

**Interim Value for Money and Policy Review  
of the  
Rental Accommodation Scheme (RAS)**

**October 2009**

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## **Executive Summary**

### **Introduction**

The Rental Accommodation Scheme (RAS) was established following Government approval in July 2004, with the dual purpose of eliminating long-term dependence on the Supplementary Welfare Allowance rent supplementation scheme, and enhancing local authority response to long-term housing need. In practice, the Scheme has involved local authorities taking over responsibility from the former health boards for the accommodation of households in receipt of rent supplement continuously for a minimum of eighteen months. From the outset, it was envisaged that the new Scheme would provide a more structured, accommodation-based approach to the use of the private rented sector to meet long-term housing need, thereby eliminating dependence on temporary income support payments. The RAS is administered by the Department of the Environment, Heritage and Local Government. This Interim Value for Money and Policy Review (VFMPR) covers the period from the date of first transfer under the scheme in September 2005 to December 2007.

### **Terms of Reference**

Using the template provided by the Department of Finance, the Terms of Reference for the Interim Review agreed by the VFMPR Steering Committee are as follows:

1. Identify the objectives of the Rental Accommodation Scheme;
2. Examine the validity of these objectives, having regard to their compatibility with the objectives of the D/EHLG and other relevant Government Departments and Statutory Agencies;
3. Define the outputs associated with the Scheme and identify the level and trend of those outputs;
4. Examine the extent that the programme's objectives have been achieved and comment on the effectiveness with which they have been achieved;
5. Identify the level and trend of costs associated with the Scheme and thus comment on the efficiency with which it has achieved its objectives;
6. Based on 1-5 above, evaluate the degree to which the objectives warrant the allocation of public funding on an ongoing basis and examine the scope for alternative approaches to achieving these objectives on a more efficient and/or effective basis;



7. Make recommendations in relation to performance indicators for the future oversight of the scheme.

The Terms of Reference are individually addressed in Chapter 4 of the Review.

## **Methodology**

The methodology applied in this review consists of the following:

- Statistical analysis of primary and secondary data;
- Case study of a cross-section of rural and urban authorities, including analysis of a representative sample of case files from each of these authorities and interviews with a number of key stakeholders;
- Tenant focus groups;
- Telephone interview with a number of landlords involved in the scheme.

## **Findings**

### *Objectives and rationale for RAS*

Drawing on the format applied in European Commission Working Document 3 (2006) on *Indicators for Monitoring and Evaluation*, the objectives of the Scheme were identified and divided into three categories: global, specific and operational. The objectives of the RAS were also assessed for compatibility with key Government and Department policies and documents pertaining to the provision of housing. Overall, a high level of compatibility was found, indicating the ongoing validity of the Scheme within the broader policy context.

### *Efficiency*

The cost of the RAS incorporates new transfers onto the Scheme and the ongoing payment of existing rents, coupled with the associated administration fees and central costs, such as the development of an I.T. system. The total spend over the period under review was €4.7 million. As there were no target expenditure figures available, with annual estimates prepared on the basis of ongoing commitments and target transfers agreed by the Department of the Environment, Heritage and Local Government, and the Department of Social and Family Affairs, RAS rents were compared to market rents to ascertain if value for money is being achieved in this aspect of the Scheme. It was found that RAS properties are achieving savings over market rents in the majority of authorities, and for most types of accommodation.



However, the limited availability of certain types of accommodation in rural locations can inhibit an authority's ability to secure the appropriate accommodation type and negotiate rents below the market.

Another key indicator of the efficiency of the operation of the Scheme is the time taken to process a RAS case. From an examination of the case study files, it was found that the average amount of time required to process a case was five months. While there were examples of considerably longer time taken, primarily related to the challenges of finding appropriate accommodation for a recipient, overall it was found that cases were efficiently processed.

### *Effectiveness*

At the inception of the Scheme, a target was set to transfer all RAS eligible cases – 19,000 households – over a three year implementation phase. Given the nature of rent supplement and the continuous number of households arriving at the eighteen months threshold, this number was constantly changing over the implementation period, rising to 33,000 households by the date of first transfers. At the same time, D/SFA and D/EHLG set annual targets of 5,000 transfers. This target was exceeded in both 2006 and 2007 through a combination of transfers to RAS (both voluntary and co-operative, and private sector) and traditional social housing.

Analysis of other objectives such as the acquisition of high quality accommodation, security of tenure, facilitation of greater social inclusion through return to employment, and the provision of quality customer service was generally positive and revealed a high degree of satisfaction among recipients. It is, however, suggested that further research be carried out on the number of RAS recipients who had returned to employment or education.

### *Rationale for continued investment in RAS*

While RAS is evidently operating, for the most part, efficiently and effectively, the Review also undertook to examine the Scheme in the context of two alternative delivery mechanisms – rent supplementation and traditional social housing – to determine its ongoing relevance as a social policy intervention. Having regard to rent

supplementation, analysis was based on the rent caps provided by the D/SFA. There were some limitations to the methodology used however, as it did not take into account the impact of tenant contributions and/or under-the-counter payments. In addition the different functions of the two Schemes, i.e. income versus accommodation support, made direct comparison difficult. That said, the analysis found that for most accommodation types in most parts of the country, RAS rents were at or below the relevant D/SFA rent caps.

Comparison with traditional social housing provision, on the other hand, revealed that the cost to the Exchequer for the first twenty years of RAS is less than the cost of constructing or purchasing a social house, even when the potential credit from tenant purchase is taken into account. However, once 20 years had passed, RAS became more costly than social housing in urban authorities and only marginally cheaper in rural authorities, reinforcing the Scheme's credentials as an appropriate short to medium term social housing solution.

#### *Alternative policy and organisational approaches to RAS*

Due to the short operational timeframe of the Scheme, it was difficult to measure against alternative schemes. However, analysis of similar schemes in other EU countries did reveal that many countries do offer some form of housing allowance, while the use of longer-term leasing arrangements is becoming increasingly popular in a number of countries. Looking to the income support mechanism, international experience suggests that this model may have a negative impact on the Exchequer as the market shifts to meet the funding limits of the policy. This is borne out in research commissioned by the D/SFA in 2006, which points to a positive correlation between rent supplement limits and rents charged, with rents tending to hover around the supplement limit, providing a potentially negative outcome for the public purse. In contrast, it is proposed that accommodation-based approaches have the benefit of offering a flexible means of increasing the supply of housing for social need, as well as facilitating the State in mediating against discrimination of certain population groups within the private rented sector.



It is concluded that the international evidence suggests that the principles of such an approach continue to have relevance in an Irish context with the benefits identified in line with the Scheme's objectives and current housing policy. At this early stage of the implementation of the Scheme, it is difficult to ascertain the overall impact of RAS on the private rented sector and more specifically, to determine the delivery or otherwise of the social inclusion objectives of the Scheme. It is recommended that such research be conducted as part of the final review of the Scheme.

### *Performance Indicators*

The following key performance indicators for the future operation of the Scheme were identified:

- Value for money: although outside the scope of the area responsible for the delivery of RAS, the Review identified the need for the development of a comprehensive database of current market rents to facilitate more robust analysis of the Scheme's financial performance. Further consideration should also be given to the establishment of a clear appropriate baseline on rents by which value for money can be measured, e.g. 10% below market value.
- Scheme delivery: revision of transfer targets from absolute RAS eligible households to agreed annual national and local targets. Greater emphasis on measures of progress such as inspection and enforcement activity, tenancy management, and movement within and out of the Scheme.
- Social policy: monitoring of the number of households returning to employment or education, as well as the number of households moving out of social housing or rent supplementation.

### **Recommendations**

Having established the overall efficiency and effectiveness of the Scheme, as well as its ongoing relevance, a number of recommendations were made for improvements to the future operation of the Scheme.

1. Strengthen the negotiation skills of RAS officials and develop a deeper understanding of the particular location factors at play, when working to achieve value for money in the negotiation of rents below market price.

2. Develop a comprehensive database of average rents for the future evaluation of the validity and viability of the Scheme.
3. Investigate the nature and quantum of under-the-counter payments to landlords, without which it is difficult to determine the full value of rental income under rent supplementation.
4. Allow greater flexibility in allocation policies and recoupment arrangements to facilitate rural authorities who may not have the same variety of property types to meet the needs of different households, particularly single adult households.
5. Future reviews of the Scheme should include a more comprehensive examination of inspection methodology and decision-making around enforcement procedures.
6. Ensure that the same high level of quality customer service is maintained as the Scheme expands, through for instance, a more formal customer satisfaction review such as feedback surveys at key points in the process.
7. The setting of targets for the transfer of RAS eligible households should be reformulated away from the absolute RAS eligible group to annual national and local targets.
8. It is strongly recommended that a clear methodology be put in place for the transfer of funding for the Scheme between D/SFA and D/EHLG, with a single Department taking control of both the Estimates process and the setting of annual targets. As the burden of administration and delivery of the Scheme rests with D/EHLG, it would seem logical that the voted funding would rest with that Department.



## **1. Introduction**

The Value for Money and Policy Review Initiative, formerly the Expenditure Review Initiative, was introduced in 1997 as part of a wider framework to secure improved value for money from public expenditure. Since then the initiative has undergone a number of reforms, however its overarching objective remains the systematic analysis of Exchequer funding to provide the evidence on which more outcome-focussed public spending decisions can be made. A Central Steering Committee, under the aegis of the Department of Finance, oversees the initiative and a clear process for undertaking a value for money review has been established.

This interim review of the Rental Accommodation Scheme is included under the current round of value for money reviews (2006-2008), and has been undertaken by the Social Housing (Procurement & Construction) Section of the Department of the Environment, Heritage and Local Government. A steering committee, with a broad representation from stakeholders, was established to oversee the review in October 2007. A list of the Steering Committee Members can be found at Appendix 2.

The purpose of chapter two is to provide an overview of the background to and development of the Rental Accommodation Scheme (RAS), as well as to describe the environment in which it operates.



## 2. Background

In order to examine the need for and development of RAS, it is necessary to examine the context from which it arose and the environment in which it now operates. To do this, the author proposes to examine the background to the establishment of the scheme, the housing market in Ireland, the nature of the scheme, and current expenditure and recipient trends.

### 2.1 Scheme Background

#### *Supplementary Welfare Allowance*

The Social Welfare (Supplementary Welfare Allowance) Act 1975 made provision for the introduction of the new Supplementary Welfare Allowance (SWA) payment, to replace the Home Assistance Scheme. On the basis that *every person in the State whose means are insufficient to meet (their) needs... shall be entitled to Supplementary Welfare Allowance* (Section 2), the new allowances aimed to provide income supports for any individual resident in the country whose means fell below a certain limit. The Act, which did not come into operation until 1977, involved a complete rethink of the operation of the schemes that had preceded it, introducing standard means tests and standard rates of payments. It also provided for uniform minimum guidelines and the right to appeal against refusal.

Described as the *safety net within the overall social welfare system* (Social and Family Affairs, 2006), the SWA provides a minimum weekly allowance, subject to meeting qualifying criteria, to persons whose means are insufficient for their or their dependant's needs. It is important to note, however, that SWA payments are intended to deal only with emergency and short-term needs caused by unexpected changes in household circumstances and the scheme requires that applicants undergo a means test as well as requiring them to apply for any other long-term income assistance to which they might be entitled.

The scheme is operated by the Community Welfare Service (CWS) of the Health Service Executive under the general direction and control of the Minister for Social and Family Affairs. At present the scheme is administered by over 700 community welfare officers (CWO) and 62 superintendent CWO's in over 1,000 locations across the state and it includes a number of different supplements including rent, mortgage interest, diet, heating and exceptional needs. Supplements can take the form of weekly payments, single payments for exceptional needs, or payments that supplement income. Apart from a single exception for rent supplement allowance, persons in full time employment, fulltime students, and those involved in trade disputes are ineligible for the scheme.

### ***Rent Supplement***

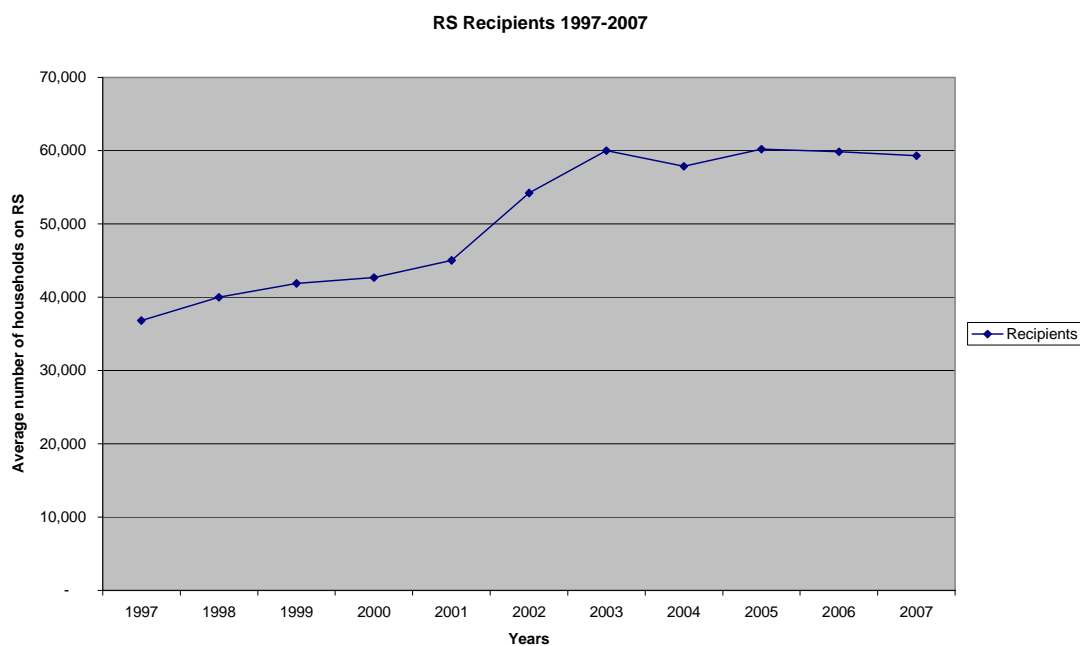
Of primary interest for this review, however, is the rent supplementation allowance. Under the SWA, persons in private rented accommodation unable to provide for their accommodation costs from their own resources, and who do not have alternative accommodation available to them, are entitled to a supplement towards the amount of rent for their residence. At present the level of this supplement is determined by the CWO and taking into account the family circumstances, location of the residence, and the maximum Rent Levels established by the Minister for Social and Family Affairs (Appendix 3). Rent supplement payments are also made to households accommodated within the voluntary and co-operative housing sector and are set at €5-€60 per week. Households in receipt of rent supplement are in the main also in receipt of another social welfare payment.

