

June 2020: Focus on Homelessness Vol.

A stylized, dark purple house icon with a gabled roof, a large arched doorway, and a window with four panes. The house is set against a dark purple background.

Focus on Homelessness

Public Expenditure on Services for
Households Experiencing Homelessness

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FOCUS
Ireland

Introduction

Focus Ireland and the School of Social Work and Social Policy, Trinity College Dublin have collaborated for over a decade to bring high quality and up-to-date research on homelessness to a wider audience and into the core of public policy formation. This series, 'Focus on Homelessness' aims to build on the success of our research and our popular 'Lunchtime Talks' series, by making the now substantial body of data published by the Department of Housing, Planning and Local Government available in an accessible format.

The first volume of this series entitled *Focus on Homelessness* provided an overview of key trends in the number of households experiencing homelessness in Ireland in recent years, the number of entries into and exits from emergency accommodation, length of stay in emergency accommodation and the expenditure on these services. In this volume we provide a more detailed description of expenditure data and some of the limitations of this data.

Since 2013, Local Authorities are required to produce detailed *Quarterly Financial Reports* outlining their expenditure on a range of services for households experiencing or at risk of homelessness that can be recouped from the Department of Housing, Planning and Local Government under Section 10 of the *Housing Act, 1988*¹, in addition to their own financial contribution.² These reporting requirements arose from the issuing of a *Protocol Governing Delegation of Section 10 Funding for Homeless Services to Local Authorities*. Expenditure on services for households experiencing homelessness in the *Quarterly Financial Reports* is classified in five areas:

1. Homeless Prevention, Tenancy Sustainment and Resettlement Supports
2. Emergency Accommodation
3. Long-Term Supported Accommodation
4. Day Services
5. Housing Authority Homeless Services Provision including Administration

In 2013 and 2014 there was a further category detailing expenditure on services for those experiencing Domestic Violence, but from January 2015, such services which had been funded via Section 10 were transferred to the statutory Child and Family Agency (TUSLA). Expenditure on Domestic Violence services in 2013 and 2014 of €4.4m is excluded from this analysis and only the 5 categories above are included.

¹ 10.—(1) A housing authority may, subject to such regulations as may be made by the Minister under this section— (a) make arrangements, including financial arrangements, with a body approved of by the Minister for the purposes of section 5 for the provision by that body of accommodation for a homeless person, (b) provide a homeless person with such assistance, including financial assistance, as the authority consider appropriate, or (c) rent accommodation, arrange lodgings or contribute to the cost of such accommodation or lodgings for a homeless person. (2) A request for accommodation may be made to a housing authority by or on behalf of a homeless person. (3) Where accommodation or lodgings are made available to a person by virtue of subsection (1), the housing authority may at any time specify a period for which the accommodation or lodgings are to be so made available to that person. (4) The Minister may, with the consent of the Minister for Finance and subject to such regulations as may be made by the Minister under this section, recoup, out of moneys provided by the Oireachtas, all or part of any payment made by a housing authority by virtue of subsection (1).

² A review of the 2013 financial data was conducted Mazars on behalf of the Department of the Environment, Community and Local Government in and published in 2015. In addition, a detailed review of expenditure on homeless services in Dublin was published by the Homeless Agency in 2008, covering the period 2005 – 2007.

Department of Housing, Planning and Local Government and Local Government Funding of Services

Under the Section 10 funding arrangements, each Local Authority is able to recoup up to 90% of what it spends on households experiencing homelessness from the Department of Housing, Planning and Local Government, but it may also incur additional expenditure on services not covered under Section 10.

For example, in 2019, Section 10 funding in the amount of €146m was available to Local Authorities from the Department of Housing, Planning and Local Government, but their expenditure as measured by the *Quarterly Financial Reports* was in the amount of €226.2m.

In addition to Section 10 funding, services for households experiencing homelessness may receive funding from HSE (Social Inclusion), TUSLA, other Government Departments and agencies. Not-for-profit agencies providing services for households experiencing homelessness also fundraise directly for their activities. For a discussion of these additional sources of funding, see Appendix 1.

