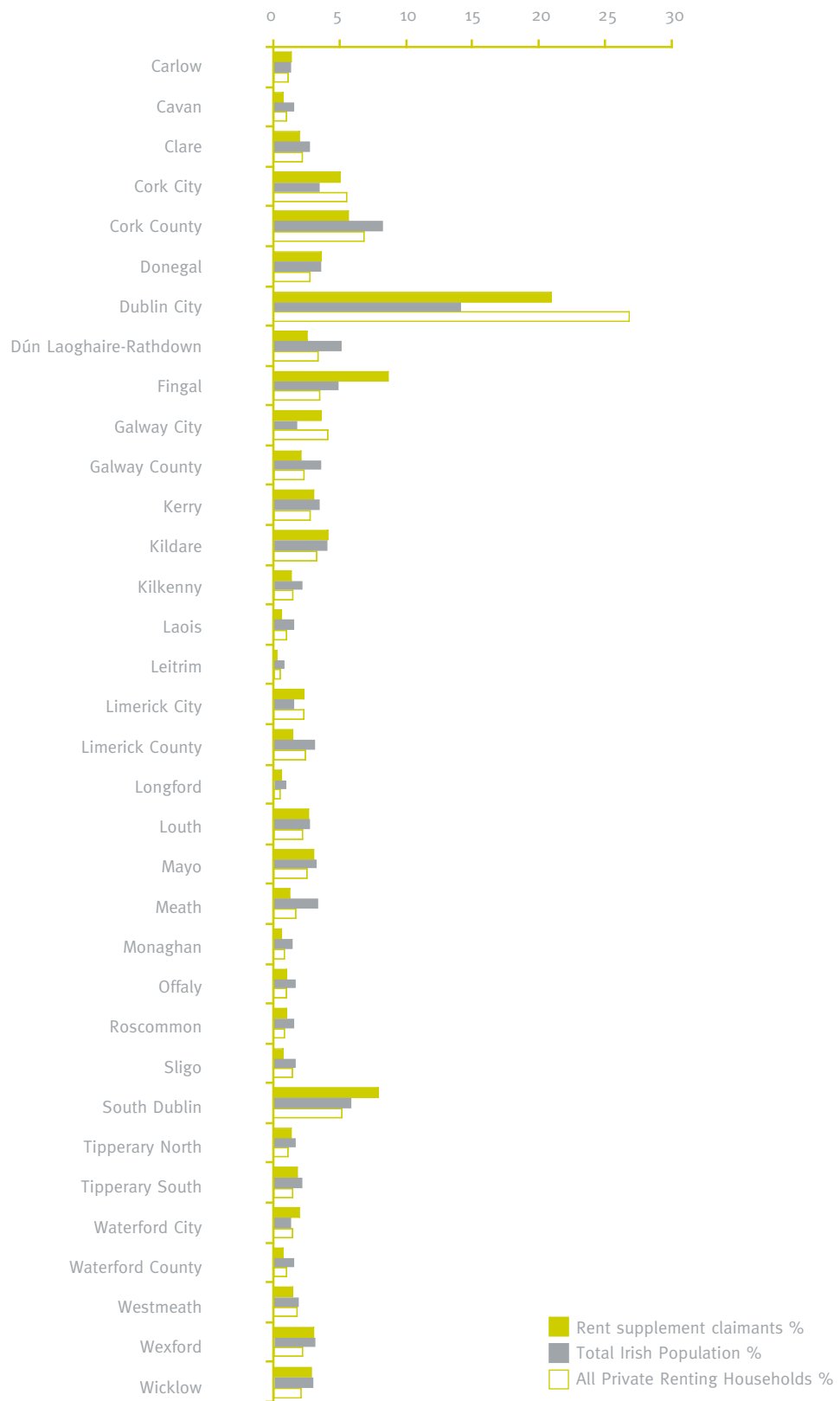
This section examines recent trends in the location of rent supplement claimants and the implications of these spatial patterns for claimant numbers and cost for the establishment of the Rental Accommodation Scheme. As was mentioned in Section One of this study, one of the aims of the RAS is to: ‘... facilitate social mix through providing a wider geographical spread of social housing’, and this section also assesses whether rent supplement reinforces or diminishes spatial concentrations of poor households and the problems sometimes associated with concentrations of this type. The data on which most of this analysis is based were generated by geo-coding the addresses of those in receipt of rent supplement in June 2005 in order to identify the electoral division where they reside. As was also mentioned in Section One, only 90 per cent of claimants’ addresses could be geo-coded. Thus the characteristics of the remaining 10 per cent of relevant households are not considered here.

6.2 Location of Rent Supplement Claimants Compared to the General Population

Figure 6.1 compares the spatial distribution of rent supplement claimants in 2005 with information on the locations of all households in the country, which was taken from Census 2002. In this regard it highlights the following differences between the two groups:

- Rent supplement claimants were much more heavily concentrated in cities than in the Irish population in general. Over half (52.6 per cent) of all rent supplement claimants lived in the operational areas of one of the five city councils (Cork, Dublin, Limerick, Galway, Waterford) or one of the three Dublin county councils (Dún Laoghaire-Rathdown, Fingal, South Dublin), compared to just over one-third (36.9 per cent) of the whole national population.
- In contrast, all except six of the more rural counties (Carlow, Donegal, Kildare, Louth, Wexford and Wicklow), accommodated fewer rent supplement claimants than would be expected, considering their share of the national population.
- Rent supplement claimants are particularly heavily concentrated in parts of Dublin. 37.4 per cent of claimants lived in the Dublin City Council, Fingal and South Dublin County Council operational areas as compared to 24.5 per cent of the population in general.
- However, the Dún Laoghaire-Rathdown County Council operational area is an exception in this regard; it contains fewer rent supplement claimants than would be expected, considering its share of the national population.
- It is also notable that the proportion of rent supplement claimants resident in the counties of the mid-east region (which includes counties Kildare, Meath and Wicklow) is higher than average.

Figure 6.1 Spatial Distribution of the Rent Supplement Claimant Population (2005) compared to all Households and all Private Renting Households in the State (2002), Percentage



Source: Central Statistics Office, 2003b Note: The data on rent supplement exclude claimants who are not eligible for the Rental Accommodation Scheme and the 10 per cent of claimants whose addresses could not be geo-coded.

This graph also compares the location of rent supplement claimants to all households identified as residing in private rented accommodation in the 2002 census. The analysis reveals a marked coincidence in the geographical dispersion of households in these two categories. In fact, there are only three local authority operational areas in the country where the percentage of households in both these categories varies by more than 1 per cent. These are: Dublin City Council (which accommodates 26.8 per cent of all rent supplement claimants but only 20.9 per cent of all private renting households), Fingal County Council (households in the former category exceed the latter by 5.1 per cent) and South Dublin County Council (rent supplement claimants exceed private renting households by 2.8 per cent).

6.3 Detailed Analysis of the Location of Rent Supplement Claimants

Tables 6.1 and 6.2 examine the spatial distribution of rent supplement claimants in more detail. The first of these tables disaggregates the location of claimants by their gender and age. It reveals that the age structure of the rent supplement claimant population does not vary significantly around the country, but that the gender structure does. Despite the fact that women make up 58.0 per cent of rent supplement claimants nationwide, in the Dublin, Cork and Waterford city councils operational areas men make up a majority of claimants – 51.0, 51.9 and 55.9 per cent respectively.

Table 6.2 details the marital status and nationality of claimants resident in the various city and county council operational areas countrywide. In relation to these two issues, it reveals some significant differences between rent supplement claimants living in the operational areas of the five city councils, the three Dublin county councils and the mid-east, compared to those resident in less urbanised areas. For instance a greater proportion of claimants in the former localities are single compared to their counterparts in the latter areas – 65.5 per cent as compared to 63.1 per cent respectively. However, at the same time, the rent supplement claimant population in Fingal County Council and South Dublin County Council contains a much lower proportion of single people than is the case in other large urban areas. Only 48.1 of claimants in Fingal are single, as are 55.3 per cent of claimants in South Dublin, compared to 63.1 per cent of claimants nationally.

The proportion of Irish nationals among the claimant population only differs marginally among the 26 county councils with more rural operational areas. Around 66.9 per cent of claimants in these areas are Irish citizens. In contrast, 60.5 per cent of claimants resident in the operational areas of the five city and three Dublin county councils are of Irish nationality, but this proportion varies significantly between these authorities. The rent supplement claimant population in Fingal and South Dublin County Council operational areas includes a particularly low proportion of Irish nationals – 35.7 per cent and 45.1 per cent respectively. This discrepancy may also explain the higher percentage of married claimants in these areas because, as was mentioned in Section Two, foreign national rent supplement claimants are significantly more likely to be married than their Irish counterparts.

It is also important to note that although the proportion of claimants in the Dublin City Council operational area who are of Irish nationality is relatively high (59.1 per cent), compared to some neighbouring counties, in absolute terms the number of non-national claimants here is substantial (2,785 persons). Indeed, in view of the fact that the nationalities of 13.2 per cent of claimants in Dublin city are not known, this number is probably higher.

Table 6.3 (which for reasons of space is configured differently from the two preceding tables) compares the source of income and location of rent supplement claimants. It reveals a number of geographical variations in this regard. For instance, although the number of rent supplement recipients dependent on old-age payments is low

Table 6.1 Spatial Distribution of Rent Supplement Claimants by Gender and Age, June 2005

Local Authority/Operational Area	Total		Male		Female		19 or Less		20 to 29		30 to 39		40 to 49		50 to 64		65 or More	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Carlow	632		254	40.2	378	59.8	20	3.2	245	38.8	143	22.6	122	19.3	73	11.6	29	4.6
Cavan	326		144	44.2	182	55.8	7	2.1	92	28.2	78	23.9	49	15.0	63	19.3	37	11.3
Clare	891		373	41.9	518	58.1	25	2.8	237	26.6	244	27.4	184	20.7	150	16.8	51	5.7
Cork County	2,684		1,032	38.5	1,652	61.5	45	1.7	787	29.3	674	25.1	429	16.0	442	16.5	307	11.4
Cork City	2,394		1,242	51.9	1,152	48.1	53	2.2	849	35.5	649	27.1	389	16.2	344	14.4	110	4.6
Donegal	1,715		694	40.5	1,021	59.5	58	3.4	677	39.5	419	24.4	276	16.1	206	12.0	79	4.6
Dublin City	10,047		5,119	51.0	4,928	49.0	200	2.0	3,318	33.0	3,107	30.9	1,597	15.9	1,345	13.4	480	4.8
Dún Laoghaire-Rathdown	1,179		431	36.6	748	63.4	12	1.0	382	32.4	374	31.7	230	19.5	132	11.2	49	4.2
Fingal	4,129		1,316	31.9	2,813	68.1	75	1.8	1,624	39.3	1,656	40.1	489	11.8	219	5.3	66	1.6
Galway County	956		392	41.0	564	59.0	11	1.2	208	21.8	259	27.1	201	21.0	199	20.8	78	8.2
Galway City	1,712		792	46.3	920	53.7	23	1.3	640	37.4	561	32.8	254	14.8	189	11.0	45	2.6
Kerry	1,458		603	41.4	855	58.6	30	2.1	467	32.0	393	27.0	256	17.6	238	16.3	74	5.1
Kildare	1,938		636	32.8	1,302	67.2	45	2.3	766	39.5	568	29.3	290	15.0	182	9.4	87	4.5
Kilkenny	656		308	47.0	348	53.0	20	3.0	227	34.6	169	25.8	125	19.1	81	12.3	34	5.2
Laois	273		105	38.5	168	61.5	6	2.2	88	32.2	78	28.6	39	14.3	35	12.8	27	9.9
Leitrim	136		55	40.4	81	59.6	0	0.0	44	32.4	30	22.1	36	26.5	20	14.7	6	4.4
Limerick County	685		272	39.7	413	60.3	12	1.8	253	36.9	161	23.5	85	12.4	93	13.6	81	11.8
Limerick	1,118		507	45.3	611	54.7	32	2.9	390	34.9	303	27.1	172	15.4	153	13.7	68	6.1
Longford	278		105	37.8	173	62.2	9	3.2	119	42.8	73	26.3	36	12.9	33	11.9	8	2.9
Louth	1,252		519	41.5	733	58.5	37	3.0	457	36.5	373	29.8	196	15.7	145	11.6	44	3.5
Mayo	1,431		582	40.7	849	59.3	25	1.7	410	28.7	348	24.3	271	18.9	239	16.7	138	9.6
Meath	562		234	41.6	328	58.4	8	1.4	169	30.1	166	29.5	99	17.6	77	13.7	43	7.7
Monaghan	273		102	37.4	171	62.6	8	2.9	86	31.5	82	30.0	41	15.0	39	14.3	17	6.2
Offaly	469		194	41.4	275	58.6	18	3.8	177	37.7	102	21.7	76	16.2	69	14.7	27	5.8
Roscommon	470		202	43.0	268	57.0	8	1.7	120	25.5	109	23.2	93	19.8	92	19.6	48	10.2
Sligo	352		168	47.7	184	52.3	12	3.4	102	29.0	73	20.7	84	23.9	49	13.9	32	9.1
South Dublin	3,782		1,189	31.4	2,593	68.6	80	2.1	1,669	44.1	1,329	35.1	487	12.9	186	4.9	31	0.8
Tipperary North	633		272	43.0	361	57.0	13	2.1	209	33.0	160	25.3	107	16.9	105	16.6	39	6.2
Tipperary South	860		374	43.5	486	56.5	29	3.4	293	34.1	211	24.5	172	20.0	122	14.2	33	3.8
Waterford County	334		158	47.3	176	52.7	11	3.3	104	31.1	82	24.6	57	17.1	55	16.5	25	7.5
Waterford	911		509	55.9	402	44.1	39	4.3	341	37.4	193	21.2	144	15.8	129	14.2	65	7.1
Westmeath	694		262	37.8	432	62.2	24	3.5	235	33.9	182	26.2	116	16.7	107	15.4	30	4.3
Wexford	1,432		553	38.6	879	61.4	45	3.1	481	33.6	355	24.8	218	15.2	226	15.8	107	7.5
Wicklow	1,373		476	34.7	897	65.3	28	2.0	553	40.3	348	25.3	215	15.7	160	11.7	69	5.0
Total n/%	48,035		20,174	42.0	27,861	58.0	1,068	2.2	16,819	35.0	14,052	29.3	7,035	15.9	5,997	12.5	2,464	5.1