Since its introduction in 1977 the uptake of rent supplement (RS) has followed an upward trend with the most dramatic rate of increase recorded in the last decade (Figure 2.1). In 1997 the then Department of Social Welfare reported that there were 36,800 households in receipt of RS payments. This number increased by a massive 64% to a high of 60,179 by December 2005. Although recent years have seen a slight reduction in the number of households on RS, the figure at year end 2007 remains very high at 59,726.

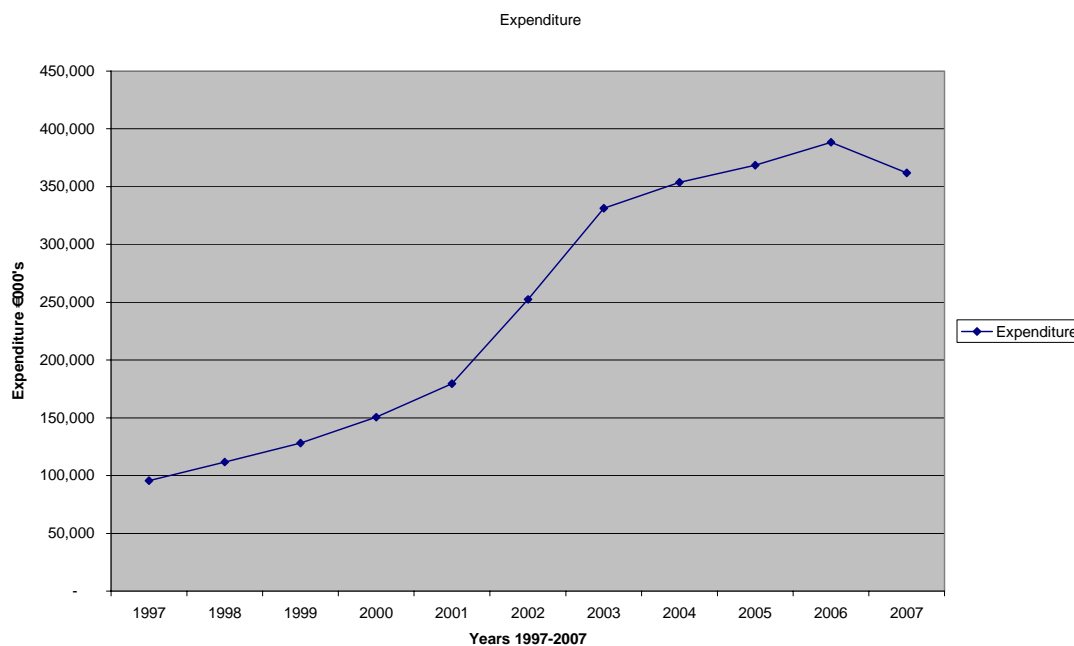


This dramatic increase in the uptake of rent supplement has also meant a significant increase in the level of expenditure by the D/SFA but where the number of rent supplement recipients has almost doubled, the cost of payments has increased almost fourfold to €361.9 million, as demonstrated in the following graphs.

**Figure 2.1: Trends in Rent Supplement Uptake**



**Figure 2.2: Trends in Rent Supplement Expenditure**



In fact, according to Census 2006 figures (CSO, 2007), the number of households receiving rent supplement accounted for 41.2% of the total number of households in the private rented sector. This suggests that a substantial proportion of the demand for private rented accommodation comes from less-well off households that may be eligible for social housing.

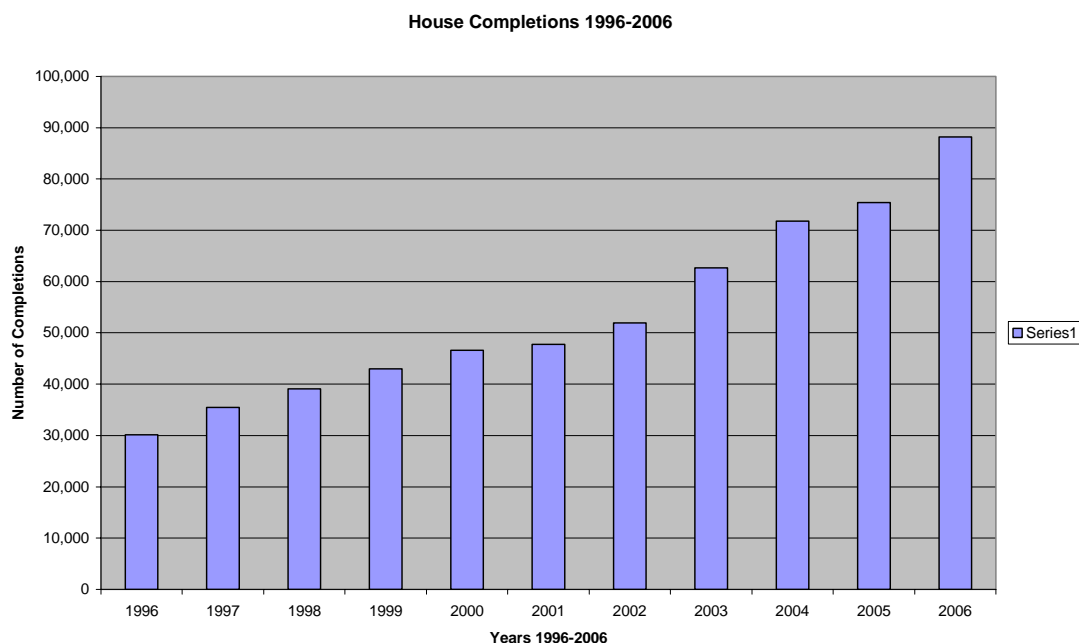
## 2.2 Environmental factors

Against the background of this increase in the uptake of rent supplementation, there have been a number of key developments within the private rented accommodation sector. Although rents had remained stable throughout the 1970's and early 1980's, this trend was reversed with sharp increases in rents from 1987 onwards (Fahey, 2004). The 2004 NESC Report on *Housing in Ireland – Policy and Performance* expands on the reasons for this growing demand for housing, citing high average economic growth within the period (7.2% in 2004), significant numbers of immigrants of household formation age (10% of the population at present), and uneven distribution of wealth which has created affordability difficulties for many households. This coupled with a moderation in the delivery of social housing in the

early years of the period and rapidly increasing house prices, has led to significant demand for private rented accommodation as purchasing properties became more difficult for many people, particularly in the urban areas (Coates & Feely, 2007).

Although there has been a not insignificant increase in the supply of housing, with house completions demonstrating a sustained increase over the past decade, demand continued to be strong (Figure 2.3). Despite this phenomenal growth in housing stock, the availability of private rented accommodation has increased at a much more moderate pace, averaging about 5,000 units per annum between 1991 and 2002 (Coates & Feely, 2007). In the period between the last two Censuses (2002-2006), however, house completions increased by 69.9% while the amount of private rented accommodation increased by just 2.7%. Overall the percentage of the total stock given over to private rented accommodation was just 13.6% in 2006, while almost 42% of the total stock was vacant (D/EHLG, 2007).

**Figure 2.3: National house completions 1996-2006**



According to QNHS figures, in the period 1998 to 2003 the greatest increase in the number of private rented properties occurred in Dublin (+12.4%) with more moderate increases between 1% and 4% across the rest of the country (CSO, 2003).

This climate of high demand for private rented accommodation coupled with limited availability of accommodation has facilitated a market where “profit renting” is the norm i.e. where landlords can charge the maximum obtainable rent for a dwelling regardless of the historic cost (NESC, 2004). Coates & Feely (2007) also explore the increase in rents across the country over the past decade. Using unpublished CSO data they track the strong upward trend of rents through the past decade averaging increases of 3.5% over the period 1998 to 2001, and rising to 10% between 2005 and 2007. This represents a significant increase above the rate of general inflation during the period. In line with its earlier findings QNHS data also show the regional differences in weekly rents with Dublin rents likely to be higher than rents across the regions. In fact in Q3 2003, 73% of all properties in the most expensive rental category (+€200) were recorded in Dublin.

Overall, the 2004 NESC report concluded that the pressure of reduced affordability and greater demand for housing in the 1990’s contributed to the dramatic increase in the take up of rent supplement. Despite the increase in housing stock over the period, the report also suggests that the current market will not meet the housing needs of households on lower incomes. The report particularly examines the potential to exploit the increases in housing output beyond current housing market demand to meet the needs of the social housing sector and concludes by calling for

- *An expanded and more flexible stock of housing available at a social rent to ensure an adequate safety net for vulnerable households and support more dynamic flows between tenures; and*
- *A wider range of graduated supports for ‘intermediate’ households by strengthening existing affordable housing programmes and actively exploring supply-side measures to create a supply of ‘affordable’ rental accommodation.*

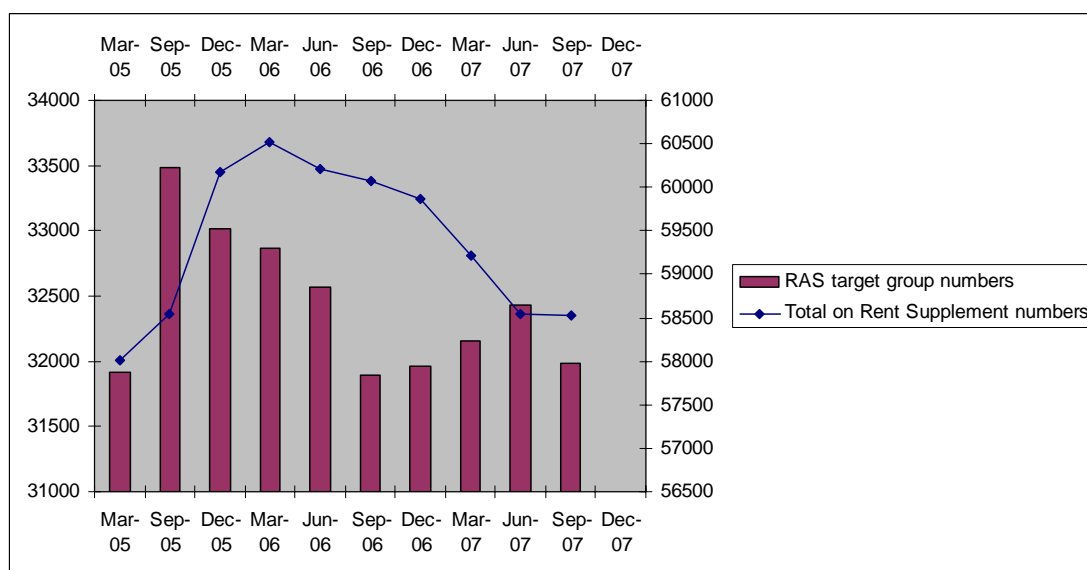
### 2.3 Rental Accommodation Scheme

As explored earlier in the chapter, the last two decades have seen a dramatic increase in the uptake and cost of rent supplementation under the supplementary welfare allowance scheme (SWA). In addition the Department of Social and Family Affairs (D/SFA) has noted a change in the consumption of the scheme with participants in receipt of the payment for longer periods than the “emergency provision” originally envisaged. In response to this challenge an interdepartmental committee was established in 1999 to explore issues relating to the possible transfer of administration of rent and mortgage interest supplementation from the then health boards to local authorities. It was at this forum that an alternative scheme for long-term recipients of rent supplement was proposed whereby local authorities would assume responsibility for determining housing need and meeting that need through either the provision of social housing or through the newly proposed scheme. Responsibility for the ongoing provision of short-term rent assistance payments where there is not long-term need identified, would remain with the CWS and the D/SFA. Following the publication of the report of the interdepartmental committee, the D/EHLG engaged in a lengthy review and consultation process with the D/SFA and the Department of Health and Children, and an action plan was developed for the new scheme.

This action plan was presented to Government jointly by the Ministers for Environment, Heritage, and Local Government and Social and Family Affairs in July 2004. At its meeting of 2 July, Government approved the proposal to establish a new scheme which would see local authorities assume responsibility for accommodating households in receipt of rent supplement continuously for a period of at least eighteen months and with an identified long-term housing need. In general it was expected that the new scheme would provide a structured, pro-active, accommodation-based approach to the use of the private rented sector, as well as social housing provision, to meet long-term housing needs instead of dependence on ad hoc rent allowance payments. The potential benefits of the scheme were proposed as *greater effectiveness in meeting housing needs, better value for money, promotion of social inclusion, and avoiding gaps or overlaps in meeting housing needs* (Environment, Heritage, and Local Government, 2004).