Figure 1: Expenditure on Services for Households Experiencing Homelessness by the Department of Housing, Planning and Local Government, 1989—2019

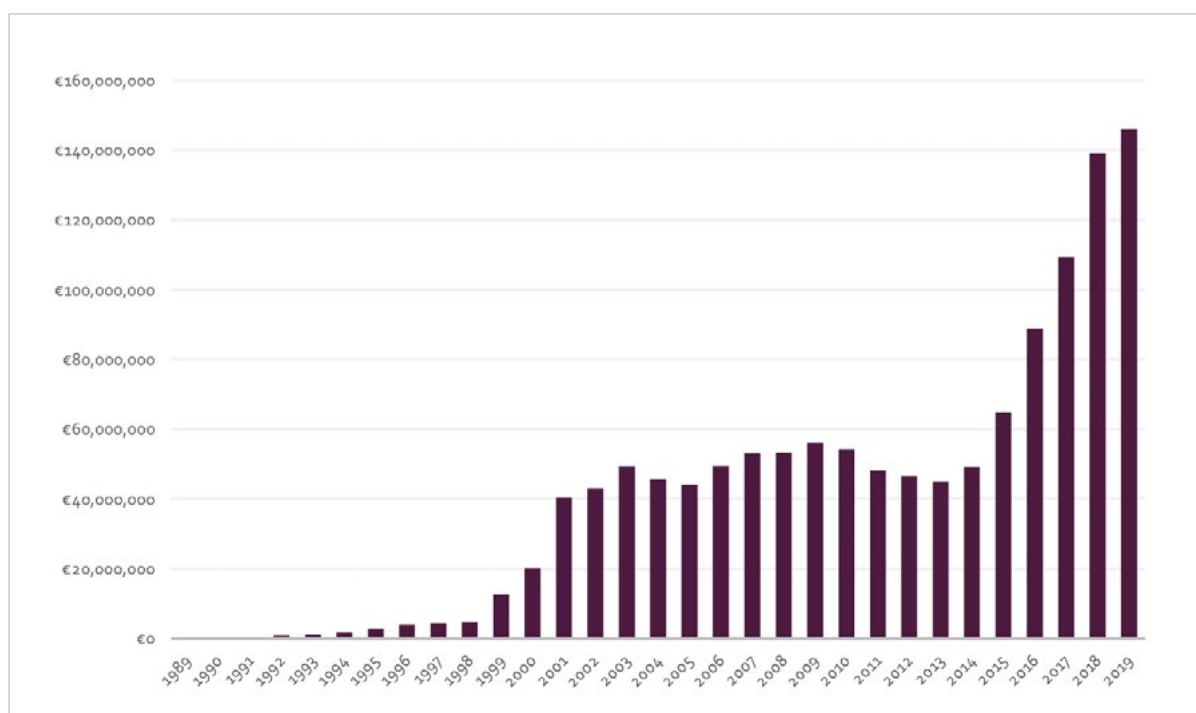
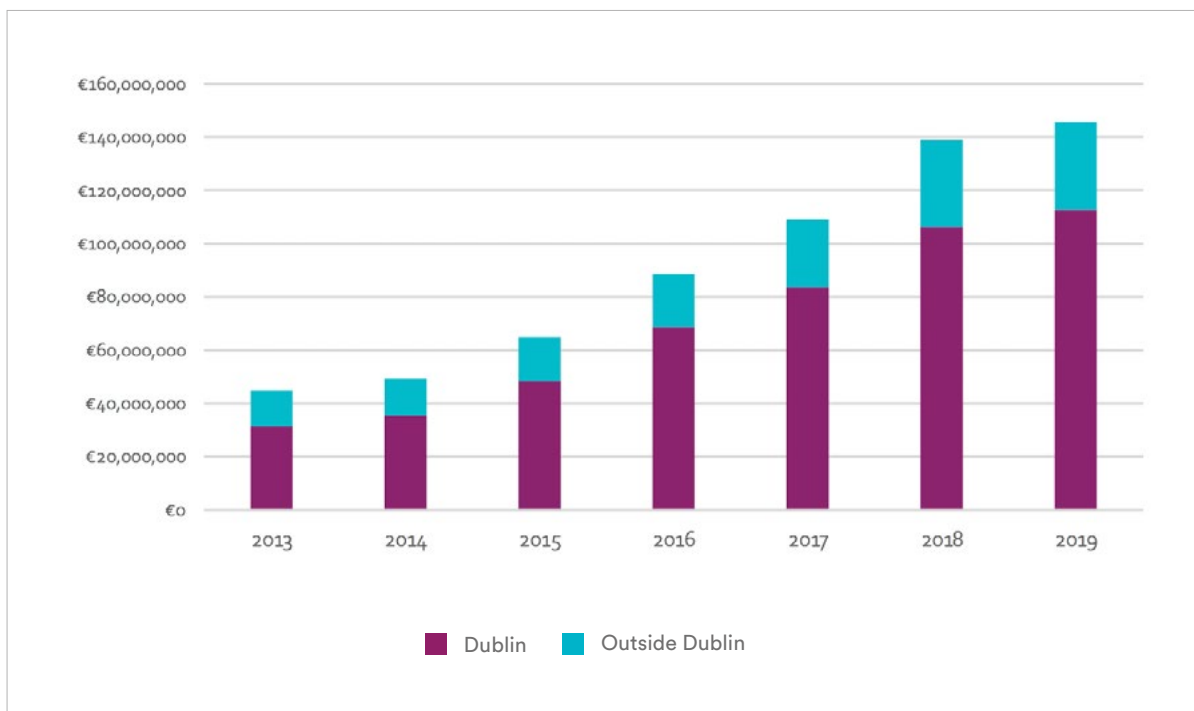