Note: These data exclude rent supplement claimants who are not eligible for the Rental Accommodation Scheme and the 10 per cent of claimants whose addresses could not be geo-coded.

countrywide, it is higher in the 26 county councils with more rural operational areas (4.3 per cent of all claimants) compared to the five city councils and three Dublin county councils (2.9 per cent). The proportion of claimants dependent on one-parent family payment differs only marginally between large urban and rural local authorities (24.7 per cent in the former, 25.2 per cent in the latter). However, the proportion reliant on this benefit is much higher in the three Dublin county councils (33.9 per cent) than is the case in the five other large urban local authorities.

The opposite pattern prevails in the case of unemployment supports. Over a quarter (26.8 per cent) of claimants resident in rural local authority operational areas are in receipt of benefits of this type, as are 28 per cent of their counterparts in large urban areas. However, this falls to only 21.5 per cent in Dún Laoghaire-Rathdown, 18.4 per cent in Fingal and 17.3 per cent in the South Dublin County Council operational areas. Conversely, the proportion of claimants dependent on Supplementary Welfare Allowance income support is higher in large urban areas (15.2 per cent) compared to rural areas (12.0 per cent). However, it is particularly high in the Fingal and the South Dublin County Council operational areas (31.4 per cent and 26.2 per cent respectively). This trend probably reflects the higher number of non-national claimants resident in these areas. As was mentioned above, non-national rent supplement claimants are significantly more likely to be dependent on SWA than their Irish counterparts.

6.4 Recent Changes in the Location of Rent Supplement Claimants

Table 6.4 details changes in places of residence of all rent supplement claimants and those in receipt of this assistance for eighteen months or longer between June 2004 and June 2005 and also outlines the proportion of all claimants who had been in receipt of rent supplement for eighteen months or longer at the latter date. The data on which this table is based did not allow for the disaggregation of claimants resident in city council operational areas from those living in the surrounding county council operational areas. Nevertheless, it highlights some trends that are significant from the perspective of the discussion at hand. These are as follows:

- In some urban areas the number of rent supplement claimants fell between June 2004 and June 2005. The local authority areas in this category are: Cork, Limerick and Galway city and county councils.
- In contrast, the proportion of claimants residing in Waterford and Dublin city and county grew by 8.4 and 5.8 per cent respectively during the period under examination.
- Similarly, in some predominantly rural local authority operational areas (such as Carlow, Donegal, Kilkenny and Offaly) the number of rent supplement claimants has expanded in recent years, while in others (including Cavan, Laois and Sligo), it has fallen.
- Some counties are distinguished by particularly high levels of growth in long-term claimants. These include Kilkenny (24.9 per cent), Laois (26.9 per cent), Leitrim (40 per cent), Longford (30.5 per cent), Waterford city and county (25.8 per cent) and Wicklow (28.4 per cent).
- Other counties are distinguished by low levels of inflation in long-term claimant numbers, including Cavan (8.1 per cent), Galway city and county (6.3 per cent), Sligo (6 per cent) and Westmeath (0.7 per cent).
- In June 2005 an average of 56 per cent of claimants countrywide had been in receipt of rent supplement for eighteen months or less. However, in some parts of the country the proportion of claimants who are long-term was significantly more than this. The locations in this category include Cork city and county (66.6 per cent long-term claimants); Dublin city and county (64.3 per cent); Galway city and county (67.3 per cent); Kildare (63.6 per cent); Mayo (65.4 per cent), Wexford (64.2 per cent) and Wicklow (68.9 per cent).

Table 6.2 Spatial Distribution of Rent Supplement Claimants by Marital Status and Nationality, June 2005

	Marital Status											
	Cohabiting		Deserted		Divorced		Married		Separated		Single	
	N	%	N	%	N	%	N	%	N	%	N	%
Cavan	14	4.3	13	4.0	25	7.7	53	16.3	13	4.0	188	57.7
Carlow	23	3.6	17	2.7	56	8.9	67	10.6	36	5.7	417	66.0
Clare	33	3.7	46	5.2	74	8.3	111	12.5	45	5.1	559	62.7
Cork County	74	2.8	99	3.7	191	7.1	379	14.1	143	5.3	1,658	61.8
Cork City	39	1.6	77	3.2	131	5.5	228	9.5	91	3.8	1,775	74.1
Donegal	41	2.4	59	3.4	133	7.8	189	11.0	109	6.4	1,138	66.4
Dublin City	271	2.7	305	3.0	526	5.2	1,435	14.3	381	3.8	6,866	68.3
Dún Laoghaire-Rathdown	20	1.7	29	2.5	80	6.8	175	14.8	48	4.1	797	67.6
Fingal	118	2.9	84	2.0	346	8.4	1,286	31.1	214	5.2	1,986	48.1
Galway County	25	2.6	46	4.8	89	9.3	145	15.2	59	6.2	560	58.6
Galway City	49	2.9	31	1.8	82	4.8	211	12.3	77	4.5	1,230	71.8
Kerry	41	2.8	46	3.2	124	8.5	225	15.4	83	5.7	895	61.4
Kildare	53	2.7	50	2.6	176	9.1	343	17.7	93	4.8	1,175	60.6
Kilkenny	19	2.9	27	4.1	53	8.1	81	12.3	41	6.3	418	63.7
Laois	12	4.4	11	4.0	28	10.3	46	16.8	10	3.7	152	55.7
Leitrim	6	4.4	5	3.7	13	9.6	16	11.8	10	7.4	82	60.3
Limerick County	21	3.1	13	1.9	49	7.2	97	14.2	42	6.1	426	62.2
Limerick City	28	2.5	24	2.1	78	7.0	102	9.1	61	5.5	784	70.1
Longford	7	2.5	12	4.3	33	11.9	59	21.2	16	5.8	145	52.2
Louth	37	3.0	44	3.5	126	10.1	214	17.1	73	5.8	733	58.5
Mayo	35	2.4	51	3.6	107	7.5	213	14.9	95	6.6	876	61.2
Meath	18	3.2	24	4.3	51	9.1	97	17.3	39	6.9	312	55.5
Monaghan	14	5.1	9	3.3	26	9.5	30	11.0	16	5.9	171	62.6
Offaly	12	2.6	14	3.0	38	8.1	53	11.3	28	6.0	311	66.3
Roscommon	19	4.0	20	4.3	37	7.9	69	14.7	37	7.9	266	56.6
Sligo	10	2.8	11	3.1	16	4.5	42	11.9	16	4.5	241	68.5
South Dublin	113	3.0	65	1.7	266	7.0	1,008	26.7	160	4.2	2,093	55.3
Tipperary North	42	6.6	20	3.2	59	9.3	61	9.6	55	8.7	376	59.4
Tipperary South	30	3.5	28	3.3	74	8.6	63	7.3	67	7.8	577	67.1
Waterford County	8	2.4	14	4.2	26	7.8	43	12.9	14	4.2	215	64.4
Waterford City	16	1.8	32	3.5	67	7.4	106	11.6	39	4.3	625	68.6
Westmeath	26	3.7	28	4.0	57	8.2	92	13.3	38	5.5	427	61.5
Wexford	42	2.9	64	4.5	125	8.7	151	10.5	100	7.0	887	61.9
Wicklow	30	2.2	47	3.4	92	6.7	160	11.7	58	4.2	950	69.2
Total N/%	1,346	2.8	1,465	3.0	3,454	7.2	7,650	15.9	2,407	5.0	30,311	63.1

Nationality																			
Widowed		Unknown		Ireland		United Kingdom		Other EU		Rest of Europe		USA		Africa		Other countries		Unknown	
N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
17	5.2	3	0.9	198	60.7	27	8.3	3	0.9	3	0.9	0	0.0	12	3.7	6	1.8	77	23.6
12	1.9	4	0.6	469	74.2	35	5.5	14	2.2	4	0.6	2	0.3	19	3.0	2	0.3	87	13.8
20	2.2	3	0.3	592	66.4	78	8.8	37	4.2	10	1.1	6	0.7	30	3.4	11	1.2	127	14.3
119	4.4	21	0.8	1,722	64.2	268	10.0	76	2.8	27	1.0	7	0.3	110	4.1	16	0.6	458	17.1
31	1.3	22	0.9	1,697	70.9	121	5.1	53	2.2	38	1.6	6	0.3	97	4.1	53	2.2	329	13.7
38	2.2	8	0.5	1,175	68.5	268	15.6	25	1.5	8	0.5	8	0.5	29	1.7	4	0.2	198	11.5
177	1.8	86	0.9	5,939	59.1	264	2.6	346	3.4	772	7.7	13	0.1	1,087	10.8	303	3.0	1,323	13.2
25	2.1	5	0.4	692	58.7	43	3.6	38	3.2	46	3.9	2	0.2	71	6.0	53	4.5	234	19.8
73	1.8	22	0.5	1,472	35.7	96	2.3	144	3.5	506	12.3	5	0.1	1,279	31.0	105	2.5	522	12.6
26	2.7	6	0.6	652	68.2	87	9.1	33	3.5	1	0.1	3	0.3	8	0.8	8	0.8	164	17.2
19	1.1	13	0.8	1,131	66.1	120	7.0	92	5.4	35	2.0	8	0.5	110	6.4	19	1.1	197	11.5
33	2.3	11	0.8	865	59.3	136	9.3	72	4.9	65	4.5	5	0.3	59	4.0	17	1.2	239	16.4
40	2.1	8	0.4	1,097	56.6	72	3.7	68	3.5	63	3.3	2	0.1	257	13.3	18	0.9	361	18.6
16	2.4	1	0.2	449	68.4	47	7.2	11	1.7	13	2.0	1	0.2	32	4.9	3	0.5	100	15.2
11	4.0	3	1.1	195	71.4	15	5.5	5	1.8	1	0.4	1	0.4	13	4.8	1	0.4	42	15.4
3	2.2	1	0.7	85	62.5	28	20.6	3	2.2	3	2.2	0	0.0	0	0.0	0	0.0	17	12.5
35	5.1	2	0.3	480	70.1	27	3.9	5	0.7	6	0.9	1	0.1	30	4.4	13	1.9	123	18.0
29	2.6	12	1.1	834	74.6	32	2.9	22	2.0	15	1.3	4	0.4	31	2.8	25	2.2	155	13.9
5	1.8	1	0.4	178	64.0	22	7.9	7	2.5	2	0.7	0	0.0	30	10.8	2	0.7	37	13.3
19	1.5	6	0.5	754	60.2	64	5.1	25	2.0	29	2.3	0	0.0	203	16.2	12	1.0	165	13.2
42	2.9	12	0.8	898	62.8	154	10.8	27	1.9	7	0.5	4	0.3	39	2.7	6	0.4	296	20.7
19	3.4	2	0.4	356	63.3	28	5.0	18	3.2	15	2.7	0	0.0	49	8.7	9	1.6	87	15.5
6	2.2	1	0.4	174	63.7	34	12.5	7	2.6	7	2.6	0	0.0	2	0.7	1	0.4	48	17.6
6	1.3	7	1.5	359	76.5	32	6.8	5	1.1	3	0.6	0	0.0	2	0.4	3	0.6	65	13.9
15	3.2	7	1.5	277	58.9	60	12.8	12	2.6	6	1.3	3	0.6	13	2.8	7	1.5	92	19.6
14	4.0	2	0.6	226	64.2	45	12.8	11	3.1	3	0.9	2	0.6	5	1.4	0	0.0	60	17.0
48	1.3	29	0.8	1,705	45.1	69	1.8	84	2.2	301	8.0	0	0.0	948	25.1	121	3.2	554	14.6
15	2.4	5	0.8	476	75.2	39	6.2	6	0.9	2	0.3	2	0.3	6	0.9	4	0.6	98	15.5
18	2.1	3	0.3	666	77.4	72	8.4	10	1.2	4	0.5	1	0.1	4	0.5	3	0.3	100	11.6
10	3.0	4	1.2	238	71.3	47	14.1	4	1.2	3	0.9	0	0.0	7	2.1	2	0.6	33	9.9
18	2.0	8	0.9	674	74.0	57	6.3	21	2.3	17	1.9	2	0.2	34	3.7	12	1.3	94	10.3
20	2.9	6	0.9	488	70.3	47	6.8	15	2.2	11	1.6	1	0.1	21	3.0	4	0.6	107	15.4
46	3.2	17	1.2	1,073	74.9	128	8.9	22	1.5	7	0.5	6	0.4	7	0.5	5	0.3	184	12.8
27	2.0	9	0.7	905	65.9	55	4.0	36	2.6	35	2.5	4	0.3	40	2.9	9	0.7	289	21.0
1,052	2.2	350	0.7	29,191	60.8	2,717	5.7	1,357	2.8	2,068	4.3	99	0.2	4,684	9.8	857	1.8	7,062	14.7