This new Rental Accommodation Scheme (RAS) originally excluded asylum-seekers, non-Irish nationals without leave to remain in the state, and persons in receipt of rent supplement as a “back to work” incentive. Initial estimates by the D/SFA and the D/EHLG identified 19,000 RAS eligible households from an overall total of 58,000 rent supplement recipients. This target group was, however, revised upwards shortly after to over 31,000 by March 2005. Figure 2.4 outlines the trend in rent supplement recipients related to the trend in RAS eligible households, with rent supplement recipients consistently almost double that of the RAS eligible group. The axis on the left relates to RAS eligible households, with RS household numbers reported on the axis on the right. The peaks of 33,500 (RAS eligible households) and 60,500 (RS) occurred between September 2005 and March 2006, with the groups resting more or less consistently around the 32,225 (RAS eligible) and 58,500 (RS) since then. RS and RAS eligible household numbers were at 59,726 and 32,123 at year end 2007.

**Figure 2.4: Rent Supplement & Rent Supplement +18 months 2005-2007**



For these RAS eligible households good quality, long-term, private rented accommodation was to be sourced by local authorities as follows:

- By securing existing tenant accommodation, either from the private rented or the voluntary and co-operative housing sectors, under a RAS contract<sup>1</sup>;
- By identifying other accommodation suitable for RAS and matching tenants to these properties;
- By developing additional accommodation through new-build PPP projects which would be financed, developed, and operated on a long-term basis by the private sector but made available exclusively for households designated by local authorities.

Local authorities, in consultation with the CWS, were to undertake systematic assessments of rent supplement recipients to determine priority long-term needs.

The new arrangements for RAS were to be rolled out to all local authority areas in three phases and over a three-year period with full implementation by September 2008. Phase I involved the implementation of RAS in the following “lead authorities”: Dublin, Cork, Galway, and Limerick cities, South County Dublin, Donegal, Offaly, Westmeath, and Drogheda Borough Councils. Additional central support was to be provided by the D/EHLG for the authorities and took the form of the appointment of an official (Programme Manager) with responsibility for co-ordinating the implementation process, facilitating broad consultation with stakeholders, and providing additional administrative support.

Due to difficulties in agreeing the funding model for the scheme, the first transfers in the lead authorities did not take place until September 2005. Programme Managers to assist local authorities in implementing the new arrangements, as well as ensuring effective liaison with the CWS at local levels, had been appointed by this time and had contributed extensively in the development of the detail of the scheme.

Following this initial roll-out and establishment of the administrative arrangements for the scheme, additional local authorities adopted the scheme. By the beginning of 2006, 15 local authorities covering 85% of all RAS eligible households were offering RAS as a social housing option. Further progress continued in 2006 with all local

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<sup>1</sup> Under the Action Plan approved by Government in July 2004, the initial emphasis of the new scheme was on developing arrangements between local authorities and landlords of existing RS accommodation to secure the long-term availability of such accommodation.

authorities fully implementing RAS within the year. During Phase I of implementation, monthly progress reports were prepared by the local authorities and six-monthly progress updates were submitted by the D/EHLG to Government.

#### **2.4 Profile of RAS tenants and accommodation distribution**

As discussed earlier, the Rental Accommodation Scheme is designed to move eligible households from the temporary support of rent supplement to a more long term housing solution. To that end, the author analysed the profile of tenants currently being accommodated under the scheme across all local authorities, as well as within the private or voluntary and co-operative housing sectors. In particular, the author sought to determine whether criticisms of the scheme as not addressing the particular housing needs of single adult households, which are currently afforded low priority under many local authority schemes of letting priorities, were accurate.

Looking first at the data for transfers within the private rented sector, we see a clear trend whereby single people and single people with dependants account for the majority of transfers from long term rent supplement to RAS. From the returns received<sup>2</sup>, these single adult households account for some 77.5% of total private transfers, with the remainder accounted for by couples and couples with dependants (19.8%) and others (2.7%). Looking more closely at this group of single adults (with or without dependants), some 56% of the total number transferred by year end 2007 was made up of single adults (33%) or single adults with one dependant (23%). Single adults with two dependants or more than two dependants account for 14% and 7.5% respectively.

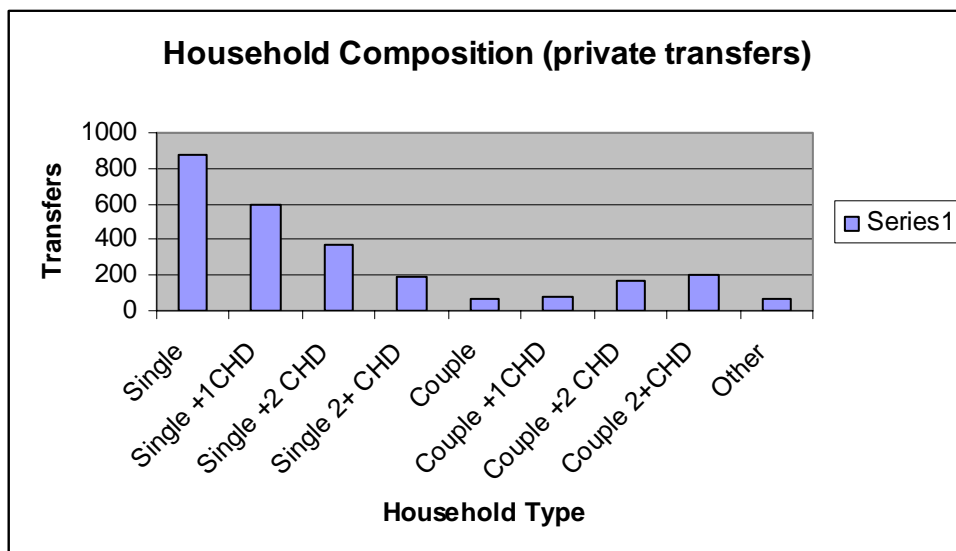
This trend of percentage transfers decreasing with the number of dependants is reversed when we look at the number of couples transferred to the scheme. 7.5% of

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<sup>2</sup> It should be noted that the data used in this analysis were gathered by way of an electronic return to the D/EHLG. A difference of some 3.7% was recorded between the total number of private transfers from this data request and from the monthly returns provided by local authorities. This difference was accounted, at least in part, by the absence of the Galway City return and the inclusion of contracts in the final stages of agreement in the monthly returns.

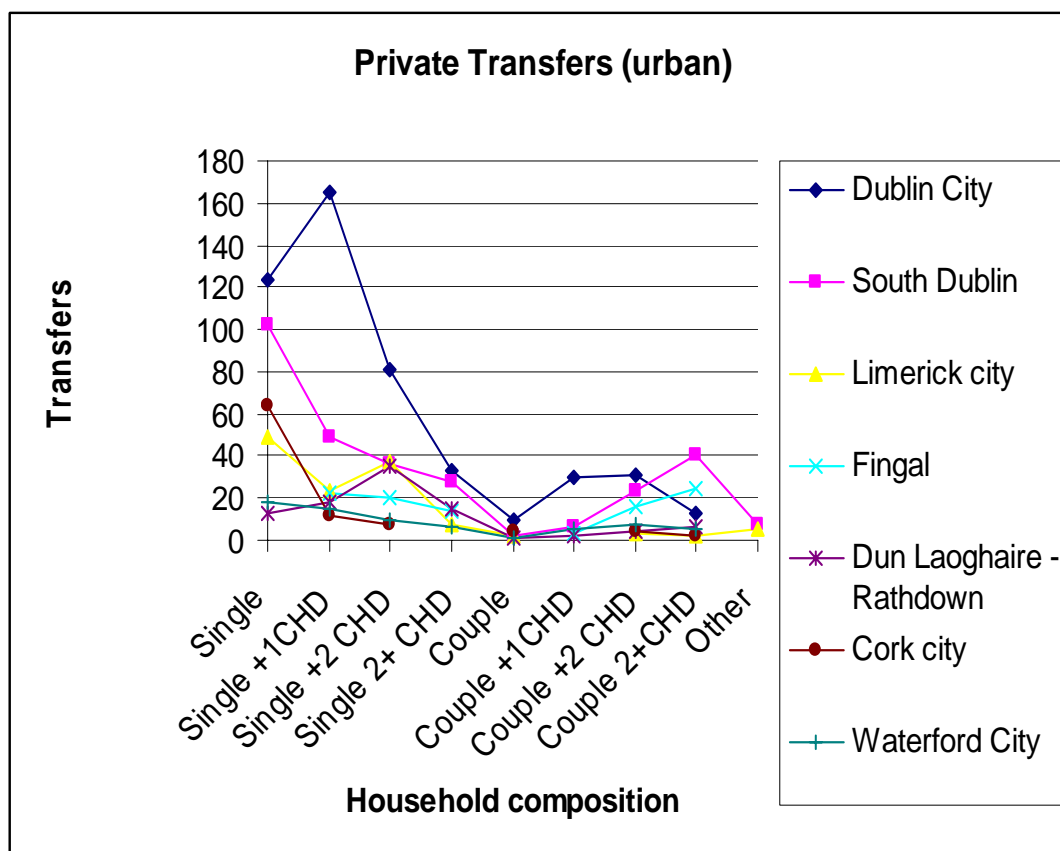
the total were reported as couples with more than two dependants, with couples with two dependants accounting for 7%, and couples with one dependant and those identified as “other” accounting for some 8% of the overall transfers. While information on the specific nature of the “other” category was only provided sporadically, some of these households were described as people with disabilities with specific accommodation needs, and parents with adult dependants. The following chart provides an overview of this activity, and graphically illustrates the proportionally significant amount of single adult households transferred to RAS relative to households with couples.

**Figure 2.5: Distribution of different household types in private transfers**



Looking more closely at activity levels reported, there is an expected and marked difference between the number of households transferred in urban authorities and those in more rural authorities with some 48% or 1261 of the total number of RAS transfers taking place in Dublin City and environs, Cork, Limerick, and Waterford cities. The following chart isolates activity for each of the urban authorities and tracks progress across each of the household types

**Figure 2.6: Household Distribution across Urban Authorities**



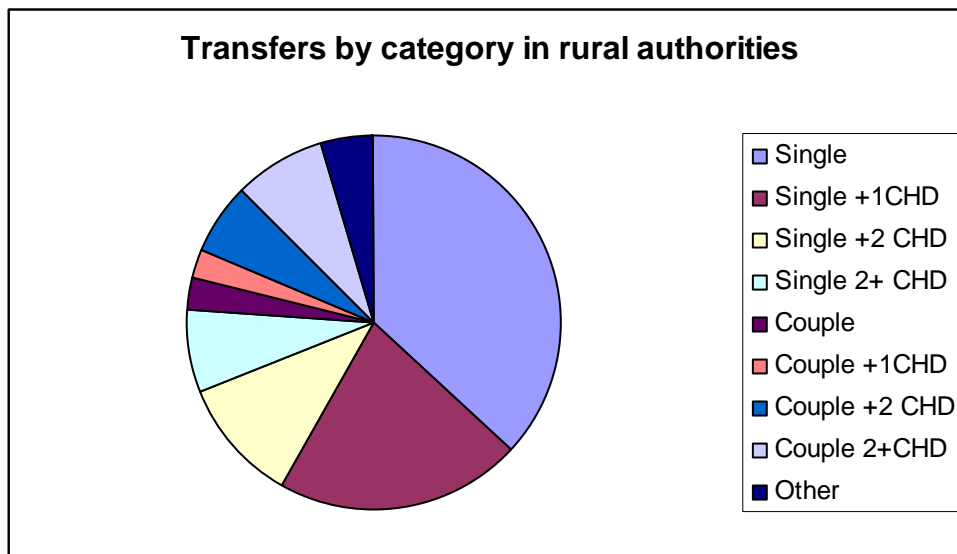
At this level, we continue to see a marked leaning towards single people, and single people with one and two dependants, with the highest numbers of these in Dublin City Council, South Dublin County Council, and Limerick City. Of the 370 total transfers of single people in these authorities, 226 of these took place in Dublin City Council (124) and South Dublin County Council (102). However, no single adult household transfers took place in Fingal County Council, with only 13 in Dun Laoghaire Rathdown and 18 in Waterford City which may indicate a difficulty in securing appropriate accommodation in more suburban authorities.

Of the 304 transfers of single people with one dependant, Dublin City Council again accounted for over half of all transfers in this household category with 165. The remainder were spread between the urban authorities with the next highest in South Dublin (49) and the lowest number in Cork City (12). 226 households of single people with two dependants were transferred under the scheme, with 81 in Dublin City falling to just 7 in the Cork City Council area.

Transfer activity for couples was particularly low across the urban authorities with just 20 transfers over the past three years, and 10 of these in Dublin City Council. In addition, 30 of the 46 transfers of couples with one child took place in Dublin City. The spread of transfers among the other groups was more even across the authorities with South Dublin leading on transfers of couples with more than two dependants by a margin of 17%.

Examining the data submitted by the “rural” authorities, a similar trend emerges with the majority of transfers being single adult households with or without dependants (76%) of the total, with the remainder being made up by couples, couples with dependants and others. The following chart presents a breakdown of the distribution by category.