Figure 1 shows the funding available from the Department of Housing, Planning and Local Government to Local Authorities between 1989 and 2019 with a significant increase from €45m in 2013 to €146m in 2019, with a budget of €166m available in 2020, and figure 2 shows the distribution of this funding in Dublin and outside Dublin, with just over three-quarters allocated to Dublin.

Figure 2: Expenditure on Services for Households Experiencing Homelessness by the Department of Housing, Planning, Community and Local Government, 2013—2019



Limitations of the Quarterly Financial Reports

The data analysed in Graphs 3—9 is derived from the *Quarterly Financial Reports* published by the DHPLG. An appendix to this volume provides information on other streams of Statutory and NGO expenditure that prevent households entering emergency accommodation, support households while in emergency accommodation and enable households to exit emergency accommodation.

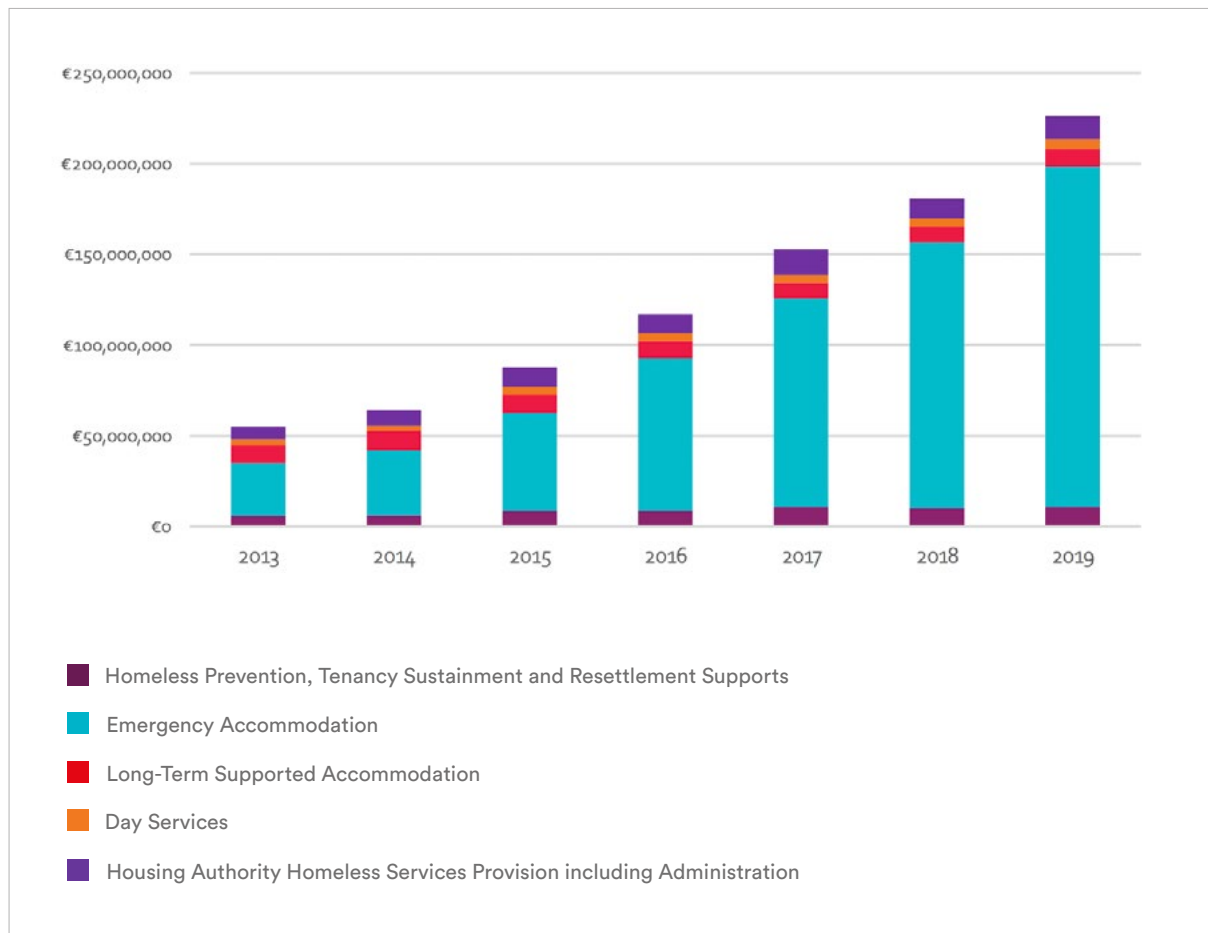
Thus, although the *Quarterly Financial Reports* do not include all expenditure, they nonetheless provide the most detailed information on expenditure on services over the past 7 years, a period when the number of households experiencing homelessness in emergency accommodation increased from nearly 2,300 in mid-2014 to nearly 6,000 towards the end of 2019.³

³ For a description of trends in the numbers experiencing homelessness over this period, see O’Sullivan, E., Reidy, A. and M. Allen (2020) *Focus on Homelessness Vol. 1* (Dublin: Focus Ireland).

Trends in Expenditure 2013–2019

As shown in Figure 3, expenditure grew from nearly €54.9m in 2013 to €226.2 in 2019, a total of just over €883.2m over the seven years between 2013 to 2019. Not unexpectedly, given the increase in the number of households in emergency accommodation noted above, expenditure on emergency accommodation accounted for 53 percent of all expenditure in 2013, but had increased to 83 percent in 2019 and accounted for nearly three-quarters of all expenditure during the period 2013—2019.