Note: These data exclude rent supplement claimants who are not eligible for the Rental Accommodation Scheme and the 10 per cent of claimants whose addresses could not be geo-coded.

Table 6.3 Spatial Distribution of Rent Supplement Claimants by Source of Income, June 2005

	Old-Age payments		One-Parent Family Payment		Child related payments		Disability and Caring Payments		Unemployment supports		Employment supports		Supplementary Welfare Allowance		Miscellaneous payments		Not recorded		Total	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Carlow	16	2.5	159	25.2	5	0.8	145	22.9	153	24.2	22	3.5	78	12.3	47	7.4	2	0.3	632	
Cavan	23	7.1	73	22.4	1	0.3	49	15.0	100	30.7	5	1.5	60	18.4	11	3.4	3	0.9	326	
Clare	43	4.8	206	23.1	4	0.4	227	25.5	281	31.5	50	5.6	41	4.6	34	3.8	0	0.0	891	
Cork County	222	8.3	693	25.8	17	0.6	610	22.7	542	20.2	99	3.7	256	9.5	217	8.1	8	0.3	2,684	
Cork City	89	3.7	406	17.0	6	0.3	657	27.4	683	28.5	204	8.5	201	8.4	110	4.6	6	0.3	2,394	
Donegal	45	2.6	440	25.7	9	0.5	317	18.5	560	32.7	72	4.2	197	11.5	50	2.9	17	1.0	1,715	
Dublin City	380	3.8	2,028	20.2	45	0.4	1,807	18.0	3,095	30.8	470	4.7	1,763	17.5	282	2.8	60	0.6	10,047	
Dún Laoghaire-Rathdown	36	3.1	361	30.6	11	0.9	209	17.7	254	21.5	48	4.1	126	10.7	98	8.3	22	1.9	1,179	
Fingal	34	0.8	1,340	32.5	24	0.6	370	9.0	761	18.4	90	2.2	1,295	31.4	149	3.6	26	0.6	4,129	
Galway County	57	6.0	241	25.2	4	0.4	262	27.4	226	23.6	29	3.0	94	9.8	39	4.1	2	0.2	956	
Galway City	43	2.5	365	21.3	4	0.2	362	21.1	558	32.6	123	7.2	122	7.1	105	6.1	2	0.1	1,712	
Kerry	38	2.6	346	23.7	11	0.8	322	22.1	392	26.9	51	3.5	220	15.1	59	4.0	7	0.5	1,458	
Kildare	61	3.1	649	33.5	15	0.8	287	14.8	315	16.3	76	3.9	408	21.1	83	4.3	36	1.9	1,938	
Kilkenny	23	3.5	140	21.3	3	0.5	142	21.6	186	28.4	23	3.5	86	13.1	40	6.1	7	1.1	656	
Laois	19	7.0	70	25.6	1	0.4	71	26.0	54	19.8	10	3.7	24	8.8	22	8.1	0	0.0	273	
Leitrim	5	3.7	37	27.2	1	0.7	29	21.3	46	33.8	6	4.4	9	6.6	0	0.0	1	0.7	136	
Limerick County	42	6.1	224	32.7	2	0.3	135	19.7	135	19.7	36	5.3	51	7.4	53	7.7	1	0.1	685	
Limerick City	49	4.4	272	24.3	6	0.5	256	22.9	326	29.2	50	4.5	78	7.0	77	6.9	0	0.0	1,118	
Longford	4	1.4	71	25.5	3	1.1	55	19.8	85	30.6	7	2.5	40	14.4	11	4.0	0	0.0	278	
Louth	27	2.2	344	27.5	4	0.3	180	14.4	373	29.8	33	2.6	232	18.5	42	3.4	6	0.5	1,252	
Mayo	79	5.5	331	23.1	10	0.7	328	22.9	353	24.7	35	2.4	210	14.7	77	5.4	0	0.0	1,431	
Meath	29	5.2	141	25.1	2	0.4	99	17.6	145	25.8	15	2.7	100	17.8	26	4.6	1	0.2	562	
Monaghan	13	4.8	63	23.1	1	0.4	70	25.6	57	20.9	6	2.2	47	17.2	11	4.0	2	0.7	273	
Offaly	15	3.2	131	27.9	1	0.2	141	30.1	128	27.3	11	2.3	31	6.6	8	1.7	0	0.0	469	
Roscommon	32	6.8	107	22.8	5	1.1	133	28.3	96	20.4	12	2.6	68	14.5	10	2.1	1	0.2	470	
Sligo	16	4.5	51	14.5	0	0.0	99	28.1	120	34.1	36	10.2	12	3.4	15	4.3	0	0.0	352	
South Dublin	20	0.5	1,460	38.6	31	0.8	349	9.2	656	17.3	87	2.3	990	26.2	120	3.2	43	1.1	3,782	
Tipperary North	31	4.9	149	23.5	3	0.5	154	24.3	188	29.7	21	3.3	51	8.1	29	4.6	2	0.3	633	
Tipperary South	12	1.4	173	20.1	8	0.9	242	28.1	233	27.1	25	2.9	117	13.6	36	4.2	5	0.6	860	
Waterford County	12	3.6	77	23.1	3	0.9	62	18.6	120	35.9	7	2.1	42	12.6	9	2.7	2	0.6	334	
Waterford City	42	4.6	119	13.1	0	0.0	149	16.4	415	45.6	24	2.6	121	13.3	19	2.1	11	1.2	911	
Westmeath	19	2.7	191	27.5	6	0.9	151	21.8	191	27.5	33	4.8	79	11.4	20	2.9	3	0.4	694	
Wexford	72	5.0	372	26.0	6	0.4	273	19.1	443	30.9	42	2.9	134	9.4	71	5.0	12	0.8	1,432	
Wicklow	43	3.1	467	34.0	25	1.8	206	15.0	349	25.4	29	2.1	177	12.9	37	2.7	25	1.8	1,373	
Total	1,691	3.5	12,297	25.6	277	0.6	8,948	18.6	12,619	26.3	1,887	3.9	7,560	15.7	2,017	4.2	313	0.7	48,035	

Note: N means number. These data exclude rent supplement claimants who are not eligible for the Rental Accommodation Scheme and the 10 per cent of claimants whose addresses could not be geo-coded.

- In contrast, just over 40 per cent of claimant residents in the operational areas of Laois, Leitrim, Offaly and Longford county councils had been in receipt of rent supplement for eighteen months or longer.

Among these ostensibly disparate findings, there was a cross-cutting trend which is significant, from the perspective of the discussion at hand. A number of local authority operational areas are distinguished by a high rate of increase in both total number of

Table 6.4 Percentage and Absolute Changes in the Spatial Distribution of All Rent Supplement Claimants and Long Term Claimants Between June 2004 and June 2005 and Spatial Distribution of Long Term Claimants as a Percentage of all Claimants, June 2005

Local Authority Operational Area	Change in All Claimants		Change in Long-Term Claimants		Long-Term Claimants as a % of all Claimants (June 2005)
	N	+/- % +/-	N	+/- % +/-	
Carlow	45	5.9	43	11.8	50.3
Cavan	-9	-2.3	15	8.1	52.6
Clare	51	5.3	90	21.0	51.3
Cork City and County	79	1.3	250	8.0	55.3
Donegal	229	13.4	168	22.3	47.5
Dublin City and County	678	3.4	2207	21.8	59.9
Galway City and County	-321	-9.5	107	6.3	58.7
Kerry	104	6.5	90	11.5	51.4
Kildare	149	7.3	139	12.7	56.5
Kilkenny	53	8.0	69	24.9	48.1
Laois	-2	-0.7	28	26.9	44.1
Leitrim	-1	-0.5	22	40.0	42.1
Limerick City and County	3	0.1	149	16.1	51.3
Longford	19	6.6	32	30.5	44.3
Louth	-50	-3.5	76	10.7	56.7
Mayo	81	5.1	104	12.5	55.6
Meath	13	2.2	28	10.6	48.8
Monaghan	-20	-5.8	17	11.4	51.6
Offaly	96	22.7	41	23.6	41.5
Roscommon	16	3.0	25	9.4	53.6
Sligo	24	5.8	12	6.0	48.1
Tipperary	-36	-2.0	120	14.8	53.6
Waterford City and County	124	9.3	130	25.8	43.5
Westmeath	-26	-3.1	3	0.7	50.1
Wexford	49	3.0	153	19.9	54.6
Wicklow	126	8.5	209	28.4	58.7
Mean	1,473	2.8	4,335	16.8	55.7

Note: N means number. These data exclude rent supplement claimants who are not eligible for the Rental Accommodation Scheme and the 10 per cent of claimants whose addresses could not be geo-coded. Long-term refers to claims of eighteen months or more duration. The data on which this table is based did not allow for the disaggregation of claimants resident in city and county council operational areas.

claimants and number of long-term rent supplement claimants in recent years. The areas in this category are as follows: Clare, Dublin city and county, Donegal, Offaly, Kilkenny, Kildare, Waterford, Laois, Wexford, Wicklow and Longford. Significantly, in some of these areas – namely Dublin city and county and counties Kildare, Wexford and Wicklow – the proportion of all claimants who are long-term is also particularly high. This may indicate that, in coming years, growth in rent supplement claimants will be concentrated in Dublin city and county, the mid-east and Leinster.

6.5 Location and Claimant Numbers

In relation to the factors driving this pattern of growth in rent supplement claimant numbers, Sections Three and Four of this report concluded that such increases in recent years are related to:

- increasing numbers of those entitled to this assistance actually taking it up
- increasing numbers of households headed by lone parents and foreign nationals who are more likely to claim rent supplement
- decreased supply of social housing and increased numbers of households living in the private rented sector
- lengthening duration of rent supplement claims, which has resulted in a reduced exit rate from this system.

The data on the geographical dispersion of rent supplement claimants on which this section is based do not allow for assessment of the impact that varying increases in take-up rates in different parts of the country may have had on patterns of growth in claimant numbers. However, the spatial impact of the other factors mentioned above can be gauged.

Table 6.5 employs information from the 1991 and 2002 census of population to identify the spatial distribution of the 73.7 per cent increase in private renting households which took place between these years. It reveals that some of the local authority operational areas distinguished by growing levels of rent supplement claimants between 2004 and 2005 have also seen the greatest increase in the number of private renting households in the eleven years to 2002. Most notably the Fingal and South Dublin County Council operational areas have experienced the largest absolute and relative rise in private renting households in the State over this period (of 3,275 households or 197 per cent and 3,091 households and 179 per cent respectively). In counties Carlow, Clare, Kildare, Laois, Mayo and Roscommon the proportion of households accommodated in the private rented sector has also risen substantially.