**Figure 2.7: Household composition in rural authorities**



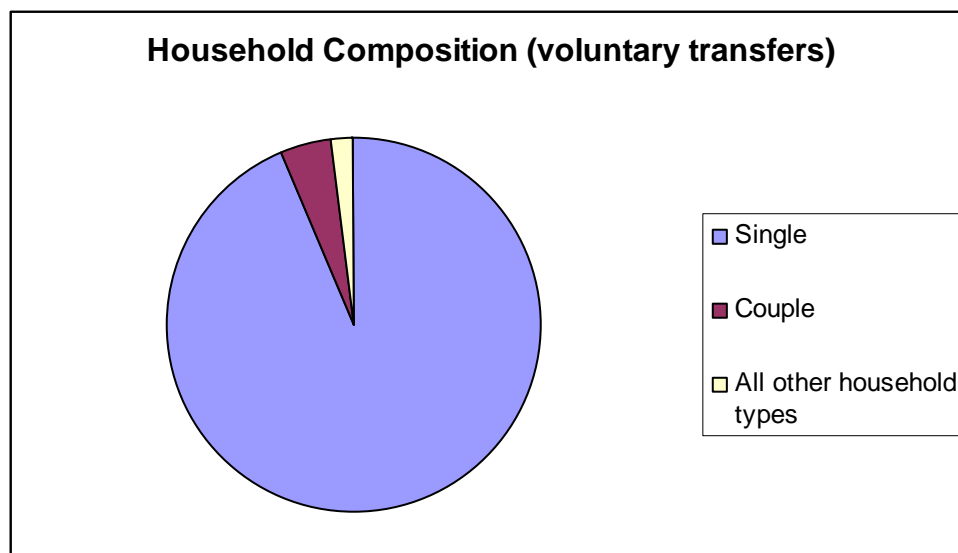
In terms of the overall number of transfers, Carlow, Cavan, Leitrim, Meath, Monaghan, Waterford County Councils and Sligo Borough Council all had fewer than 25 private sector transfers. While, Donegal, Galway County, Kildare, Kilkenny, Laois, Limerick County, Louth, Mayo, Offaly, Roscommon, South Tipperary, and Wexford all reported private transfers between 25 and 50. Finally, Clare, Cork

County, Kerry, Longford, North Tipperary, Westmeath, and Wicklow County Councils all reported private transfers in excess of 50 and rising to 150 in Kerry.

This, however, only presents one aspect of the distribution of households under RAS, as many households were transferred to and in accommodation provided by the voluntary and co-operative sector. Unfortunately, the returns were less complete for this sector, with the data not readily available for a number of authorities<sup>3</sup>. The total number of voluntary transfers reported in the returns was some 2,072, or 71.5% of the total (2,894) reported in the monthly returns, which is sufficient to identify broad activity trends.

From within these returns, 94% or 1940 were single individuals, with the next highest proportion, 4.3% or 89, described as couples, and the remaining 1.7% accounting for all other household types. The following chart illustrates this:

**Figure 2.8: Household Composition across Voluntary Transfers**



Although this breakdown does, broadly speaking, follow the same trend identified in private sector transfers, it is however starkly skewed towards single person households. This is, however, in keeping with the role of the voluntary and co-operative housing sector, providing, as they do, accommodation to individuals that

<sup>3</sup> Dublin City Council, Fingal, Leitrim, Longford, and North Tipperary County Councils

would have difficulty qualifying for local authority accommodation under normal allocations procedures, which often lean towards housing provision for households with children. Within the data, the author noted that only five of the twenty seven authorities included, reported voluntary transfers in excess of 150 households, as follows: Mayo, Kilkenny, and Cork County Councils and Cork and Waterford City Councils. Of the remaining twenty-two authorities, the number of transfers ranged from just four in Waterford County Council to 136 in Limerick County. Given the absence of a number of key returns, a comparison within the urban authorities was not possible.

## **2.5 Funding arrangements for RAS**

The scheme represents a significant collaborative effort of the Department of the Environment, Heritage, and Local Government (D/EHLG), the Department of Social and Family Affairs (D/SFA), Local Authorities and the HSE Community Welfare Service. The scheme is supported by the annual transfer of funds from the D/SFA Vote to the D/EHLG Vote, with the expectation that RAS would be funded from savings made against equivalent Rent Supplement payments. In addition, any discounts on rents negotiated by local authorities for tenants transferring to RAS could be retained by the local authorities and used to fund other RAS accommodation provision, unless otherwise indicated by the D/EHLG. It was also envisaged that local authorities would in time enter into PPP-type contractual arrangements whereby private parties would finance, develop and operate accommodation that would be available on a long-term basis exclusively for households designated by local authorities.

At present, D/EHLG and D/SFA jointly agree an annual estimate for the cost of implementing the scheme, based on an annual target transfer number. Although, as yet unneeded, the Department of Finance has also given sanction for a supplementary estimate should the scheme exceed its target transfer number. This sanction was given in support of the scheme quickly meeting its objective to transfer all RAS eligible rent supplement recipients (+18 months) to the new scheme. Local

authorities for their part receive a payment, equivalent to the previous level of rent supplementation, for each household transferred to RAS, as well as a per case fee to cover the costs of administering the scheme. Leave was also given to local authorities to use their internal capital receipts to meet the costs of vacant RAS properties for up to three months, subject to a number of conditions<sup>4</sup>.

This administration fee was originally €150 for every new case and €100 for the ongoing management of the case in each subsequent year. These rates were increased by the D/EHLG in May 2007 to €300 and €200 respectively. The new first time rate came into operation in July 2007, with the increased ongoing management fee starting in January 2008. An additional payment of €50 is made on cases which are part-processed under RAS but ultimately are transferred to other social housing. The tenant's contribution to the property's rental costs is also re-calculated under the local authority's differential rents scheme and an annual rent review is agreed.

The D/EHLG has also offered local authorities an option to use a rent equalisation model to help overcome market circumstances particularly related to high rents on certain types of properties. The model is designed to assist local authorities in preparing budgets for the year based on transferring a minimum number of households in the year. This operates by means of an "equalisation" of recoupment claims over a representative block of households transferring to RAS, given the specific target number of transfers for the year. Recoupment is dependent on the number of transfers that actually occur and does not include voluntary or homeless transfers. The equalisation model is not widely used, and is only in operation in a handful of local authorities.

The scheme, in recent years, also provides for the transfer of homeless individuals and households to RAS without having previously been in receipt of rent supplement for eighteen months as well as for the costs of tenancy sustainment services (D/EHLG,

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<sup>4</sup> The conditions for the use of ICR's to secure RAS accommodation are:

- That the number of units secured does not exceed 5% of the total number of households on rent supplement for more than 18 months for the area in question;
- That payments are for a period of no more than three months;
- That contracts are entered into before end 2007;
- That the accommodation will have vacant possession.

2007). There are certain limitations however, to the amount that can be recouped as the cost of accommodation should not exceed the existing level of rent supplement for homeless persons in the area and the costs of providing tenancy sustainment should decrease year on year over a three year period. As transfer to RAS ensures that accommodation needs are met, the household ceases to be categorised as homeless. On that basis, the tenant makes a contribution to the cost of rent, based on the local authority's differential rents scheme.

Under the social partnership agreement *Towards 2016*, local authorities have been set local targets for acquiring long-term leases on a total of 1,000 additional RAS units. These particular units are leased on the basis that the property is available to the authority for a fixed period, with the local authority retaining sole nomination rights. In addition, the D/EHLG stipulates that such units must not already be in use for rent supplement and that the landlord must sign an availability agreement. Funding for such leases and transfers is allowable for agreed target units within each authority and on the basis of the authority attaining matching units at a ratio of 3:1. The agreed cost limits for procuring these properties is at Appendix 4.

## **2.6 Agreed timeframe for the review**

The Government Decision of July 2004 provided for a three-year implementation phase from the commencement of the new arrangements in each local authority to the end of September 2008. This interim review will examine the current operation of the scheme from the date of first transfers in September 2005 to December 2007. A further review of the implementation phase of the scheme will take place after September 2009.

### **3. Methodology**

This chapter sets out the methodologies employed to gather the evidence on which this value for money and policy review is based. On all aspects of the methodology the author took guidance from the Department of Finance's *Guidelines for Undertaking a Value for Money and Policy Review* beginning with the establishment of a steering committee with appropriate representation from all relevant stakeholders. Overall a pluralist approach, mixing quantitative and qualitative research techniques, was taken in the research. The author recognised that, as with most research projects, there are particular limitations associated with this methodology, some of which are outlined in the sections below.

#### **3.1 Steering Committee**

The Steering Committee was established in November 2007 and represented the main stakeholders involved in the implementation of RAS, as follows:

- Department of the Environment, Heritage, and Local Government
- Department of Social and Family Affairs
- Community Welfare Service, Health Service Executive
- Department of Finance
- Centre for Housing Research
- Representative of the RAS Programme Managers
- Representative of the Housing Function of the Local Authorities

A full list of the Steering Committee membership can be found at Appendix 1.

#### **3.2 Terms of reference**

The terms of reference for the review were developed having regard to the guidance provided by the VFM Unit in the Department of Finance and through discussions with the steering committee. The TOR were also formally approved by the Secretary General of the Department of the Environment, Heritage, and Local Government.

Using the template provided by the Department of Finance, the Terms of Reference for the Interim Review agreed by the VFMPR Steering Committee are as follows:

1. Identify the objectives of the Rental Accommodation Scheme;
2. Examine the validity of these objectives, having regard to their compatibility with the objectives of the D/EHLG and other relevant Government Departments and Statutory Agencies;
3. Define the outputs associated with the Scheme and identify the level and trend of those outputs;
4. Examine the extent that the programme's objectives have been achieved and comment on the effectiveness with which they have been achieved;
5. Identify the level and trend of costs associated with the Scheme and thus comment on the efficiency with which it has achieved its objectives;
6. Based on 1-5 above, evaluate the degree to which the objectives warrant the allocation of public funding on an ongoing basis and examine the scope for alternative approaches to achieving these objectives on a more efficient and/or effective basis;
7. Make recommendations in relation to performance indicators for the future oversight of the scheme.

### **3.3 Statistical Analysis**

The author examined and analysed a variety of secondary data relating to supplementary welfare allowance recipients, local authority housing activity, and rent trends.

- Information collected by the D/SFA on supplementary welfare allowance was used to create a profile of RAS target groups, as well as providing an indication of progress in relation to meeting the objectives of the scheme.
- The D/EHLG collect and collate information on progress relating to the implementation of the scheme on a monthly basis, while annual information is collected and published as part of the Annual Housing Bulletin.
- The CSO and the PRTB were the main sources of secondary data relating to trends.

Primary data was collected, collated and analysed from local authorities on an end of year activity return form examining average rents, household composition, and contract type.

In addition, an online survey was undertaken among the three key stakeholder groups: local authority staff; CWS staff; and members of the voluntary and co-operative sector. These three groups were accessed using the Department's own databases, through the Superintendent CWO network, and through the Irish Council for Social Housing (ICSH) database of voluntary and co-operative housing organisations. Email invitations to participate in the study were sent from the Department of the Environment, Heritage, and Local Government to the Directors of Service (Housing), to the RAS programme managers, and to the RAS Co-ordinators with a total sample of 75. 56 responses were received giving a response rate of 74.6%. A similar invitation was also sent by the Department of Social and Family Affairs to the Superintendent CWO network (population 65), with the facility for Superintendents to invite responses from their staff. However, it was not possible to track the extent that this facility was used, and as such, the author proposes to use a proxy response rate with only the superintendent CWO responses (28) counted against the total SCWO population sampled (65). This gives a response rate of 43%. In terms of the voluntary and co-operative survey, responses were invited directly by the ICSH from its members involved with RAS or Rent Supplement. From a population of 50 surveyed, 13 responses were received, giving a response rate of 26%. This response rate is likely a reflection of the fact that transferral to RAS is an automatic process in the community and voluntary sector once the 18-month threshold is reached and the new process is therefore of little material consequence to this sector.

### **3.4 Case study**

Due to the limited time available for the study, a case study approach was taken for parts of the research, including the collection of some data not available nationally, and for gathering more qualitative information about personal experiences of the

scheme. Although RAS operates in thirty-three local authorities, time and cost constraints made it necessary to choose the following representative sample of housing authorities to review.

- Dublin City Council
- Waterford City Council
- Westmeath County Council
- Donegal County Council

The sample was chosen because it included a mix of rural and urban authorities, as well as representing authorities with RS+18 populations of different sizes and profiles. Overall the four authorities together represent some 27.6% of the total RS+18 population. A representative sample of up to 20% of RAS client files in each authority were reviewed as part of the case study.

In order to fully understand the scheme, and the vagaries of local implementation of the provisions of the scheme, it was decided to interview a number of key stakeholders in each of the case study areas, namely:

- The director of service for housing;
- The senior executive officer for housing;
- The RAS programme manager;
- The RAS co-ordinator.

While this list was not exhaustive, it was felt that it appropriately represented the variety of policy and practical perspectives on the implementation of the scheme. It was further decided to interview the superintendent community welfare officer and a community welfare officer in each of the areas to determine their perspectives on the impact of RAS on the supplementary welfare allowance system. The interviews were carried out in confidence and on the basis that the views expressed would not be attributed to specific local authorities.

There are a number of key advantages in undertaking this type of qualitative interviewing, including its flexibility in responding to the direction the interviewee

wishes to take as well as responding to non-verbal social cues. Another advantage for this research, particularly in the context of a “new” scheme is the possibility of dealing with quite theoretical or conceptual issues such as the impact of the scheme on society. Some key disadvantages, and ones which the author sought to avoid by following a semi-structured interview format dictated by an interview list, are the tendency to drift off topic or spend too much time on particular elements of the interview.

### **3.5 Tenant focus groups**

The objective of the focus groups was to establish the views of clients on the effectiveness and impact of RAS on their lives to date. The focus group format was selected because of the opportunities it provides to observe a large amount of interaction between a particular group of clients in a relatively short period of time and in as naturalistic a setting as possible. This, it was felt, was particularly important for this research as the author sought to avoid any negative impact on the research from clients attempting to provide the “correct answers” to the Department. A professional focus group facilitator was engaged to facilitate on both days to manage the discussion, to present a neutral face, and to ensure that the following issues were covered:

- Initial contact with the RAS
- Initial expectations of the Scheme
- Applying for RAS
- Living in RAS accommodation
- Have housing needs been met?
- Advantages/disadvantages of RAS
- Impact on own/family life/ on work, on plans for the future
- Were your expectations of RAS realised?
- What worked well/ What could be improved?