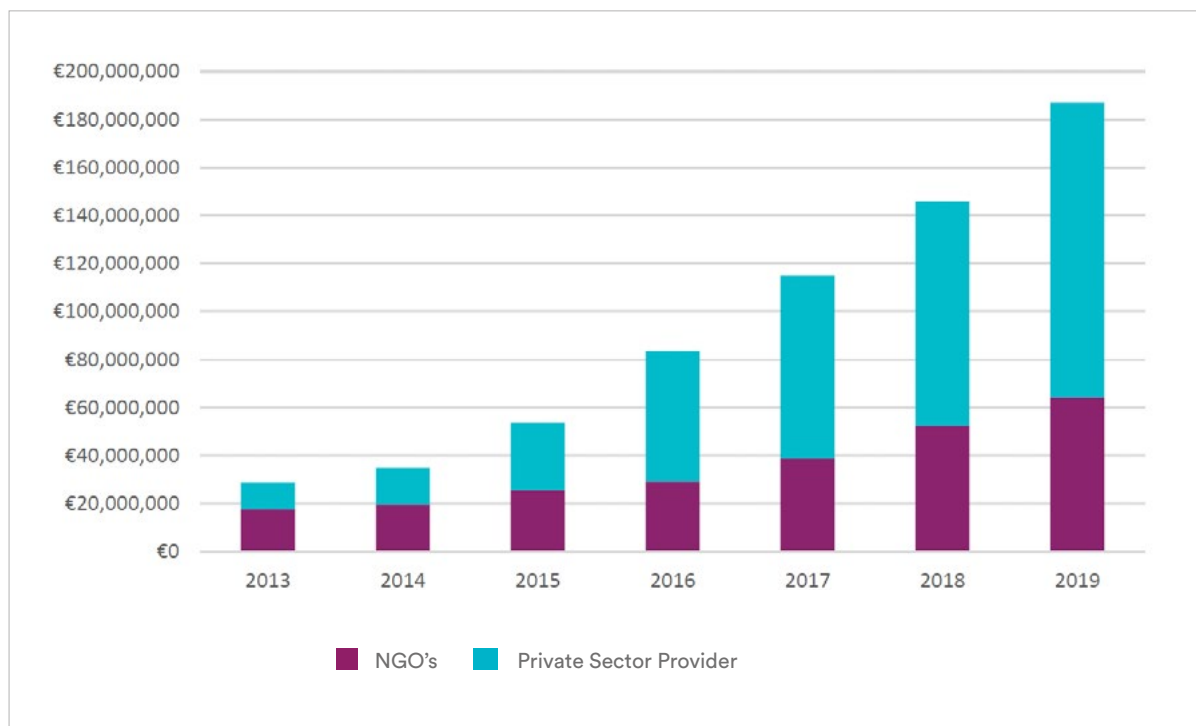
Figure 3: Expenditure by Category, 2013—2019



Emergency Accommodation (Funding Category 2)

Providers of emergency accommodation are not-for-profit organisations and private for profit bodies, with no Local Authority providing emergency accommodation directly. In 2013, just over €11m was expended on private-for-profit providers or just under 40 percent of all spending on emergency accommodation, compared to €122.9m in 2019 or nearly two-thirds of all spending on emergency accommodation. Over the period 2013–2019, expenditure on private-for-profit providers amounted to €402.1m, and for the not-for-profit bodies €251m.