Conversely, other local authority operational areas where the number of rent supplement claimants fell between 2004 and 2005 (such as Cork and Limerick city and county) also experienced relatively low growth in the total number of private renting households. However, some areas, such as Cavan, experienced both high growth in the number of rent supplement claimants and modest expansion in the total numbers of private renting households. This indicates that the spatial dispersion in the growth in rent supplement claims cannot be explained entirely by geographical differences in the expansion in private renting households.

Section Four of this report linked lengthening duration of rent supplement claims to poverty and unemployment traps which impede termination of claims. Thus geographical variations in claim duration rates may be related to variations in the severity of these traps in different parts of the country. Section Four identified the rate at which rent supplement and other social welfare benefits are withdrawn as claimants increase their participation in the labour force as a key contributor to the unemployment trap. Arrangements for the withdrawal of these supports do not vary

between different parts of the country. However, the potential for replacement of lost social welfare benefit income in terms of earnings levels, and also potential additional costs of working in terms of rent levels, do vary geographically. These variations are explored in Table 6.6.

Table 6.5 Spatial Distribution of All Private Renting Households, 1991, 2002

Local Authority Operational Area	1991		2002		Change	
	N	%	N	%	N	%
Carlow	680	0.8	1,599	1.1	919	135
Cavan	713	0.9	1,308	0.9	595	83
Clare	1,460	1.8	3,066	2.2	1,606	110
Cork County	4,611	5.7	9,559	6.8	4,948	107
Cork City	5,166	6.3	7,830	5.5	2,664	52
Donegal	2,588	3.2	3,890	2.7	1,302	50
Dublin City	27,928	34.3	37,863	26.8	9,935	36
Dún Laoghaire-Rathdown	5,261	6.5	7,212	5.1	1,951	37
Fingal	1,666	2.0	4,941	3.5	3,275	197
Galway County	1,455	1.8	3,281	2.3	1,826	125
Galway City	2,907	3.6	5,826	4.1	2,919	100
Kerry	2,124	2.6	3,952	2.8	1,828	86
Kildare	1,956	2.4	4,588	3.2	2,632	135
Kilkenny	1,018	1.3	1,999	1.4	981	96
Laois	595	0.7	1,339	0.9	744	125
Leitrim	288	0.4	639	0.5	351	122
Limerick County	1,618	2.0	3,439	2.4	1,821	113
Limerick City	1,805	2.2	3,290	2.3	1,485	82
Longford	392	0.5	732	0.5	340	87
Louth	1,495	1.8	3,006	2.1	1,511	101
Mayo	1,532	1.9	3,570	2.5	2,038	133
Meath	1,182	1.5	2,423	1.7	1,241	105
Monaghan	747	0.9	1,244	0.9	497	67
Offaly	708	0.9	1,334	0.9	626	88
Roscommon	540	0.7	1,219	1.0	679	126
Sligo	1,160	1.4	2,032	1.5	872	75
South Dublin	1,724	2.1	4,815	3.4	3,091	179
Tipperary North	746	0.9	1,541	1.1	795	107
Tipperary South	1,025	1.3	2,056	1.5	1,031	101
Waterford County	705	0.9	1,297	0.9	592	84
Waterford City	1,108	1.4	2,044	1.4	936	84
Westmeath	1,279	1.6	2,498	1.8	1,219	95
Wexford	1,567	1.9	3,070	2.2	1,503	96
Wicklow	1,675	2.1	2,957	2.1	1,282	77
Total/ mean	81,424	100	141,459	100	60,035	73.7

Source: Central Statistics Office (1996, 2004).

Table 6.6 Spatial Variations in the Average Weekly Rent Paid on Properties Rented Under the Rent Supplement Scheme (June 2005) and Average Rent as a % of Average Weekly Household Disposable Income (2001/02)

Local Authority Operational Area	Average Weekly Rent (June 2005 data)	Average Weekly Household Net Income (2001/02 Data)	Rent as a % of Net Household Income
Carlow	122.35	830.86	14.7
Cavan	96.94	825.11	11.7
Clare	107.36	851.33	12.6
Cork City and County	117.03	893.72	13.1
Donegal	101.44	782.85	13.0
Dublin City and County	175.20	1,026.21	17.1
Galway City and County	116.50	908.92	12.8
Kerry	123.82	815.71	15.2
Kildare	173.82	1,011.54	17.2
Kilkenny	118.54	850.01	13.9
Laois	118.53	827.46	14.3
Leitrim	96.37	775.64	12.4
Limerick City and County	111.56	928.45	12.0
Longford	115	829.14	13.9
Louth	124.66	878.14	14.2
Mayo	112.07	798.95	14.0
Meath	119.41	922.57	12.9
Monaghan	106.63	882.51	12.1
Offaly	108.01	839.44	12.9
Roscommon	106.98	806.49	13.3
Sligo	81.89	843.84	9.7
Tipperary North	112.97	900.75	12.5
Tipperary South	117.46	820.26	14.3
Waterford City and County	110.84	869.62	12.7
Westmeath	114.28	852.76	13.4
Wexford	123.08	825.97	14.9
Wicklow	168.61	945.10	17.8
Mean	140.21	864.5	16.2

Source: The data on average weekly household net income were generated by the authors from Central Statistics Office data (2005a). Note: The discrepancy between the average weekly rent for all cases (€138.13) and the figure quoted above (€140.21) arises due to the exclusion of the approximately 10 per cent of claimants whose addresses could not be geo-coded and claimants who are not eligible for the Rental Assistance Scheme. The figures for Dublin County underestimate the position for Fingal and South Dublin where rents were in excess of €200 and rents as a % of net household income were closer to 20%.

The data presented in Table 6.6 should be interpreted with caution, because the information on average rents levied on properties rented to rent supplement claimants could not be adjusted to take account of differences in household size, for instance, and the data on rents and average weekly household net income date from different years. Nevertheless some broad findings can be deduced from them:

- Firstly, claimants living in Dublin city and county and the greater Dublin area and many Leinster counties (Kildare, Wicklow, Louth, Wexford, Carlow, Meath, Kilkenny and Laois) pay the highest rents in the country.
- Indeed, rents in this group of local authorities are 22.9 per cent higher than rents in the operational areas of Cork, Limerick, Galway and Waterford city and county councils.
- Rents in county council operational areas that are very rural in nature, such as Leitrim, Cavan, Donegal and Clare, are generally lower than average.
- Incomes in Dublin, the mid-east and Cork and Galway city and county council operational areas are significantly higher than the national average. Incomes in the south-east and most western counties are below average.
- However, in the case of the Dublin and the greater Dublin area these higher incomes are insufficient to offset higher rent costs. Thus, rent supplement recipients resident in these areas would have to secure a higher proportion of the average local income in order to compensate for the loss of this assistance, than would their counterparts in other areas. This indicates that the disincentives to take up employment are stronger for claimants in Dublin and greater Dublin, which may explain the lengthening average claim duration in these counties.

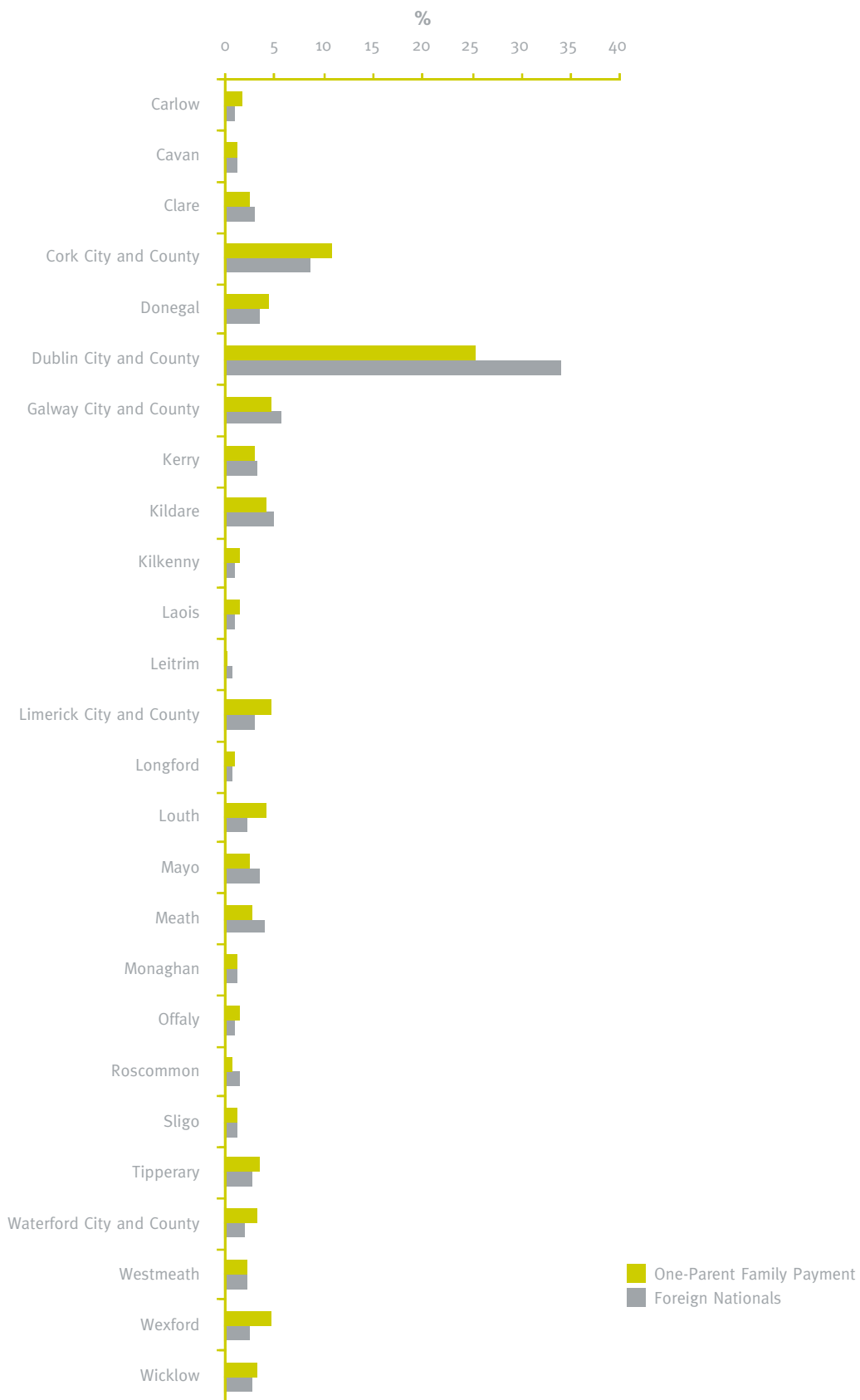
Figure 6.2 examines the role that spatial variations in rising numbers of claimants of lone-parents allowance and increased numbers of foreign nationals has played in shaping geographical differences in rent supplement claimant numbers. Section Three concluded that, in recent years, growth in households in these categories have replaced the traditional stimuli of demand for this assistance, such as increasing unemployment rates. This graph reveals that the increases in households in these categories between 1996 and 2002 were largely concentrated in those local authorities that have also seen the largest growth in rent supplement claims. However, this does not apply in every case.

The following local authority operational areas are distinguished by both high growth in foreign nationals and recipients of One-Parent Family Payment, together with increasing numbers of rent supplement recipients and lengthening claim duration: Dublin city and county and counties Donegal, Wexford, Kildare and Wicklow. In contrast, the operational areas of Cork, Limerick and Galway cities and counties have experienced above-average rises in numbers of foreign nationals and recipients of the One-Parent Family Payment but average or below-average increases in rent supplement claimant numbers. This phenomenon is most likely related to relatively modest increases in the number of private renting households in these cities, highlighted in Table 6.5.

6.6 Location and Cost

The uneven spatial distribution of the recent increases in rent supplement claimant numbers has some implications for the cost of this scheme. Firstly, the higher concentrations of claimants in Dublin city and county and the operational areas of the other four city councils inflate the cost of this scheme because, as Table 6.6 demonstrates, the rents charged in this location are significantly higher than in more rural parts of the country. Detailed analysis of this issue indicates that the cost of rents subsidised under the rent supplement scheme was approximately 5 per cent higher in 2005 than it would have been had the spatial dispersion of rent supplement been identical to that of all households in the country. These geographical factors may explain the disconnect between trends in inflation in all private residential rents and those paid by rent supplement households over the past decade, highlighted in Section Five.

Figure 6.2 Spatial Distribution of the Percentage Increase in Foreign Nationals and Recipients of Lone-Parents Allowance, 1996-2002



Source: Central Statistics Office (1997, 2004); Department of Social and Family Affairs (various years).

Secondly, in view of the recent rise in the proportion of rent supplement claimants resident in Dublin city and county, the mid-east and some eastern counties of Leinster, the cost of this scheme is likely to continue to rise faster than the number of claimants because rents in these areas are the highest in the country.