Six RAS clients attended the Dublin meeting and nine attended the Mullingar meeting. Those who attended had been contacted by local authority staff working in

the relevant RAS sections. Although the author had originally intended to include RAS eligible clients in the review, in addition to the logistical difficulties, the Steering Committee suggested that it might not be appropriate to mix the groups.

Attendees reflected the client groups targeted for the RAS: lone parents, single people and couples with children on low incomes. They also included clients who had stayed in their existing accommodation and those that had gone into new accommodation when moving to RAS. Due to the relatively short period of implementation of the scheme the clients were generally in their accommodation for a short period of time (up to one year).

### **3.6 Landlord interviews**

In addition to examining the experiences of RAS clients, twelve landlords with RAS properties were interviewed by phone to ascertain their experience of the scheme and their views on its success or otherwise. The landlord details were provided by the RAS units in the four case study areas and included a mixture of single and multi-unit landlords.

## **4. Analysis and Findings**

In July 2004, the Government approved a decision to establish a new scheme – the Rental Accommodation Scheme – with the express intention that it would provide *a more structured approach to long-term rental housing assistance need through the development of medium or long-term contractual arrangements with private accommodation providers, along with social housing provision where appropriate.*

The following section analyses the current operation of the scheme, measuring its activity against the original objectives set for it.

### **4.1 Analysis of the objectives and rationale for RAS**

Following the guidance provided by the Department of Finance on the methodology to be used in undertaking a value for money and policy review, the objectives of the scheme, both explicit and implicit must be identified and then set against general Government and Departmental policies to determine their ongoing validity. The guidance sets out that if the objectives are found to be compatible with the overall aims of Government, and thus valid, then there is an on-going rationale for the scheme.

#### ***4.1.1 Identifying the objectives of the scheme***

In identifying the objectives of the RAS, the author reviewed the original objectives for the scheme as outlined in the Report of the Interdepartmental Committee on issues relating to the possible transfer of administration of rent and mortgage interest supplementation from Health Boards to Local Authorities (June 1999), the Government decision which provided for RAS (S20551H), and original guidance notes issued by the D/EHLG. As proposed in European Commission Working Paper 3 (2006), and for ease of analysis, the stated objectives of RAS have been categorised as global objectives i.e. the expected socio-economic impacts of the scheme, specific objectives i.e. the immediate effects on the direct beneficiaries, and operational objectives i.e. scheme outputs.

Following lengthy discussions between the various Government Departments, the 1999 Report of the Interdepartmental Committee conceived a scheme which would provide *maximum co-ordination of housing policy under one Department* with the strategic objective of integrating this new scheme within a range of social housing options. The 1999 report further provided that:

- The new arrangements would provide value for money and an effective use of resources;
- That difficulties relating to the provision of rent supplementation should not be imported into RAS.

The original memorandum for Government (July 2004) described the key objectives of the Rental Accommodation Scheme, as follows:

- To eliminate long-term dependence on the Supplementary Welfare Allowance rent supplementation scheme;
- To enhance the response of local authorities to long-term housing needs.

However, it also identified a number of underlying objectives which together would maximise effectiveness in meeting housing and income support needs and in the use of the Exchequer resources available for these purposes. These objectives are identified below:

- To accurately identify needs and priorities to be met through RAS or social housing;
- To provide the most appropriate response by relevant agencies;
- To ensure a high degree of co-ordination, liaison, and co-operation between the relevant agencies in order to avoid overlaps;
- To promote social inclusion;
- To ensure quality customer service.

The Memorandum also expressed the expectation that the scheme would initially, at least, focus on transferring tenants in their current accommodation while sourcing additional accommodation where possible/necessary. It also highlighted the

opportunity for local authorities to enter into PPP-type contractual agreements with private sector partners for new build projects.

In addition, the Memorandum included descriptions of expected outcomes of the Scheme including:

- A more effective way of meeting long-term housing need while allowing the provision of rent supplement relief to refocus on short-term needs;
- A price moderating factor in the rental sector;
- An opportunity to expand the PPP model.

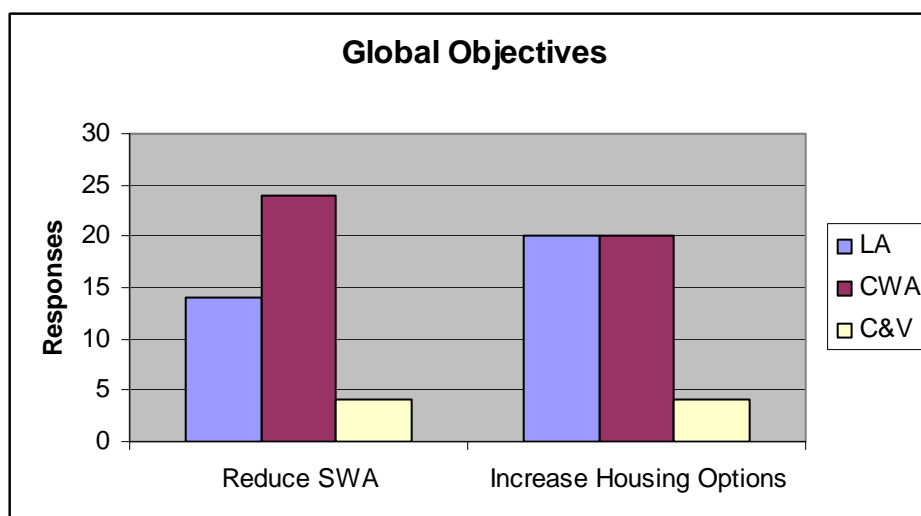
While the official documentation on the scheme provides an insight into the stated objectives of the scheme, it was important to determine whether the operation of the scheme had led to the identification of other objectives other than those published in official guidance. To that end, the author included questions on the scheme's objectives in both the online survey and in the in-depth interviews with key personnel in local authorities and the CWS. The latter were found to mirror the responses to the former.

Taking the results of the online survey first, each group (local authority personnel, CWS, and members of the voluntary and co-operative sector) was asked to identify up to three key objectives of the scheme, and then to rate them as being achieved, somewhat achieved, and not being achieved. An analysis of the responses across the three groups revealed that respondents from the CWS were almost twice as likely to see the reduction of dependence on supplementary welfare allowance<sup>5</sup> as a key objective than their counterparts in the local authorities. However, respondents from both groups agreed that a key objective of the scheme was to provide another social housing option. In both instances little over 25% of respondents from the C&V sector agreed that an objective of RAS was to reduce the number of RS recipients and to provide an additional social housing option.

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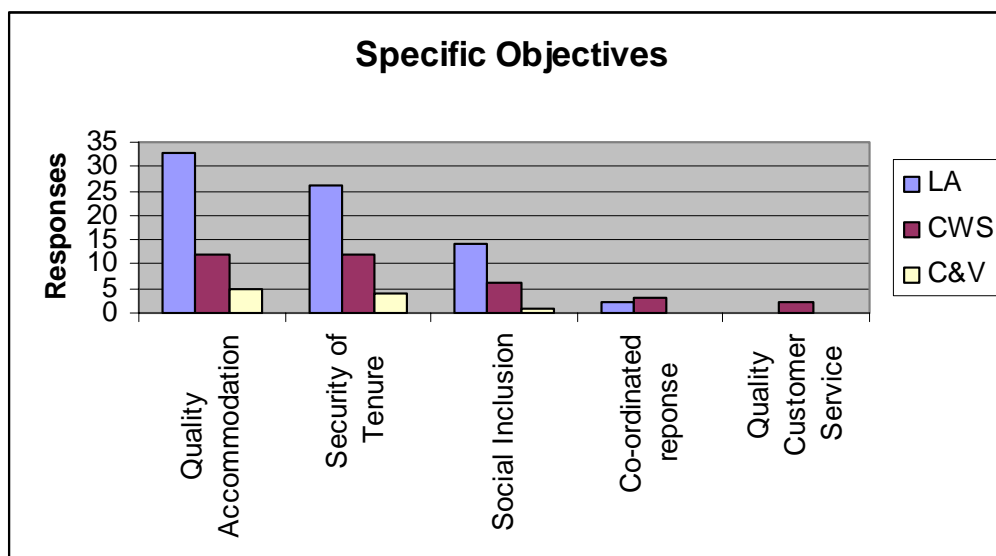
<sup>5</sup> It should be noted the difference in the terminology used between the CWS and local authority staff, with CWO's referring to a reduction in the supplementary welfare allowance while local authority staff refer to a reduction in numbers of households in receipt of rent supplement. In figure 4.1 the reduction in SWA is taken to mean both.

**Figure 4.1: Global Objectives as identified in online survey**



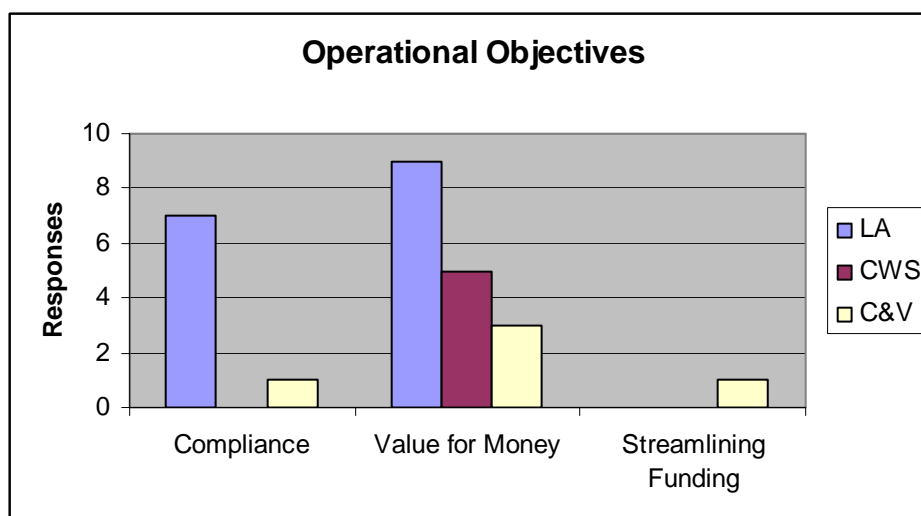
A range of other, more specific objectives were also identified by respondents, ranging from the provision of quality accommodation and security of tenure, to objectives more closely linked with social inclusion including the return to employment by RS recipients and the avoidance of poverty traps under the differential rent scheme. As the following figure 4.3 shows, more respondents saw the provision of high quality and secure accommodation as important objectives for the scheme than the provision of quality customer service or the co-ordination of activity across the various agencies. Although there were more respondents from the local authorities (48.7%) than from the CWS (11.3%), and the question was not obligatory, the author did note that there was a greater focus on the global objectives, identified in the last graph, among the CWS sample than the more specific objectives.

**Figure 4.2: Specific Objectives as identified in online survey**



While the global and specific objectives relate more closely to socio-economic and target group outcomes, a number of respondents did include certain operational objectives as being important for the scheme. These fell into three main categories: property registration and compliance issues, value for money/savings, and one respondent identified the streamlining of funding to the community and voluntary housing sector as important. Compliance/registration, perhaps unsurprisingly given the current operation of the scheme, was only identified as an objective by individuals working in either the local authority or in the community and voluntary sector.

**Figure 4.3: Operational Objectives as identified in online survey**



Respondents were also requested to analyse whether, in their opinion, the objectives of the scheme had changed over the implementation period. While many respondents indicated that they did believe that the objectives had changed, the rationale provided for this belief related in almost all cases to changes in operating practice especially around new target groups for the scheme, and to more general resource and progress concerns. Concerns relating to progress on the scheme came, by and large, from respondents in the CWS group.

The following table provides a summary of the objectives identified both in official documentation relating to the scheme and from the personal experiences of individuals working with the scheme:

**Table 4.1: Objectives identified in official documentation**

Global Objectives	Specific Objectives	Operational Objectives
To eliminate long-term dependence on the Supplementary Welfare Allowance rent supplementation scheme.	To accurately identify needs and priorities, to be met through RAS or social housing.	A more effective way of meeting long-term housing need while allowing the provision of rent supplement relief to refocus on short-term needs
To enhance the response of	To provide the most appropriate	A price moderating factor in the

local authorities to long-term housing needs through the range of housing options available.	response by relevant agencies.	rental sector.
	To ensure a high degree of co-ordination, liaison, and co-operation between the relevant agencies in order to avoid overlaps.	An opportunity to expand the PPP model.
	To promote social inclusion through promoting a return to employment and elimination of poverty traps.	The new arrangements would provide value for money and an effective use of resources.
	To ensure quality customer service.	That difficulties relating to the provision of rent supplementation should not be imported into RAS.
	To provide high quality accommodation.	That RAS would ensure tenancy registration, compliance with private rented standards, and tax compliance of landlords.
	To provide security of tenure to clients.	Streamlining funding to the Voluntary and Co-operative Sector.

#### ***4.1.2 Examination of the validity of the objectives of RAS***

The author has identified three levels of policy with which the objectives of RAS should be compatible. In the first instance, Government policy as applying to all aspects of public service delivery must be considered. To that end, the Programme for Government (2007) as well as the current social partnership agreement *Towards 2016* (2006) and the NDP 2007-2013 were examined. The following table sets out objectives outlined in these documents against the relevant objective for RAS identified in the previous section.