Figure 4: Expenditure on Emergency Accommodation by Provider, 2013—2019

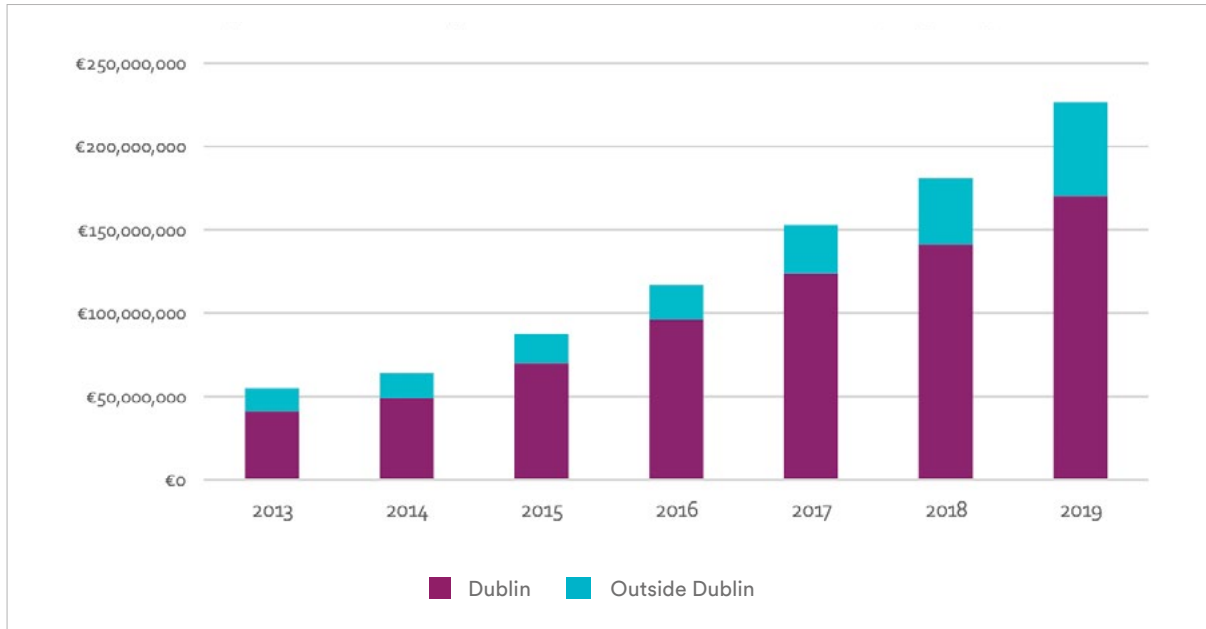


Approximately 40 NGOs are providers of emergency accommodation, however, three providers (the Peter McVerry Trust, Crosscare and DePaul) accounted for just over half of the expenditure on not-for-profit emergency accommodation providers, over the period 2013—2019, and one body, the Peter McVerry Trust, accounted for nearly 30 percent of the expenditure on not-for-profit emergency accommodation providers in 2019. No breakdown is given of the private for-profit entities involved in providing emergency accommodation, which account for two-thirds of all expenditure under this category in 2019.

Expenditure by Region

Nearly 80 percent of all expenditure was in Dublin, but as shown in figure 5, expenditure outside of Dublin increased from €13.9m in 2013 to €55.8m in 2019, total of €191.2m, with 65 percent going on emergency accommodation.

Figure 5: Expenditure in Dublin and Outside Dublin, 2013—2019



Just over 75 percent of expenditure on emergency accommodation is in Dublin, but expenditure outside of Dublin has increased from €6.7m in 2013 to €44m in 2019 as shown in figure 6.

Figure 6: Expenditure on Emergency Accommodation, Dublin and Outside Dublin, 2013—2019