These likely trends in the cost of providing the rent supplement scheme obviously also have implications for the future cost of financing the Rental Accommodation Scheme, since claimants of the former scheme for eighteen months or longer may be transferred to the latter.

Spatial variations in the potential cost of the RAS are examined in more detail in Figure 6.3 which sketches geographical differences in the total cost of rents paid by long-term and all rent supplement claimants. These data reveal that the mean total rent paid for properties accommodated by long-term rent supplement claimants was 3.6 per cent higher than rents for all claimants in June 2005. Moreover, in Dublin city and county and the mid-east counties, where most claimants are concentrated, this difference is significantly higher than in the operational areas of other city councils and rural county councils.

6.7 Location and Segregation

As was mentioned in the introduction to this section, one of the aims of the Rental Accommodation Scheme is to: ‘... facilitate social mix through providing a wider geographical spread of social housing’ (Department of the Environment, Heritage and Local Government, undated: 3). In Table 6.7 the extent to which the rent supplement system contributes to a lack of socio-spatial mix and the role that the direct provision of social housing by local authorities may also play in this regard is assessed. This table employs a mix of data taken from the 2002 Census of Population and June 2005 data on rent supplement claimants. It identifies the proportion of electoral divisions (EDs) in each local authority operational area where the proportion of households in the following categories is at or above twice the national average:

- Social rented households (national average is 6.9 per cent)
- Private rented households (national average is 11.1 per cent)
- Private rented households in receipt of rent supplement (national average is 3.8 per cent)
- Social rented households and private rented households in receipt of rent supplement (national average is 10.6 per cent)
- Private rented households in receipt of rent supplement as a percentage of all private rented households (national average is 34 per cent) (Central Statistics Office, 2004).

Table 6.7 indicates that spatial concentrations of rent supplement claimants as a percentage of all households are largely confined to large urban areas. Counties Mayo and Donegal are exceptions in this regard. In six electoral divisions in Mayo and seven in Donegal the proportion of all households living in rent supplement subsidised accommodation is at or above twice the national average. However, 39 electoral divisions in the Dublin City Council operational area are in this category and the equivalent figures for Cork, Limerick, Galway and Waterford City Council operational areas are: 24, 13, 10 and 12 respectively. Both Fingal and South Dublin County Council operational areas also include 10 electoral divisions in this category, whereas in Dún Laoghaire-Rathdown there is only one.

It is also notable that most of the large urban local authority operational areas where concentrations of rent supplement claimants are high also include large concentrations of social housing provided by local authorities. This is significant from the perspective of socio-spatial segregation because households in the latter type of accommodation

Figure 6.3 Spatial Distribution of the Percentage Difference Between the Rent of all Rent Supplement Claimants and Long-Term Claimants, June 2005



These data exclude rent supplement claimants who are not eligible for the Rental Accommodation Scheme and the 10 per cent of claimants whose addresses could not be geo-coded. Long-term refers to claims of eighteen months or more duration.

Table 6.7 Electoral Divisions where the Percentage of Households Accommodated in Social Rented, Private Rented and Rent Supplement (RS) Subsidised Housing is at or Above Twice the National Average, 2002

Local Authority Operational Area	Number of Electoral Divisions					
	Social Renters as % of all Households	Private Renters as % of all Households	RS Renters as % of all Households	RS Renters as % of Private Renters	RS Renters as % of Social Renters	RS & Social Renters as % of all Households
Carlow	3	1	2	5	4	1
Cavan	2	0	1	7	5	1
Clare	2	2	3	12	12	2
Cork City	25	28	24	15	32	28
Cork County	0	6	7	18	31	1
Donegal	5	1	7	23	20	3
Dublin City	44	59	39	43	61	41
Dún Laoghaire-Rathdown	7	8	1	0	23	5
Fingal	5	0	10	16	18	9
Galway City	4	12	10	2	13	3
Galway County	0	0	2	10	31	0
Kerry	3	1	3	12	19	2
Kildare	5	1	4	12	14	0
Kilkenny	2	1	2	7	1	3
Laois	2	0	0	2	1	0
Leitrim	8	1	1	6	3	2
Limerick City	14	13	13	8	18	17
Limerick County	2	1	0	9	8	0
Longford	6	0	1	2	2	2
Louth	2	1	1	2	7	1
Mayo	2	2	6	22	23	2
Meath	1	1	0	5	5	1
Monaghan	0	2	1	2	5	0
Offaly	0	0	0	10	2	0
Roscommon	1	1	4	11	12	1
Sligo	2	1	0	0	0	0
South Dublin	12	0	10	23	26	9
Tipperary North	1	0	1	10	6	0
Tipperary South	5	0	2	10	6	2
Waterford City	16	8	12	12	11	19
Waterford County	3	1	0	3	1	1
Westmeath	2	2	2	8	7	0
Wexford	8	3	9	14	12	4
Wicklow County	3	0	4	8	8	3
Total	197	157	182	349	447	163

Source: Data were generated by the Central Statistics Office from the Census of Population, 2002, small area population statistics. **Note:** Data on rent supplement claimant households are for June 2005. These data exclude rent supplement claimants who are not eligible for the Rental Accommodation Scheme and the 10 per cent of claimants whose addresses could not be geo-coded.

have much higher rates of poverty than the general Irish population and much lower rates of participation in the mainstream labour force (Watson *et al*, 2005).

In order to assess the implications of these concentrations of rent supplement claimants and social housing tenants in more detail, Figures 6.4, 6.5, 6.6, 6.7, 6.8, 6.9 and 6.10 map the relevant electoral divisions in Cork City Council, Dublin City Council, Fingal County Council, Galway City Council, Limerick City Council, South Dublin County Council and Waterford City Council operational areas respectively. These maps reveal that many electoral divisions where rent supplement claimants make up a large proportion of all households are located adjacent to one another, thus forming larger spatial concentrations of potential disadvantage. In addition, in some cases spatial concentrations of rent supplement claimants are bordered by Electoral Divisions (EDs) where the proportion of households living in social rented accommodation is more than twice the national average, which may further increase socio-spatial segregation. The most significant concentrations of this type revealed in these maps are as follows:

Figure 6.4 Electoral Divisions in Cork City Where the Percentage of Households Accommodated in Social Housing (2002 data) and Rent Supplement Subsidised Accommodation (June 2005 data) is at or Above Twice the National Average

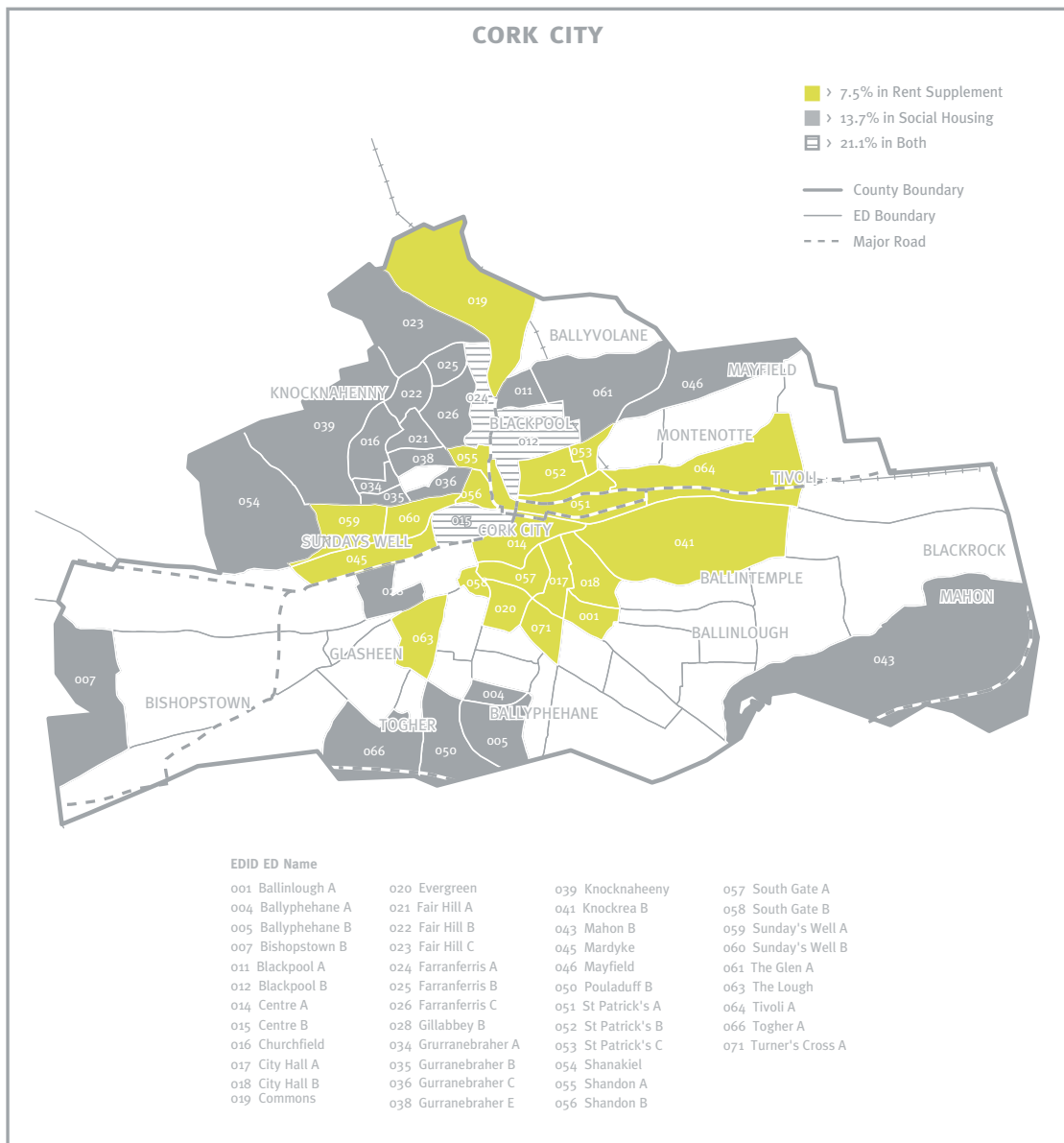


Figure 6.5 Electoral Divisions in Fingal County Where the Percentage of Households Accommodated in Social Housing (2002 data) and Rent Supplement Subsidised Accommodation (June 2005 data) is at or Above Twice the National Average

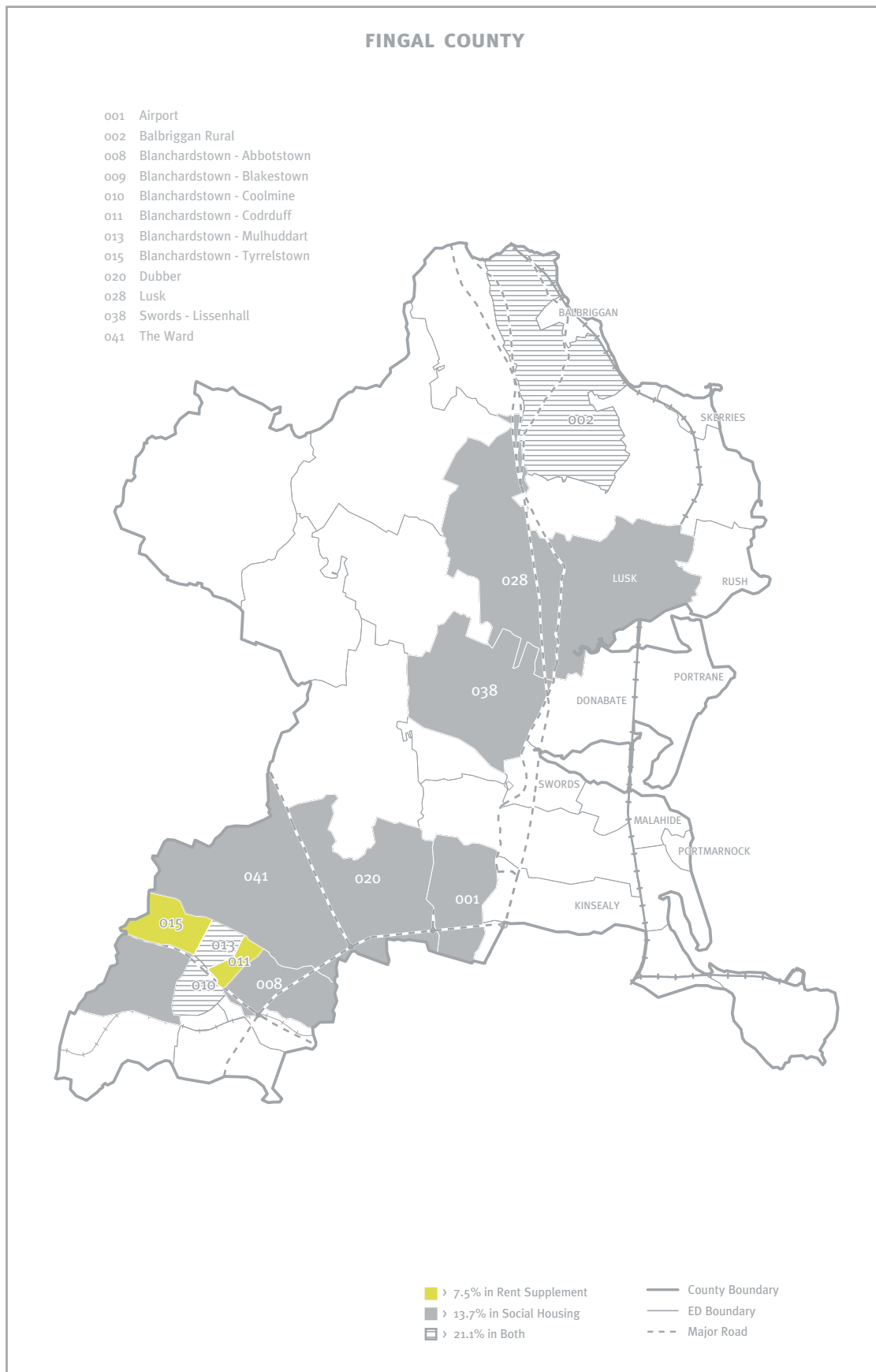


Figure 6.6 Electoral Divisions in South Dublin County Where the Percentage of Households Accommodated in Social Housing (2002 data) and Rent Supplement Subsidised Accommodation (June 2005 data) is at or Above Twice the National Average