**Table 4.2: Examination of validity of RAS objectives**

<b>Programme for Government (2007)</b>	<b>Rental Accommodation Scheme Objective</b>	<b>Compatibility</b>
<p>Plan strategically for the needs of a changed population to reflect a more dynamic population which moves more often, includes many new migrants, and supports the elderly in their own home.</p>	<p><b>Global Objective</b> To enhance the response of local authorities to long-term housing needs through the range of housing options available.</p> <p><b>Strategic Objective</b> To accurately identify needs and priorities, to be met through RAS or social housing.</p> <p><b>Operational Objective</b> A more effective way of meeting long-term housing need while allowing the provision of rent supplement relief to refocus on short-term needs.</p>	<p>This objective provides a high level of compatibility with the identified RAS objectives at each level.</p>
<p>Bring a new focus on quality in the provision of housing.</p>	<p><b>Operational Objective</b> That RAS would ensure tenancy registration, compliance with private rented standards, and tax compliance of landlords.</p>	<p>Given the focus on quality of accommodation within the scheme, the author has determined a high level of compatibility.</p>
<p><b>Towards 2016 (2006)</b></p>		
<p>Providing tailored housing services to those who cannot afford to meet their own housing needs and in this way responding to the broad spectrum of housing need.</p>	<p><b>Global Objective</b> To enhance the response of local authorities to long-term housing needs through the range of housing options available.</p> <p><b>Strategic Objective</b> To accurately identify needs and</p>	<p>While there are a number of direct references to RAS in <i>Towards 2016</i>, the author considers that the general approach to housing need in the document is compatible with the objectives of the scheme, namely that housing need</p>

	priorities, to be met through RAS or social housing.	should be addressed in a manner that is appropriate to the identified/quantified housing need and to the lifecycle stage of the individual. It is equally important within the document that <i>housing is seen as being on an equal footing whether provided fully by the State or supported in some way.</i>
Continuing improvements in the quality of houses and neighbourhoods, including improvement of consumer information in relation to housing.	<p><b>Specific Objective</b></p> <p>To ensure quality customer service.</p> <p><b>Operational Objective</b></p> <p>That RAS would ensure tenancy registration, compliance with private rented standards, and tax compliance of landlords.</p>	Once again, the focus on quality accommodation is compatible with the stated objectives of the scheme. In addition, the focus on quality customer service and customer information are also compatible objectives.
Active engagement with the voluntary and co-operative housing sector to increase their role in delivering on needs... and an expanding role for the sector under the Rental Accommodation Scheme.	<p><b>Operational Objective</b></p> <p>Streamlining funding to the Voluntary and Co-operative Sector.</p>	Although this was not a stated objective in the original Government Decision, the interaction with the Voluntary and Co-operative Sector is acknowledged within the objectives under the adjacent operational objective.
Implementing the Rental Accommodation Scheme to help provide the necessary springboard to accessing employment, training or education opportunities which may lead to broader accommodation options for the individual in the future.	<p><b>Specific Objective</b></p> <p>To promote social inclusion through promoting a return to employment and elimination of poverty traps.</p>	There is an obvious synergy between the objectives identified for RAS under <i>Towards 2016</i> and those identified within the original Government Memorandum and opined by individuals working in the field.
<b>National Development Plan (2007)</b>		
The aim of the Housing Sub-	<b>Global Objective</b>	There is a clear compatibility



<p>Programme is to deliver a greater quantity of social housing options and at the same time to improve the overall quality of this tenure. These homes will come through a combination of local authority, voluntary and co-operative housing, and RAS contractual arrangements</p>	<p>To enhance the response of local authorities to long-term housing needs through the range of housing options available.</p>	<p>with the objectives set out in the NDP and those stated for RAS.</p>
<p>Over the period of the NDP there will be a gradual movement from RS, provided under the SWA, to RAS, This will benefit additional households whose long-term accommodation needs will be met through contractual arrangements with landlords for existing properties transferring from rent supplement.</p>	<p><b>Global Objective</b> To eliminate long-term dependence on the Supplementary Welfare Allowance rent supplementation scheme.</p>	<p>There is a clear compatibility with the objectives set out in the NDP and those stated for RAS.</p>

In addition, the author considered the Departmental policies that might influence the validity of the objectives of the Rental Accommodation Scheme. Considering first the Department of Social and Family Affairs: In addition to the *vigorous support of the Rental Accommodation Scheme to address housing needs of people in long-term rent supplementation* identified in the Statement of Strategy 2008-2010, there is also a stated objective to remove disincentives to taking up employment and to assist the transition from welfare to work. As part of the evolution of the RAS scheme, addressing the barriers to employment inherent in RS was identified as a key deliverable. In terms of the National Action Plan on Social Inclusion 2007-2016, overseen by the Office for Social Inclusion, the importance of housing in addressing social exclusion is emphasised and the plan specifically identifies the full implementation of RAS by 2009 as a key housing target within the action plan.

The Statement on Housing Policy *Delivering Homes, Sustaining Communities* was identified by the author as the key D/EHLG document for the current and future delivery of social housing. This policy statement clearly sets RAS at the centre of the Department's policy on meeting housing need through a graduated and flexible system of housing supports, and linking it inexorably with the lifecycle approach of the social partnership agreement *Towards 2016*. This lifecycle approach reflects *the fact that different households may experience a need for different types of housing supports at various stages in their lifecycle... the duration and extent of this may also vary over time* (D/EHLG, 2007a, p. 49). And as such, RAS is seen as a mechanism for meeting housing need for key cohorts within the overall spectrum of long-term housing need.

To conclude, both in terms of the implicit and explicit objectives for the scheme, there is a clear compatibility with the broader national and Departmental policy landscape, and as such an ongoing rationale for the scheme.

## 4.2 Analysis of the efficiency, effectiveness and outcomes of RAS

As agreed in the terms of reference for the review, this section will examine the outputs and outcomes of the scheme, the efficient operation of the scheme and, the effectiveness of the scheme in achieving its objectives<sup>6</sup>.

### 4.2.1 Analysis of the efficiency of the scheme

This section will examine the efficiency of the implementation and operation of RAS from its inception in 2005 until 2007. To do this, the author first examined the level and trend of costs associated with the scheme.

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<sup>6</sup> Extract from the Terms of Reference:

**Define the outputs** associated with the scheme and identify the level and trend of those outputs.

**Examine** the extent that the programme's objectives have been achieved and comment on the **effectiveness** with which they have been achieved.

Identify the **level and trend of costs** associated with the scheme and thus comment on the **efficiency** with which it has achieved its objectives.

#### 4.2.1.1 *Outturn and Resource Deployment*

The annual outturn figures for RAS include new transfers and the ongoing payment of existing rents, as well as the associated administration fees and central costs for e.g. the development of the IT system. On the basis of those costs incurred directly by the D/EHLG and those claims submitted to and cleared by the D/EHLG by Local Authorities in 2007, the total spend for the three year period for the implementation of RAS is €34.7 million. It is estimated that €1 million will be spent on RAS in 2008, which would bring the total cost of the scheme over the three-year implementation period to almost €100 million.

**Table 4.3: RAS Outturn –Recoupment from Central Government 2007.**

	2004/2005	2006	2007	Total
<b>Current Expenditure</b>				
Towards 2016 Units	-	620,959	6,537,197	7,158,156
Administration	102,150	437,650	934,255	1,474,055
Rent Recoupment	67,754	4,380,097	19,013,127	23,460,978
Salary	688,140	701,897	757,286	2,147,323
Misc	36,583	59,378	142,971	238,932
<b>Capital Expenditure</b>				
ICT Costs	240,089	278,125	225,113	243,327
Total	1,134,716	6,199,981	27,384,837	34,719,534

The costs associated with the Toward 2016 units are finite and limited only to 1,000 units. The figure of €7.16 million represents 64% of the total available for such units. Of much more interest is the increase in the rent recoupment figures, rising from a mere €7,000 in 2004/2005 to over €19 million in 2007. As discussed elsewhere in this review, early progress in transferring clients was focussed on the voluntary and co-operative sector, the costs of which are significantly lower than for securing accommodation in the private rented sector. For the period since first transfers to May 2007 local authorities could pay up to €238 per month (upper level payment of €5 per week) for RAS tenants in voluntary and co-operative accommodation. This

was revised upwards in May 2007 to €260 per month. These monthly costs to the scheme are significantly lower than the average rents in the private sector which, for 2008, averaged between €450 and €1095 across all accommodation types. With the vast majority of all new transfers likely to come from the private rented sector, the costs of the scheme will increase dramatically. Further discussion on this trend is available in the following section on transfer activity.

While this effect is to be expected as new cases are added to ongoing commitments, consideration should be given to the likely effect on the Votes of the D/SFA and D/EHLG if transfers are to continue at their current rate and/or if the scheme is to meet its objective of moving all RS+18 clients into RAS accommodation. While the original memorandum for Government offered some guidance on the funding mechanisms for the scheme, the author was not in a position to find an agreement on a methodology for the transfer of funding between Departmental Votes which varied from year to year. It should be noted also, that such provisions are only for three and four years as outlined in the two Government Decisions (2 July 2004, 27 June 2006).

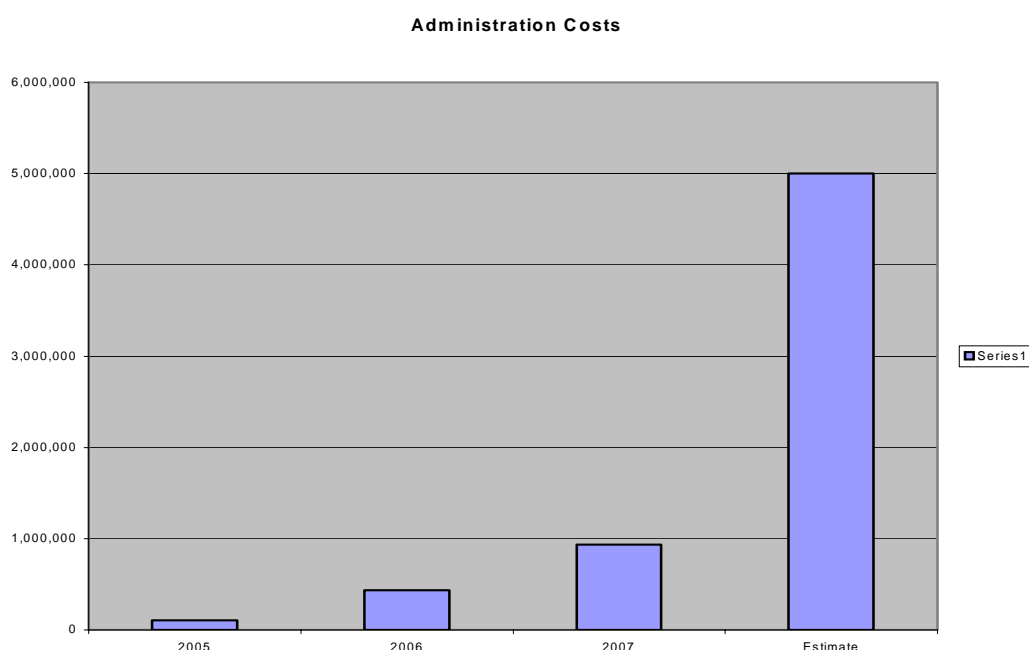
With the cost of maintaining existing commitments coupled with new transfers (annual target of 5,000 p.a.) likely to give rise to significant cost implications for both Departments, a more formal agreement on the funding transfer methodology would be beneficial in the future management of the scheme. This is borne out in the following table which presents a breakdown of the expenditure to date between new and existing clients each year with a 985% increase in the cost of maintaining commitments from 2006 to 2007 and a 259% increase between 2007 and 2008.

**Table 4.4: Cost of ongoing RAS commitments 2005-2008**

Year	Expenditure on New RAS Clients	Expenditure on Existing RAS Clients	Total
2005	€7,753	N/A	€7,753
2006	€3,765,055	€1,236,000	€5,001,055
2007	€13,374,327	€2,178,800	€15,553,127
2008		€1,519,400	

As part of the Memorandum for Government of July 2004, annual administration fees for RAS were estimated at some €5 million. To date, expenditure on such fees have seen a steady increase in line with case numbers, however, they remain significantly under budget. It is expected that as the level of activity increases year on year, both in terms of meeting annual targets for transfers and the on-going management of cases, this figure will increase significantly in the coming years. That said, it is very unlikely that they will reach the estimated figure within the implementation period.