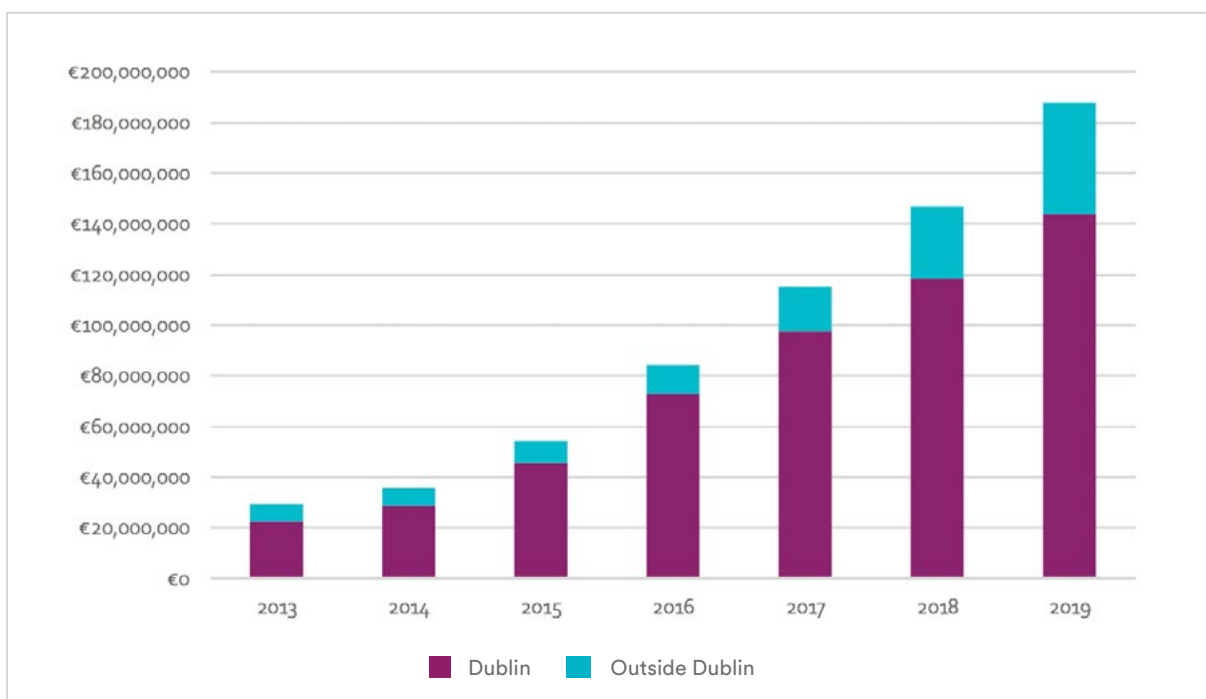


Figure 7 provides a breakdown of expenditure on private providers broken down by Dublin and outside Dublin, showing an increase outside of Dublin from €2.7m in 2013 to €36.6m in 2019, and in Dublin from €16.5m to €98.6m.

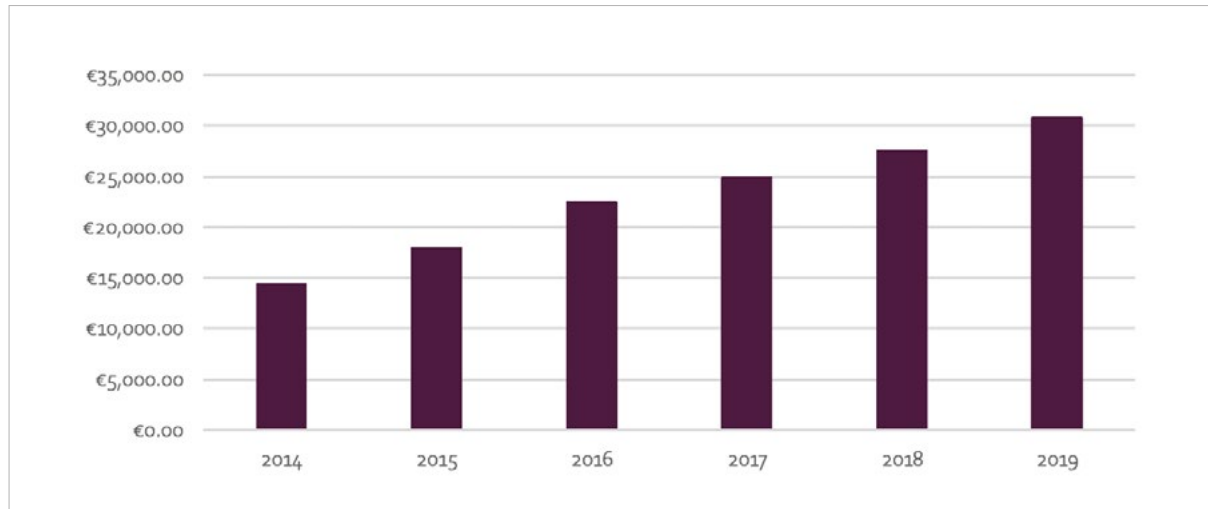
Figure 7: Private Provider Expenditure in Dublin and Outside Dublin, 2013—2019



Cost per Household in Emergency Accommodation

Over this period the average cost of maintaining households in emergency accommodation (the average number of households in each year divided by the expenditure on emergency accommodation only) doubled from just over €14,300 in 2014 to nearly €31,000 in 2019 as shown in figure 8.