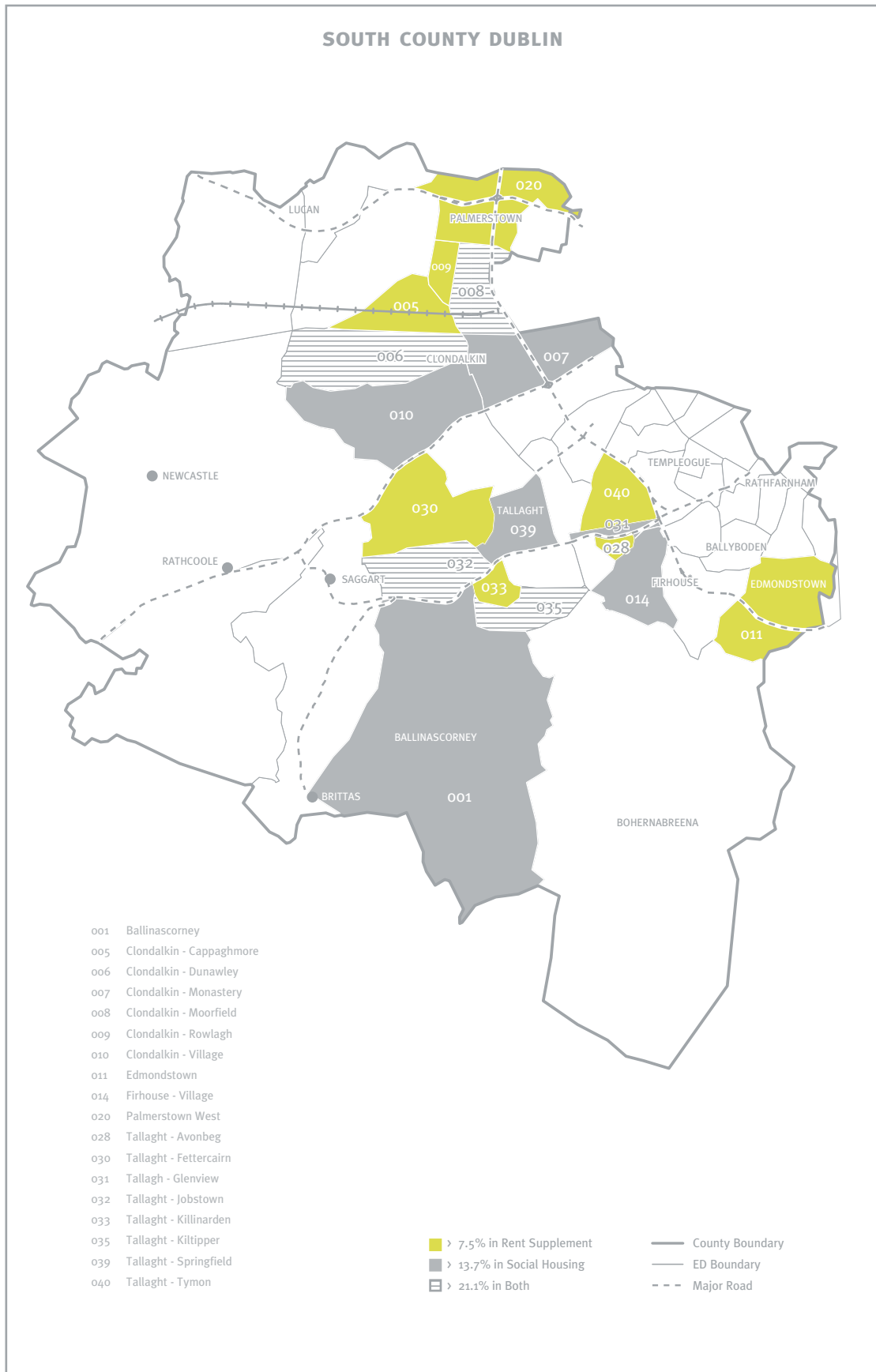


Figure 6.7 Electoral Divisions in Galway City Where the Percentage of Households Accommodated in Social Housing (2002 data) and Rent Supplement Subsidised Accommodation (June 2005 data) is at or Above Twice the National Average

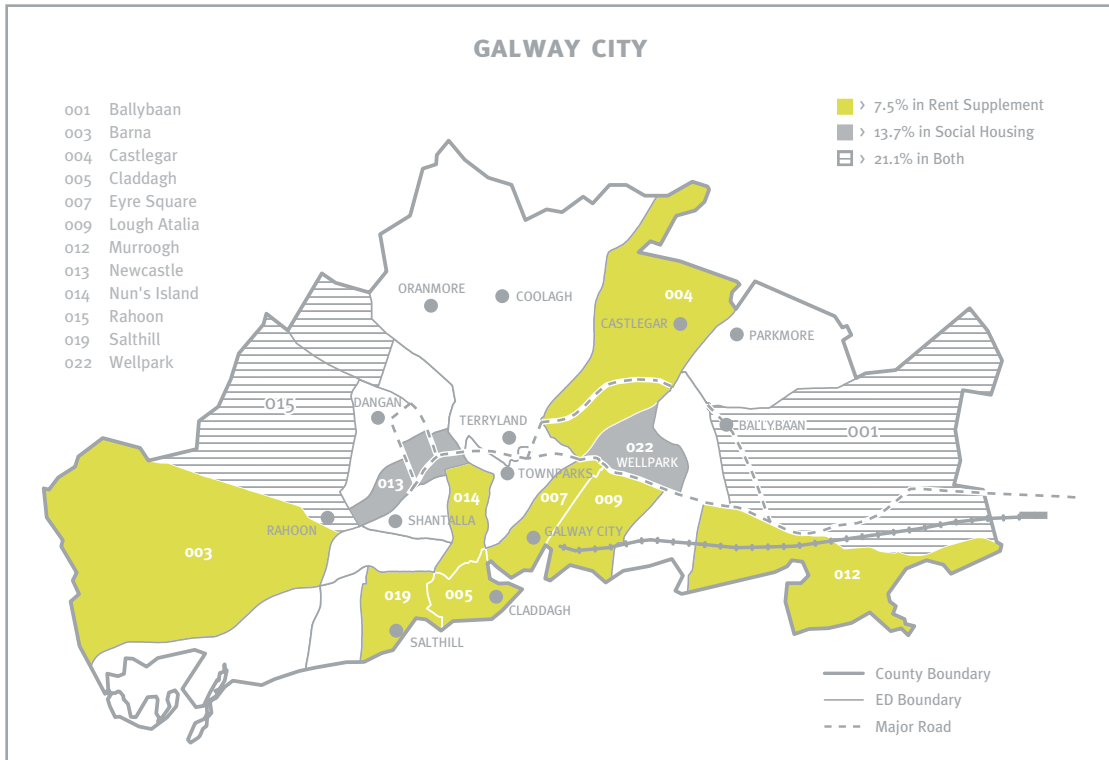


Figure 6.8 Electoral Divisions in Dublin City Where the Percentage of Households Accommodated in Social Housing (2002 data) and Rent Supplement Subsidised Accommodation (June 2005 data) is at or Above Twice the National Average

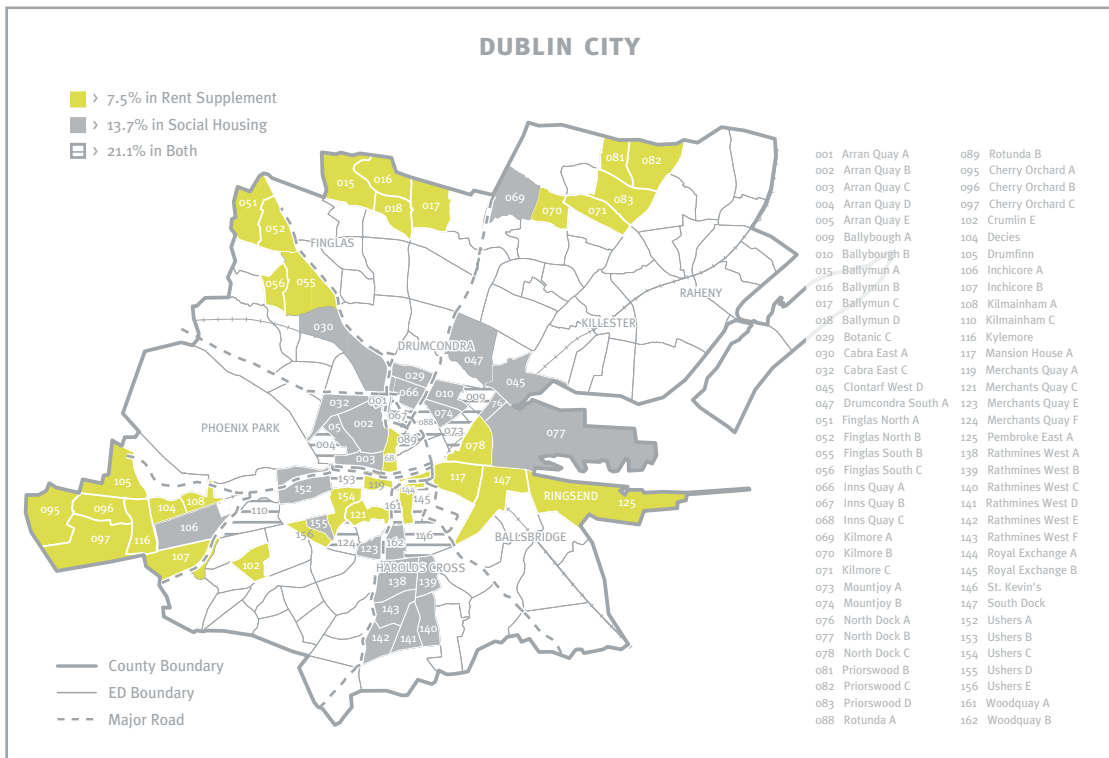


Figure 6.9 Electoral Divisions in Limerick City Where the Percentage of Households Accommodated in Social Housing (2002 data) and Rent Supplement Subsidised Accommodation (June 2005 data) is at or Above Twice the National Average