**Figure 4.4: RAS administration costs 2005-2007**



Regarding the remaining costs to the scheme, ICT, Programme Manager Salaries, Miscellaneous expenditure, these have remained more or less constant over the period

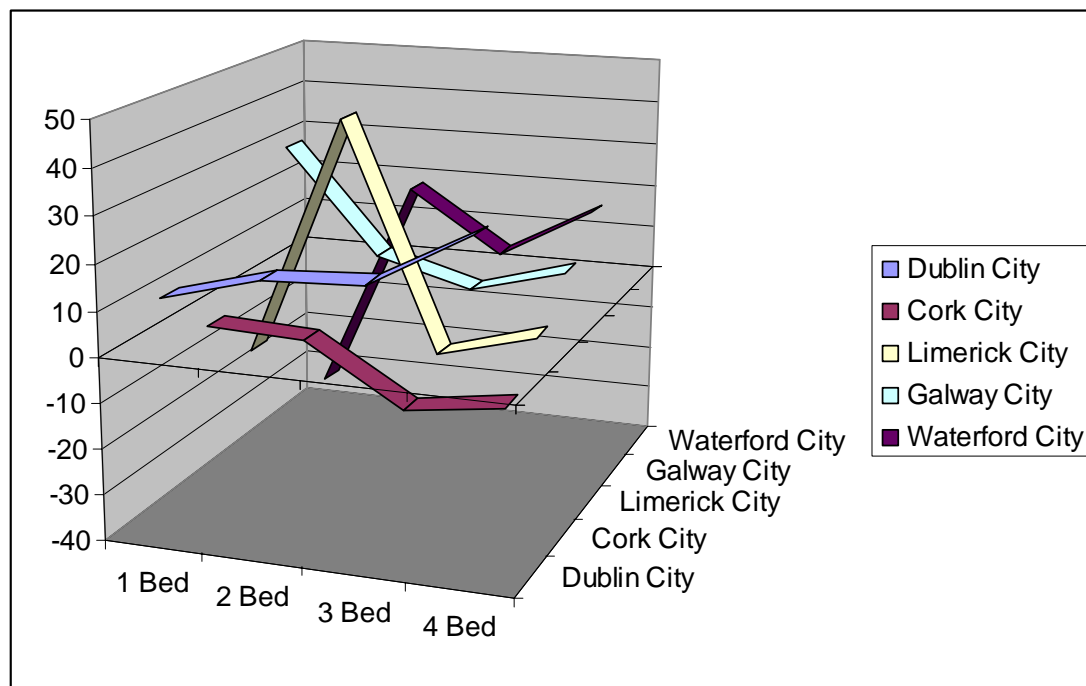
and were not considered in any great detail over the period of the review, partly due to the relatively small proportion of the overall budget that they represent, but also because they represent fixed costs as part of the implementation phase of the scheme. The author does suggest, however, that a review of the ongoing relevance and efficacy of the programme manager function would be timely as the scheme moves beyond the implementation phase.

#### **4.2.1.2 RAS Rents Vs Market Rents**

Moving away from the global expenditure of the scheme and focussing on the operational objective of achieving value for money from existing Exchequer resources, the author examined the average rents paid for RAS (private transfer) properties against market rents. It should be noted that the average market rents provided were derived using PRTB registered rental figures analysed in 2006/2007 by the CHR and projected forward using the CSO's rental index to December 2007. It should be noted, however, that this methodology is limited in its accuracy as these registered rents are in some cases historical to 2004 and 2005 and as such may not be accurate to 2007 prices when projected forward. Despite this, and although not an absolute measure of average rents, the author believes that in the absence of a more comprehensive database of rents nationally, and by property type, this represents a reasonable indicator of average rents. In terms of the RAS average rents data, it should also be noted that these are based on average rent prices reported directly by each local authority. Their validity as averages may, in some cases, be influenced by the small number of particular dwelling types rented for that authority, or other location specific factors. Tables relating to this analysis are included at Appendix 5.

Taking first the urban authorities where the highest concentrations of RAS properties are located, the following graph presents an overview of the city councils' performance against average market rents for one and two bed apartments, and for three and four bed houses.

**Figure 4.5: RAS Vs Market Rents in Urban Authorities**



Overall, Dublin City Council achieved the most consistent value for money against market rents, with 12% and 18% savings on one and two bed apartments, and 19% and 31% savings on three and four bed houses. Galway City follows with 31% and 7% savings on one and two bed apartments, and 1% and 7% on three and four bed houses. Performances for Limerick and Waterford Cities are a little more varied with average rents for one bed apartments 12% and 32% over the market price. However, the lack of availability of one-bed apartments coupled with high demand in the RS+18 group was identified in interviews with RAS co-ordinators and programme managers as a significant factor influencing the price of such units. This would seem to be borne out in the performance of these authorities in achieving value for money for two bed apartments where savings of 43% and 18% respectively were recorded. Cork City lagged behind its urban counterparts with RAS rents at the market average for one and two bed apartments, but 14% and 11% higher for three and four bed houses. Although outside the scope of this research, the author suggests that further research should be undertaken to determine the particular locational factors influencing this discrepancy in the achievement of value for money, and the interaction between the delivery of value for money of the scheme and meeting sustainable community/tenure mix objectives of social housing policy.

Across the regional authorities, savings of between 1% and 30% were made on all one bed apartments with the exception of Mayo, Kerry, Clare, Tipperary North, and Louth. Of authorities where no savings were made, most notable were Kerry and Tipperary North which recorded prices of 22% and 28% in excess of the market average, which may indicate similar difficulties to those experienced by Waterford and Limerick Cities in finding suitable properties. Looking across the rest of the data for these authorities, average RAS rents in Kerry for two bed apartments were at the market average, while significant savings (45%) were reported on the average rent for three bed properties. Four bed houses were on average rented at 5% above the market average, however this is a more unusual house type which may suggest that supply issues are influencing the average price. Overall performance by Tipperary North presents a clear picture of the challenges facing rural authorities in finding and retaining certain property types. The authority reported higher than market rents for both one (28%) and two bed (15%) apartments, while three and four bed houses were secured for market or below market costs.

In addition to Tipperary North, Mayo (7%), Limerick (2%), and Tipperary South (9%) all reported costs above the market average for two bed apartments. However, the vast majority of authorities reported savings ranging from Kilkenny with the lowest savings of just 1% to 25% in Wexford. Kildare, Donegal, Cork, Sligo and Wexford all reported savings of over 20% on the market rents, while South Dublin, Fingal, Dun Laoghaire Rathdown, Laois, Longford, Meath, and Wicklow reported more than 10% savings.

Looking to three and four bedroom houses, just five out of twenty seven regional authorities reported average rents higher than the market prices: Donegal, Offaly, Limerick, Roscommon, and Mayo. Of these fours (Offaly, Limerick, Roscommon, and Mayo) all reported costs more than 10% higher than the market average. When allied to the returns for four bed houses, Mayo, Roscommon, and Limerick again report higher rents ranging from 1% (Limerick) to 15% (Mayo). To ensure that these figures represent a trend rather than being influenced by outliers the author linked the average rent back to the number of properties of these types reported by the

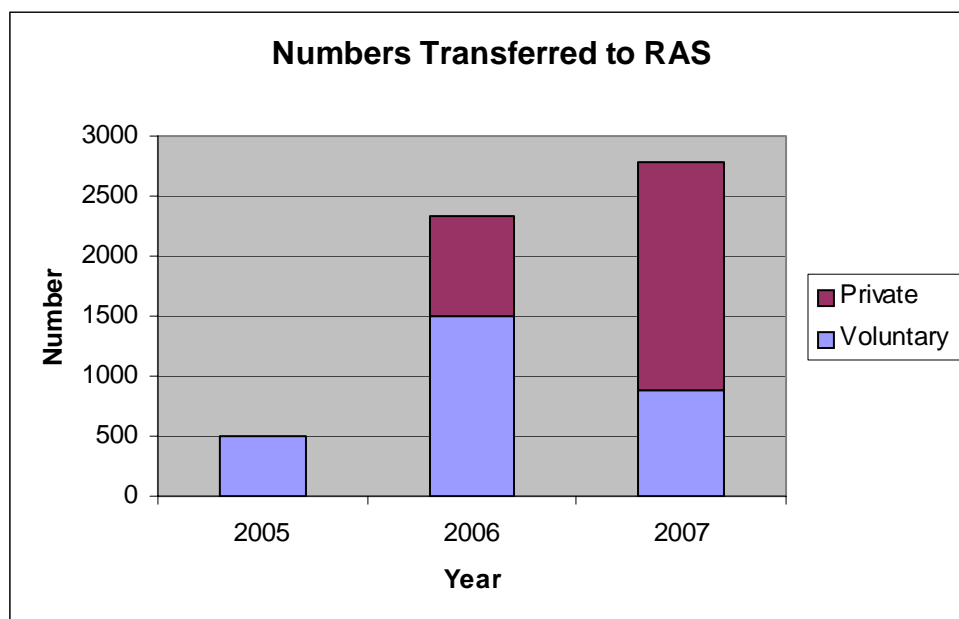
authorities. In Mayo, 40 of its 68 RAS properties were three or four bed houses, for Roscommon 41 of its 48 units were of these two types, and Limerick County saw 34 of its 40 properties within these two types. This bears out the expectation that these types of properties are more readily available in rural authorities than apartment type accommodation, however with a greater available supply of such properties, the author would expect savings to accrue. In the absence of detailed information on these transfers it is difficult to determine the factors influencing these prices, however, the author notes from the interviews with RAS programme managers and coordinators that negotiation skills and market knowledge were identified as critical elements in achieving savings under RAS contracts. Accordingly, the author suggests that an additional examination of the local market and pricing methodology for these authorities take place to determine whether up-skilling is sufficient to address this issue.

To conclude this section, the author is satisfied that, for these property types and having regard to the limitations of the data, RAS units are achieving savings over market rents in the majority of authorities and for most accommodation types. It should be noted, however, that the availability of certain types of accommodation is limited in more rural authorities and this can affect the authority's ability to (a) secure the properties, and (b) negotiate lower than market rents. The importance of appropriate negotiation skills and market knowledge are also key elements for the successful negotiation of lower rents. Accordingly, it is suggested that greater analysis of local property markets and the potential impact of this on average rents and allocations under RAS is recommended.

#### **4.2.1.3      *Transfer Activity***

Related of course to the annual cost of RAS is the level of transfer activity from long-term rent supplement (Figure 4.6). To December 2007, 5,614 households have been transferred from RS +18 months to RAS, with 505 transfers in 2005, 2,333 in 2006, and 2,776 in 2007.

**Figure 4.6: RAS transfers broken down by private and voluntary sector**

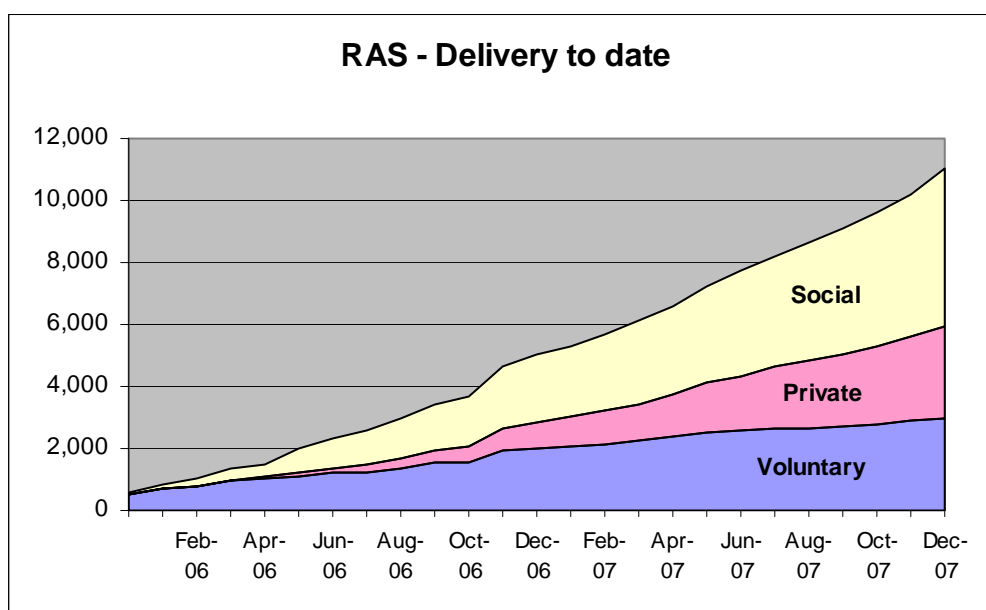


In 2006 70% (1,505) of transfers onto RAS were from the voluntary sector, while in 2007 this situation was completely reversed with 70% (1,716) of transferees accommodated in the private rented sector. Since the first transfers to RAS took place, 2,894 (November 2007) households in CAS voluntary accommodation have transferred onto RAS. The Irish Council for Social Housing (ICSH) estimates that some 3,500 households in CAS voluntary accommodation are in receipt of rent supplement for more than 18 months. Thus the reversal in the private/voluntary transfer trends indicates that the vast majority of these cases have now been transferred. In the coming years, it is expected that small numbers of RAS households will be accommodated in CAS voluntary housing schemes, however, it is unlikely that the large numbers of transfers in 2006 and 2007 from this sector will be repeated. From this perspective, RAS is beginning to fulfil its objective of transferring households in long-term receipt of rent supplement to RAS approved accommodation from within the private rented sector.

As originally envisaged in the Memorandum for Government (July 2004), in providing an integrated system of social housing options, the transfer of RS+18

households to RAS is linked closely to the transfer to other forms of social housing (Figure 4.7).

**Figure 4.7: Cumulative transfers from RS +18 to date**



In fact, a little under one third of the total annual transfer target is made up of transfers to social housing other than RAS accommodation. To illustrate progress in this area, the following table gives a breakdown of the target number of cases in each local authority and the related number of transfers to RAS and social housing. It should be noted, however, that the figure for RS +18 provided by the D/SFA is continually changing and has increased significantly since the original 2004 estimates.

Taking a snapshot of activity in 2007, table 4.5 demonstrates the progress in meeting the needs of the original target group through either RAS or traditional social housing. Since September 2005, and taking the estimated number of the target group at end October 2007, local authorities have met the long-term housing needs of 33% of the target group, with 18% accommodated under RAS and 15.3% going to social housing.