Figure 8: Average Cost of Maintaining Households in Emergency Accommodation, 2014—2019



In Dublin, the average cost rose from €18.5k in 2014 to €37.7k in 2019, and outside Dublin from €7.5k to €22.2k as shown in figure 9. The presentation of the existing published data does not allow us to explain this increase. For example, we do not know the household composition of those in Private Emergency Accommodation or Supported Temporary Accommodation, and whether the composition of households in these forms of emergency accommodation changed over the period 2013—2019.

Figure 9: Average Cost of Maintaining Households in Emergency Accommodation Dublin / Outside Dublin, 2014—2019



Appendix

Appendix 1: Other Funding Sources

As noted in the introduction, in addition to Section 10 funding recorded in the *Quarterly Financial Reports*, services for households experiencing homelessness may receive funding from other sources. A different measurement of expenditure is captured under the Heading 'A05 Administration of Homeless Service' in the Local Authority Revenue Budgets.⁴ The outturn expenditure figure published in these Revenue Budgets expenditure is generally higher than the figure in *Quarterly Financial Reports* as it also includes a number of items that are not Section 10 funded.

Furthermore, the *Quarterly Financial Reports* do not include capital expenditure on services for households experiencing homelessness which was in the amount of **€57.8m** in 2018 and 2019.⁵

Expenditure on Homeless HAP (Housing Assistance Payment) which is available to households at risk of homelessness or to facilitate exiting emergency accommodation is reported separately, which was in the amount of **€137.2m** between 2016 and the first half of 2019.⁶

3,618 adults exited emergency accommodation to either a Local Authority or Approved Housing Body tenancy between 2014 and 2019 and the cost of the provision of these tenancies is not included.

Nor do the reports provide the amount of expenditure on private emergency accommodation in the Mid-West (Limerick and Clare) between 2013 and 2018 as during this period this cost was met by the Department of Social Protection. In 2019 the cost of private emergency accommodation in the Mid-West was **€3.2m**.

Expenditure on services for households experiencing homelessness by Departments and agencies other than the Department of Housing, Planning and Local Government and the Local Authorities is also not included in the *Quarterly Financial Reports*, which was estimated to be **€85m** in 2017.⁷

In the case of some Housing First projects (Cork, Limerick, Galway and South East), a mixture of income from the Dublin Region Homeless Executive (where the National Director is located) (€1.23m), the Health Service Executive (€1.17m) and funding from a Philanthropic source, (€1.03m) are funding the projects.

Finally, the *Quarterly Financial Reports* do not include expenditure on services from non-state income generated by NGOs providing services to households experiencing homelessness. For example, such amounted to **€35.1m** in the case of the Peter McVerry Trust (€15,500,619)⁸, Dublin Simon Community (€7,396,051)⁹, DePaul Republic of Ireland (€851,230)¹⁰ and Focus Ireland (€11,407,617)¹¹ in 2018.

⁴ Department of Housing, Planning and Local Government (2020) *Local Authority Budgets 2019* (Dublin: Department of Housing, Planning and Local Government)

⁵ Dáil Debates, 13 May, 2020.

⁶ Kilkenny, P. (2019) *Housing Assistance Payment (2014-2019)*. Dublin: Department of Public Expenditure and Reform. p.10

⁷ Homelessness Inter-Agency Group, 2018, p.11

⁸ Under the heading 'Generated Revenue & Capital Funding'

⁹ Under the heading 'Donations & Fundraising'

¹⁰ Under the heading 'Donations & Legacies'

¹¹ Under the heading 'Donations & Legacies'

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