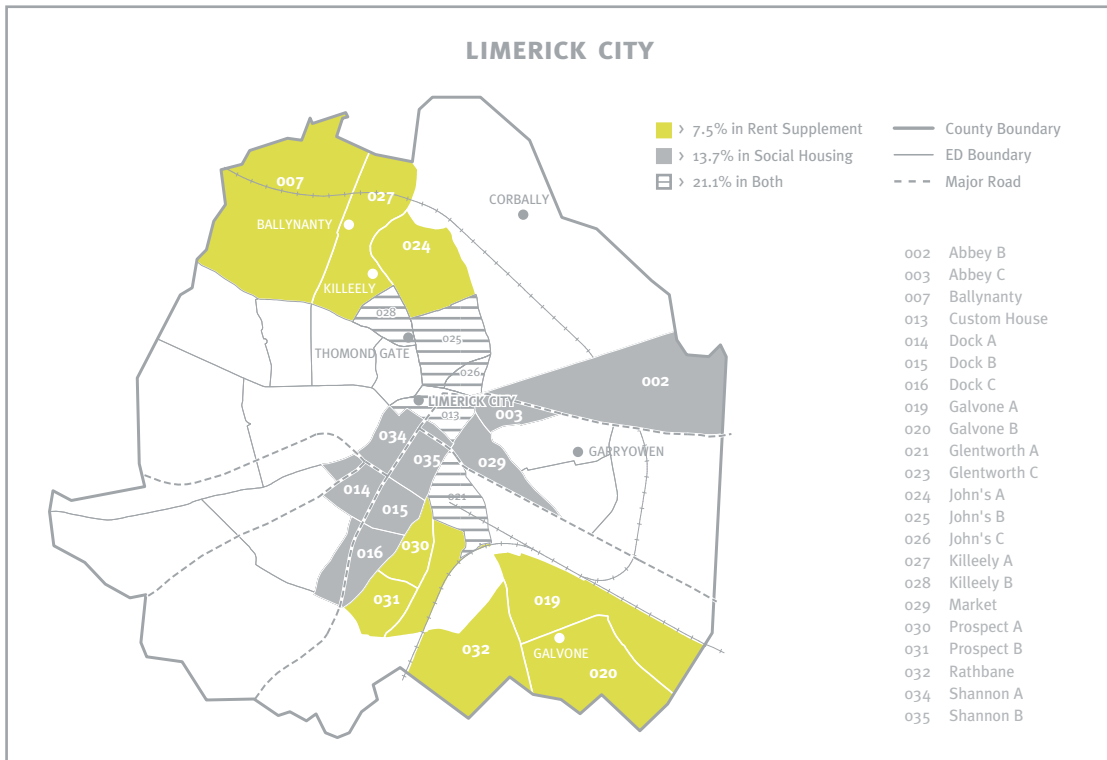
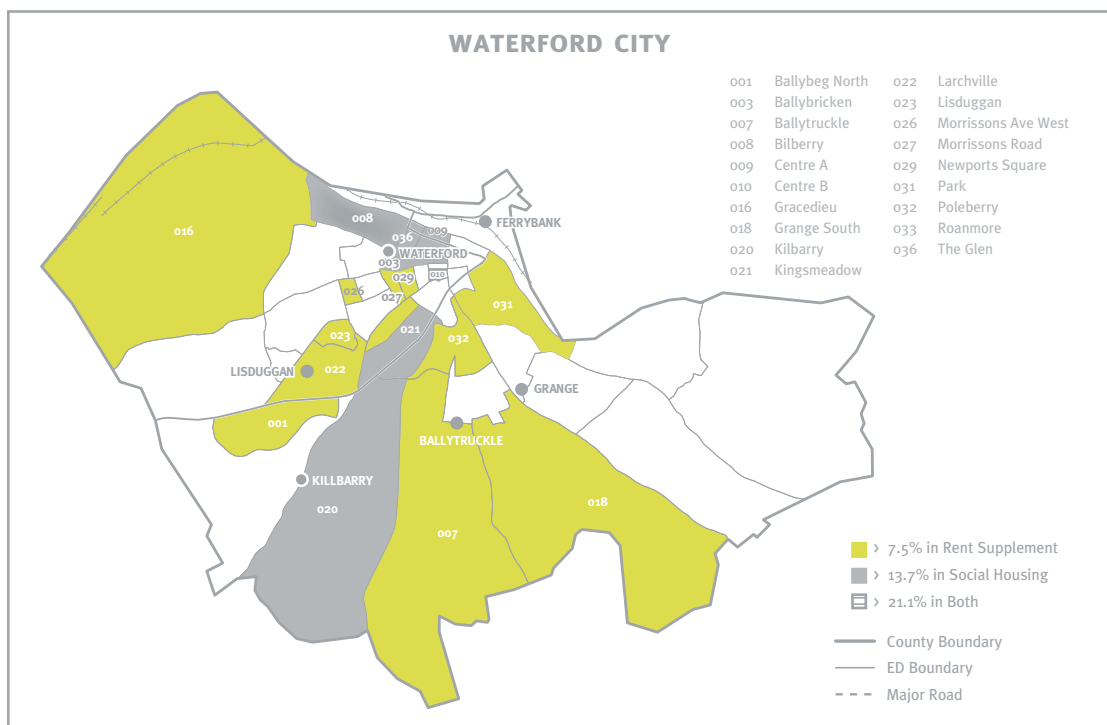


Figure 6.10 Electoral Divisions in Waterford City Where the Percentage of Households Accommodated in Social Housing (2002 data) and Rent Supplement Subsidised Accommodation (June 2005 data) is at or Above Twice the National Average



- In the Cork City Council operational area a cluster of EDs, distinguished by a high proportion of households in social rented accommodation on the northern fringe of the city and a cluster of city-centre EDs where a large proportion of residents rely on rent supplement, is linked by EDs (Farranferris A, Blackpool B and Centre B) where the proportion of households in both these categories is high.
- In the centre of Dublin city adjacent spatial concentrations of social renters, rent supplement claimants and electoral divisions where a large proportion of households are in both these categories, combine to form a very large geographical concentration of low-income households.
- A similar concentration can be seen in the Fingal County Council operational area, stretching across nine EDs in the south of the county.
- Galway city has only two electoral divisions where the proportion of households living in social housing is high, but both are bounded by six electoral divisions characterised by large concentrations of rent supplement claimants and concentrations of both social tenants and rent supplement claimants.
- In the Limerick City Council operational area large concentrations of social rented households in the northern and southern peripheries of the city are linked by large concentrations of rent supplement claimants and concentrations of both social tenants and rent supplement claimants in the city centre.
- Spatial concentrations of rent supplement claimants and social tenants in Fingal combine to form a large concentration of low-income households which stretches from the north to the south of the county.
- A relatively large number of electoral divisions in Waterford city accommodate twice the national average proportion of social tenants, together with adjacent concentrations of rent supplement claimants. These EDs form a spatial concentration of low-income households which covers most of the city.
- In view of the high proportion of rent supplement claimants in counties Fingal and South Dublin who are not Irish nationals, the spatial concentrations of claimants in these areas are of particular concern because they encompass households who are potentially of minority racial and ethnic background as well as of low-income status.

6.8 Concluding Comments

This section has examined spatial variations in the location of rent supplement claimants and revealed that households in this category are concentrated in the operational areas of the five city councils, Fingal and South Dublin county councils and the mid-east. Furthermore, in recent years the geographical concentration of claimants in Dublin City and County and the mid-east has intensified. This trend, which is related to the increased numbers of private rented households, recipients of the one-parent family payment and foreign nationals in these locations, together with longer rent supplement claim durations, is likely to continue in the coming years. This means that demand for rent supplement and the Rental Accommodation Scheme is likely to be concentrated in these areas.

Rents levied on rent supplement properties in Dublin and the mid-east are also higher than the average in the rest of the country, which means that growth expenditure on rent supplement is likely to continue to outpace growth in claimant numbers for the foreseeable future. This indicates that those responsible for the implementation of the RAS in this part of the country should prioritise securing new properties for letting to former rent supplement claimants in the social housing sector and by means of Public Private Partnership arrangements with private sector landlords, in an effort to stem cost inflation.

Finally this section has also highlighted socio-spatial concentrations of low-income households in the operational areas of the five city councils and county Dublin identified by adjacent clusters of rent supplement claimants and social housing tenants. Concentrations of this type in Fingal and South Dublin are of particular concern because they include a relatively large proportion of foreign national claimants.

Most cities in developed countries are characterised by some spatial clustering of low-income households. However, the research evidence suggests that concentrations of this type are associated with additional social and economic problems such as stigma and lack of commercial services and job opportunities (Friederichs *et al*, 2003). Thus, when implementing the Rental Accommodation Scheme the local authorities in Dublin City and County and the mid-east should endeavour to ensure that existing concentrations of low-income households are not reinforced and, if possible, are diminished.

SECTION SEVEN
Conclusions



7.1 Introduction

This final section summarises and discusses the research findings and identifies their implications for the future of the rent supplement scheme and for managing the process of implementing the Rental Accommodation Scheme.

7.2 Summary of Findings

This report profiled 54,123 claimants of rent supplement at the end of June 2005 and examined trends in the number, duration and cost of rent supplement claims and the spatial distribution of claimants. The claimants examined here represent almost 94 per cent of all persons in receipt of this rent supplement in June 2005, as those not eligible for the Rental Accommodation Scheme were excluded from the analysis. As is detailed in Section One, this analysis is based on administrative data extracted from the information systems of the Department of Social and Family Affairs.

7.2.1 Characteristics of Claimants

Section Two of this report demonstrated that the rent supplement claimant population is dominated by those groups most likely to be dependent on social welfare benefits, in need of housing and also most likely to be marginalised by the housing market. As a consequence, the characteristics of rent supplement claimants differ from the general Irish population in the following respects:

- Women account for a significantly higher proportion of all claimants than men and this gender imbalance is more pronounced than in the general Irish population.
- Compared to the entire national population, rent supplement claimants are almost 50 per cent more likely to be aged between 20-49 years and with female claimants tending to be younger than their male counterparts.
- More rent supplement claimants are single (or 'never married'), separated or divorced than is the case amongst the general Irish population.
- Irish nationals were under-represented in the claim cohort vis-à-vis the overall population.
- Rent supplement claimants are more likely to be reliant upon Unemployment Assistance and Supplementary Welfare Allowance income support and less likely to be in receipt of a social welfare old-age support than are all social welfare benefit claimants in the country.
- Rent supplement claimants are concentrated in the operational areas of the five city councils, Fingal and South Dublin county councils and the mid-east of the country. Furthermore, in recent years the geographical concentration of claimants in Dublin City and County and the mid-east has intensified.

7.2.2 Claimant Numbers

Section Three of this report outlined and discussed the trends in rent supplement claimant numbers since the 1990s. This section revealed that between the early 1990s and 2000 growth in rent supplement claimant numbers significantly exceeded that of social welfare benefits in general. However, since 2000, this divergence has narrowed as the annual rate of increase for the former decreased from more than 20 per cent in 2001/2002 to less than 1 per cent in the first half of 2005. As is summarised in Table 7.1, this recent slowdown in the rate of increase in claims over this period is due to the fact that take-up of this scheme has approached maximum possible levels and that the traditional key socio-economic drivers of demand – rising unemployment and lone parenthood – have become less significant.

Although the latter have been replaced by new socio-economic demand drivers – rising marital breakdown, and more especially immigration – to date these factors have affected much smaller growth in rent supplement claimant numbers than did the drivers of demand that prevailed during the 1990s. These socio-economic developments also mitigated the potential increase in rent supplement claims associated with the rising numbers of private renting households in Ireland and the contraction of the other key source of accommodation for social welfare benefit claimants – the local authority rented venture.

Table 7.1 Drivers of Rent Supplement Claimant Numbers and Implications for Recent Trends in Claimant Numbers

Driver	Implications for Recent Trends in Claimant Numbers
Take-up – the proportion of potential recipients of rent supplement who actually claim it	Take-up was lower than expected in the early 1990s but over the past decade has reached close to maximum levels so there is little potential for further increases. This factor, therefore, has had a neutral impact on recent trends in claimant numbers.
Unemployment	Levels of unemployment, which were traditionally the most significant socio-economic driver of rent supplement claims, have fallen in recent years which would have reduced rent supplement claims.
Lone parenthood	Also traditionally a significant driver of rent supplement claimant numbers but has become less influential in recent years as the rate of increase in claims of One-Parent Family Payment has diminished.
Immigration	Traditionally had a marginal influence on rent supplement claimant numbers, but in recent years rising numbers of immigrants, particularly asylum seekers, have led to increased rent supplement claims.
Housing supply	The contraction of the other key source of accommodation for social welfare benefit claimants – the local authority rented tenure – and the increasing proportion of households living in private rented accommodation would have helped to increase rent supplement claimant levels.
Claim duration	Has risen significantly in recent years which has led to increased claimant numbers by reducing the rate of exit from the rent supplement system.

7.2.3 Claim Duration

Between December 2003 and June 2005 the number of long-term rent supplement claimants grew by 16.8 per cent, whereas the total number of claimants rose by just 2.8 per cent. Thus, as is mentioned in Table 7.1, in recent years increasing claim duration has also driven increased rent supplement claimant numbers. This development is related to rules regarding retention of this benefit on commencing paid employment. These changes to the terms of the rent supplement scheme have largely removed disincentives to take up part-time work but have been less effective in incentivising claimants to take up full-time employment and consequently exit the rent supplement system altogether. Increasing claim duration also increases the proportion of rent supplement claimants who are eligible for transfer to the Rental Accommodation Scheme.

7.2.4 Finance

Between 1994 and 2005, total expenditure (in current terms) on rent supplementation grew by 522 per cent and significantly outpaced growth in expenditure on all Supplementary Welfare Allowance benefits. However, when measured on the basis of expenditure per claimant, the rate of inflation in the cost of rent supplement between these years grew significantly less than this (210 per cent), but still increased faster than claimant numbers (which expanded by 101 per cent). Continuing growth in rent supplement expenditure since 2000, despite the recent sharp fall in the general private residential rent inflation, is related to changes in the characteristics of the rent supplement claimant population – specifically to the growth in the numbers of female and foreign claimants – as the rents paid for properties inhabited by these claimants is relatively high. However, due to shortcomings in the available data on the rents paid under this scheme a definitive conclusion regarding the drivers of trends in expenditure on rent supplement could not be reached.

7.2.5 Location

In recent years the geographical concentration of claimants in Dublin City and County and the mid-east has intensified. This trend, which is related to the increased numbers of private rented households, recipients of the one-parent family payment and foreign nationals in these locations, together with a stronger poverty trap which impedes the termination of rent supplement claims, is likely to continue in the coming years. This means that demand for rent supplement and the Rental Accommodation Scheme will be concentrated in these areas. Rents levied on rent supplement properties in Dublin and the mid-east are also higher than the average in the rest of the country, which means rent supplement expenditure growth is likely to continue to outpace growth in claimant numbers for the foreseeable future.

Finally, this study has also highlighted socio-spatial concentrations of low-income households in the operational areas of the five city councils and county Dublin as a result of adjacent clusters of rent supplement claimants and social housing tenants. Concentrations of this type are of concern because they are sometimes associated with additional social and economic problems such as stigma and lack of commercial services and job opportunities.

7.3 Implications of Findings

7.3.1 Claimant Numbers

In the absence of any significant change to the drivers of recent trends in rent supplement claimant numbers, outlined in Table 7.1, it is likely that the rate of increase in the numbers of rent supplement claims which has pertained in recent years will continue for the near future. Thus, all things being equal, rent supplement claimant numbers will increase at approximately 3 per cent per annum for the remainder of this decade.

A significant change in the rate of unemployment would of course effect marked inflation in rent supplement claimant numbers. However, there is also the potential for a further slight diminution in claimant numbers as a result of increased output of social housing (as is envisaged in the current National Development Plan) and a continuation of the recent reductions in claims for asylum in this country, though it is unlikely that the influence of developments of this type would be sufficient to offset the impact of rising unemployment (Government of Ireland, 2000; Hughes, 2005).

The trend towards lengthening average duration of rent supplement claims, which has emerged in recent years, means that the number of rent supplement claimants eligible for transfer to the Rental Accommodation Scheme has increased at many multiples of the rate of increase in all rent supplement claims. Unless measures are taken to reverse this trend it is likely that the proportion of rent supplement claimants eligible for transfer to the RAS will increase by some 15 per cent per annum for the remainder of this decade. In addition, there is a danger that the introduction of the Rental Accommodation Scheme may provide an additional incentive for claimants to continue claiming rent supplement for long enough to qualify for this scheme, thereby further increasing claim duration and claimant numbers.

RECOMMENDATION 1

Disincentives to Exit the Rent Supplement Scheme

- The Department of Social and Family Affairs should continue to identify and address any disincentives to taking up full-time employment that may be inherent in the rent supplement scheme.
- At a national level the analysis presented in this report indicates that the most significant unemployment traps of this type would be addressed by the following:
 - reviewing the rate at which Family Income Supplement is withdrawn on commencement of employment;
 - updating rules regarding the income that can be disregarded before secondary benefits are withdrawn.

Undertaking these actions on a regular basis would help to eliminate the scope for their value to be eroded by inflation.

RECOMMENDATION 2

Incentives to Qualify for Transfer to the Rental Accommodation Scheme

In designing and implementing the Rental Accommodation Scheme, the Department of the Environment, Heritage and Local Government and the Department of Social and Family Affairs should endeavour to reduce any unintended incentives that would encourage households to continue claiming rent supplement in order to qualify for transfer to this new scheme.

7.3.2 Finance

The data on which this analysis is based were not sufficiently robust to allow definitive conclusions regarding the drivers of trends in expenditure on rent supplement to be reached. Consequently no detailed projections regarding likely trends in the cost of rent supplement and the RAS in coming years can be made. The lack of the requisite data is of concern from the point of view of sound management of public expenditure. Thus, measures to address this issue are proposed in Section 7.3.4.

However, this analysis indicates that continuing growth in rent supplement expenditure since 2000 is related to changes in the characteristics of the rent supplement claimant population – specifically to the growth in the numbers of female and foreign claimants, who tend to pay higher rents – and increasing concentration of claimants in high rent such as Dublin and the mid-east. If these trends persist, and in the absence of any significant growth in claimant numbers, it is likely that expenditure per rent supplement claimant is likely to continue to grow strongly between now and the end of the decade.

In view of the fact that rent supplement claimants are likely to pay a higher contribution to their rents after transfer to the RAS, the initial costs of the establishment of this new scheme are likely to be Exchequer neutral. However, the available evidence indicates that in the future the costs of financing the RAS could potentially grow at least as rapidly as those associated with the rent supplement programme. This is because RAS recipients are more heavily concentrated in high-cost rent urban locations and, as was mentioned above, this trend has intensified in recent years and is likely to continue.

It is envisaged that the contribution to rent paid by the participants in the Rental Accommodation Scheme will be calculated using the ‘differential rent’ schemes used to calculate the rents of local authority tenants. This report highlights some major advantages associated with such an arrangement:

- Local authorities will not have to operate two separate rent calculation systems.
- Most differential rent schemes are broadly progressive (i.e. households with different incomes are charged correspondingly higher or lower rents) and only a small minority of these schemes have inherent poverty or unemployment traps. In contrast, problems of this type are inherent in the rent supplement scheme.

However, the establishment of the RAS would provide an opportune time to address the problems that do exist in the differential rents system. In addition, the amount of rent payable by some categories of rent supplement claimants will change significantly on transfer to the RAS rent calculation system, which may create problems for those adversely affected.

RECOMMENDATION 3

Measures to Address Inflation in the Cost of Rent Supplement

- The Department of Social and Family Affairs should explore the potential for the introduction of additional measures – beyond the RAS – to address inflation in the cost of rent supplement for the more than 30,000 claimants who will remain in receipt of this payment when the RAS is fully implemented.

- In this context it is worth noting that the international evidence indicates that costs are more easily controlled when claimants of similar benefits are required to pay a proportion of their rent from their own income, rather than to contribute a 'flat' contribution to rent as is done in this country. Although the rate of personal contribution under rent supplement is broadly linked to household income, it is not linked to the cost of housing procured. Kemp (2000) concludes that proportional contribution arrangements used in Germany, for instance, encourage claimants to 'shop around' for the best value rent. Inherent in flat contribution arrangements, in use in Sweden and the Netherlands as well as Ireland, is the problem of 'moral hazard'. In other words there are no disincentives to rent the most expensive property for which the claimant can secure rent supplement.

RECOMMENDATION 4

Transfer to the Differential Rents Determination Schemes

- The Department of the Environment, Heritage and Local Government should put in place transitory arrangements to compensate claimants for the additional personal costs of moving to the RAS system. This will of course increase the initial costs of establishing the scheme. However, these arrangements could be phased out over the medium term.
- In view of the fact that the advent of the RAS will radically increase the number of rents assessed using differential rents, the DoEHLG should encourage each local authority to assess its scheme for poverty traps and make any necessary adjustments or amendments.
- Geographical variations in the terms of differential rents determination systems raise concerns about horizontal equity and this highly fragmented system may create challenges for the administration of the RAS. Thus, the DoEHLG should remind local authorities of the need to take account of the policies adopted by adjacent authorities when devising rent schemes.

RECOMMENDATION 5

Cost of the Rental Accommodation Scheme

- As mentioned above, the data on which this study was based were insufficiently robust to allow for the generation of accurate projections regarding the future cost of rent supplement and the RAS.
- In view of this critical information deficit, there is a need for continuous monitoring of the costs of each stage of the implementation of the Rental Accommodation Scheme to aid the production of accurate estimates of the total cost of this programme.
- In addition, in the first few years following the establishment of the RAS, arrangements for financing this scheme should allow for regular reviews of the implementation costs and provision of changes to financial provisions, if appropriate.
- Although the RAS has the potential to generate cost savings compared to accommodating participant households using the rent supplement scheme, it is likely that the costs of the former programme will rise more rapidly than the latter, in the short to medium-term. This is because the long-term rent supplement claimants eligible for transfer to the RAS are more heavily concentrated in high-cost locations such as the operational areas of the five city councils, county Dublin and the mid-east.

7.3.3 Location

This analysis has revealed that the uneven spatial distribution of rent supplement claimants who are concentrated in the operational areas of the five city councils, county Dublin and the mid-east is significant for the cost of this programme and of the RAS and from the perspective of socio-spatial segregation. This indicates that efforts should be made to actively address any problems associated with the uneven spatial distribution of rent supplement claimants.

RECOMMENDATION 6

Employment Disincentives Among Urban Rent Supplement Claimants

In view of the fact that disincentives for rent supplement claimants to take up full-time unemployment are stronger in urban areas, the Department of Social and Family Affairs should devote particular attention to addressing any unemployment traps that exist and addressing increasing claim duration in Dublin city and county and the mid-east.

RECOMMENDATION 7

Implementation of the RAS in Urban Areas

The local authorities responsible for the implementation of the RAS in the operational areas of the five city councils, county Dublin and the mid-east should prioritise securing new properties for letting to former rent supplement claimants in the social housing sector and by means of Public Private Partnership arrangements with private sector landlords, in an effort to stem cost inflation.

RECOMMENDATION 8

Existing Concentrations of Low-Income Households

When implementing the Rental Accommodation Scheme, the local authorities in Dublin city and county and the mid-east and other large urban areas should endeavour to ensure that existing concentrations of low-income households are not reinforced and, if possible, are diminished.

RECOMMENDATION 9

Further Research

This report has revealed that a high proportion of rent claimants in parts of county Dublin are foreign nationals which, in view of the particular concentration of rent supplement claimants in certain localities within these areas, points to the potential for spatial segregation along ethnic lines to emerge. This potentially critical issue merits more in-depth research, which could be carried out by the Centre for Housing Research using the database of rent supplement claimants on which this study is based in addition to data from the Private Residential Tenancy Board (PRTB) and the local authorities.

7.3.4 Other Issues Arising

This study was based on an analysis of the database of information on rent supplement claimants from the information systems of the Department of Social and Family Affairs. It has revealed some significant shortcomings in this information from the perspective of identifying options for the future planning of this scheme and planning for the establishment of the Rental Accommodation Scheme. In the interests of effective management of these schemes these data gaps should be addressed.

RECOMMENDATION 10

Addressing Data Gaps

- The Department of Social and Family Affairs should ensure that the shortcomings in the data collected on the administration of the rent supplement scheme are addressed. In particular the DSFA should prioritise the following reforms in this regard:
 - » The computer system for management of rent supplement should require that all relevant information on claimants is provided by the Community Welfare Officer before the claim can be processed.
 - » The DSFA should also put in place systems to monitor the quality of the data provided on rent supplement and to address any problems identified in this regard. Detailed analysis of the database of rent supplement claimants carried out for the purposes of this study found that in the case of some 10 per cent of claimants, the information entered regarding their address and also the contribution they make to their rent was missing or anomalous.
 - » The extent of the information currently provided to the DSFA by CWOs should be reviewed and if necessary amended.
 - » This study indicates that CWOs should be required to inform the Department when its guidelines on the maximum subsidies payable to rent supplement claimants are disregarded, because without this information no robust analysis of the financing of this scheme can be conducted.
 - » In addition, information on the number and composition of rent supplement claimants, the level of their income and the characteristics of the dwelling they occupy, should be collated.

To address the above points does imply a significant undertaking for the DSFA. Nevertheless, it is the view of the authors that such data would be useful in terms of controlling costs (e.g. identifying all cases where a claim is made at, or in excess of, the relevant maximum rent level) and identifying risk factors to inform policy formulation (e.g. the extent of overcrowding and the number of households falling below the poverty line, etc.).

RECOMMENDATION 11

Ensuring High-Quality Management Information Systems

The Department of the Environment, Heritage and Local Government should ensure that high-quality management information systems are put in place for the Rental Accommodation Scheme.

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