**Table 4.5:****Activity to end 2007 as a percentage of the original RS+18 target**

Local Authority	Long Term Rent Supplement Cases	Transfer to RAS	Transfer to social housing	Cumulative Totals	%
Carlow	467	43	72	115	25%
Cavan	200	64	60	124	62%
Clare	545	163	73	236	43%
Cork City	1748	445	385	830	47%
Cork County	1972	246	173	419	21%
Donegal	1046	108	786	894	85%
Dublin City	6767	973	156	1129	17%
South Dublin	2554	337	484	821	32%
Fingal	2681	102	180	282	11%
Dun Laoghaire Rathdown	894	164	90	254	28%
Galway City	1161	371	137	508	44%
Galway County	653	160	124	284	43%
Kerry	913	178	262	440	48%
Kildare	1488	130	155	285	19%
Kilkenny	384	283	106	389	101%
Laois	115	83	55	138	120%
Leitrim	95	19	33	52	55%
Limerick city	870	209	54	263	30%
Limerick county	327	190	61	251	77%
Longford	136	110	34	144	106%
Louth	736	103	240	343	47%
Mayo	1070	282	96	378	35%
Meath	337	59	59	118	35%
Monaghan	133	81	105	186	140%
Offaly	303	85	44	129	43%
Roscommon	330	94	99	193	58%
Sligo	162	116	61	177	109%
Tipperary North	248	120	59	179	72%
Tipperary South	1403	108	174	282	20%
Waterford City	558	241	116	357	64%
Waterford County	206	11	60	71	34%
Westmeath	404	109	89	198	49%
Wexford	1045	107	266	373	36%
Wicklow	1023	70	100	170	17%
<b>Total</b>	<b>32974</b>	<b>5964</b>	<b>5048</b>	<b>11012</b>	<b>33%</b>

Despite the not insignificant progress made into the end of 2007, it remains unlikely that the total target group will be accommodated by local authority housing divisions



within the implementation period (to September 2008). While this is unfortunate, the author proposes that this original objective was overly ambitious given the short timeframe and requirement to establish general implementation structures across all local authorities, not to mention the close link between the general state of the economy and rent supplement. This is particularly relevant in the current economic downturn which has seen a dramatic increase in rent supplement numbers in the past months.

#### *4.2.1.4 Case Processing*

Another measure of the efficiency of the transfer process is not just to look at the number of transfers but to also examine the efficiency of the administration of RAS. The author, in consultation with RAS practitioners, have identified a number of key stages in the administrative process including receipt of cases from the CWS, review of these cases, tenant interviews, and if cases are deemed ineligible for RAS. The following table gives an overview of the increasing levels of activity nationally across these key milestones.

These are based on self-reported activity levels from local authorities. This table demonstrates that the number of cases being processed have increased dramatically since the start of the scheme, with local authorities reviewing 600 cases a month on average. Important to note here is the substantial increase in activity nationally as compared to the moderate increase in administration fees.

**Table 4.6: Monthly Progress Reports 2006-2007**

Month	No of cases on hand	No of cases reviewed	No of Tenants Interviewed	No of cases ineligible & returned to CWO
Jan-06	5447	783	593	31
Feb-06	5828	1080	332	12
Mar-06	5217	1286	485	59
Apr-06	6674	654	494	22
May-06	5503	903	464	15
Jun-06	8655	1090	447	12
Jul-06	8315	1148	549	22
Aug-06	10346	2864	1049	62
Sep-06	7115	1009	659	41
Oct-06	7483	1342	794	147
Nov-06	10305	1700	881	29
Dec-06	9795	1474	427	0
Jan-07	13773	1219	682	73
Feb-07	14073	1271	828	25
Mar-07	14870	1250	756	24
Apr-07	16838	807	630	34
May-07	17503	1064	725	92
Jun-07	17809	880	575	71
Jul-07	19155	876	520	117
Aug-07	18261	1084	637	93
Sep-07	16933	602	451	28
Oct-07	18044	857	732	79
Nov-07	18383	729	825	48
Dec-07				
<b>Total</b>		<b>25972</b>	<b>14535</b>	<b>1136</b>

As referred to earlier, the trend in case processing has shifted over the past 18 months from mainly voluntary sector transfers to private sector transfers. This is significant in examining these data as the level of administration and activity increases substantially for private sector transfers. Taking an average on activity for the period it appears that local authorities held on average 12,014 cases on hand each month. Of these, approximately 18.8% were reviewed within the month, while interviews were held for some 10.5% of cases. Most notably, less than one percent (0.8%) of cases was returned to the CWS.

As part of the review of cases in the four case study areas, the author recorded the length of time it took for local authorities to transfer a client to RAS i.e. the

processing time involved. This was measured from the first communication with the tenant, either local authority or tenant initiated, to signing the rental agreement. While the average processing time across the four areas and over 150 files reviewed was five months, it should be noted that this timeframe varied depending on a number of factors, not least whether the case involved the sourcing of alternative accommodation.

Dublin City Council recorded an average case processing time of 5.12 months which, given that the largest number of files (n=99) reviewed were from the City Council, is as expected very close to the overall average. The spread in processing times varied from one month up to 15 months. Shorter processing times were generally recorded where tenants were transferring to the scheme in their existing accommodation. Waterford City, the other urban authority reviewed, had an average processing time slightly under average at 4.62 months. With one outlying result of over 16 months, processing times are generally close to or just below the average time.

Looking to the rural authorities reviewed, Westmeath County Council recorded an above average processing time of 6.67 months with a range between one and fourteen months. Significant differences were reported in the times recorded between those tenants moving with accommodation and those seeking new accommodation, which reflects the supply difficulties experienced in more rural authorities. While Donegal County Council recorded a very short two months average, this may not be reflective of greater efficiencies in processing cases for two main reasons. Firstly it was based on a much smaller number of transfers and secondly the majority of transfers related to single agreements with landlords for multiple units.

Overall, the two urban authorities of Dublin City Council and Waterford City recorded case processing times approximating 5 months, with Westmeath County Council averaging over 6 months. These appear to be acceptable timeframes for a new process that involves a number of different stages and stakeholders, with only the challenge of finding appropriate accommodation creating significant delays. It is suggested, however, that trends in the timeliness of case processing may warrant

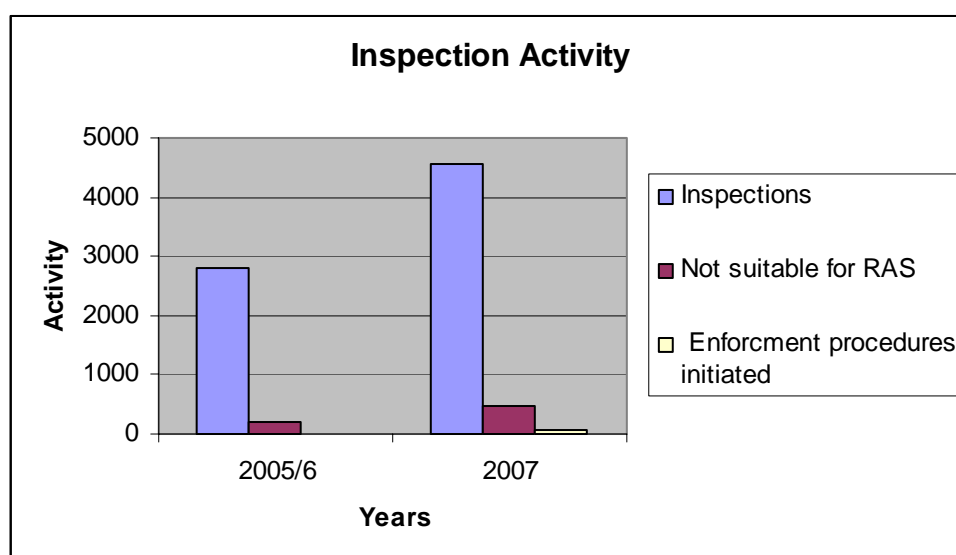
further examination in the future as the processing of cases becomes more established and embedded in the work of the relevant personnel.

#### 4.2.1.5 *Inspection Activity*

The effectiveness of RAS however cannot be measured in just the number of cases transferred or the time taken to process each case. Each local authority is required to undertake a range of additional work including the review of cases, interviews with landlords and tenants, and to conduct inspection of properties.

One of the primary objectives of RAS was to ensure quality accommodation for rent supplement transferees. To measure the effectiveness of this objective the author examined the number of inspections, and results of those inspections, that have been undertaken by each local authority as follows. Although information is limited due to the short operation of the scheme, this graph shows a significant increase in inspection activity from 2005/6 to 2007, of 24% in inspections, 39% in properties found to be not suitable, and 58% in enforcement procedures.

**Figure 4.8: Overview of inspection activity 2005-2007**



The following table breaks down the information by local authority, and presents the total number of properties not suitable for RAS as a proportion of the total number of

inspections. A number of issues arise with this data, not least the inconsistencies in the total number of inspections undertaken as compared to the number of private transfers for that authority e.g. Leitrim. Interview responses from RAS co-ordinators and Programme Managers in the case study areas indicated discrepancies in the way that inspections are carried out which might impact on the validity of these data. Whereas some authorities require a full technical assessment, other authorities are satisfied with inspections carried out by environmental health officers, with others depending on inspections by RAS trained staff and supported by landlord certification.

**Table 4.7: Overview of Inspection Activity by Local Authority**

Local Authority	Total no of landlord properties Inspected	Total No of properties inspected but not suitable for RAS	Total No properties where enforcement procedures initiated	Proportion of properties not suitable
Carlow	131	3	0	2%
Cavan	51	14	0	27%
Clare	358	54	7	15%
Cork City	457	31	22	7%
Cork County	262	26	0	10%
Donegal	575	45	0	8%
Dublin City	775	19	0	2%
South Dublin	984	70	0	7%
Fingal	177	2	0	1%
Dun Laoghaire Rathdown	156	4	0	3%
Galway City	347	46	18	13%
Galway County	66	12	3	18%
Kerry	378	17	0	4%
Kildare	142	13	0	9%
Kilkenny	99	35	6	35%
Laois	63	4	1	6%
Leitrim	2	0	0	0%
Limerick city	149	11	11	7%
Limerick county	127	11	0	9%
Longford	142	3	0	2%
Louth	602	92	2	15%
Mayo	129	13	0	10%
Meath	84	20	0	24%
Monaghan	37	19	0	51%
Offaly	208	15	7	7%
Roscommon	143	1	0	1%
Sligo	151	67	0	44%
Tipperary North	149	1	0	1%
Tipperary South	77	13	0	17%



Waterford City	114	7	0	6%
Waterford County	24	3	0	13%
Westmeath	168	6	0	4%
Wexford	54	7	0	13%
Wicklow	100	0	0	0%
<b>Total</b>	<b>7481</b>	<b>684</b>	<b>77</b>	<b>9%</b>

While nationally just 9% of properties were deemed unsuitable for RAS, this figure varies considerably across the national picture. Highlighted in red are authorities where more than 25% of all properties inspected were deemed unsuitable for RAS rising to 51% in Monaghan. As outlined earlier, because of a lack of standardisation in the inspection process such a high proportion of unsuitable properties may be due to more stringent inspection criteria. To determine whether or not this is a possibility the author examined the number of enforcement procedures carried out in these areas of high levels of unsuitability and found that in all cases bar one no enforcement procedures were initiated. Procedures were initiated in 17% of cases deemed unsuitable for RAS in Kilkenny which is slightly above the national average of 11%. Although outside the scope of this study a more comprehensive examination of inspection methodology and decision taking around enforcement procedures is recommended for future reviews of the scheme.

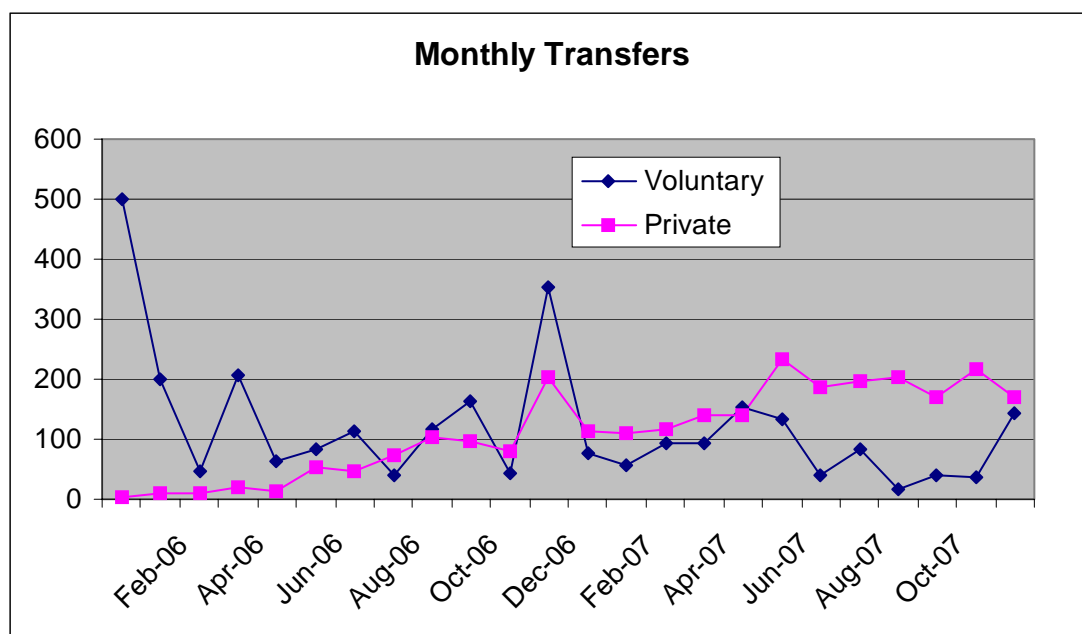
#### **4.2.2 Effectiveness**

This section will examine the effectiveness of the implementation of RAS for the period of the review. This section will first build on the work undertaken by the Centre for Housing Research in 2005 and 2006 by examining the performance of the scheme with respect to the targets and levels of expected output as set by the D/EHLG and local authorities over the period. It will, furthermore, contextualise the levels of transfers achieved in terms of broader activity measures. Following this it will set RAS performance against stated objectives, not already examined in the efficiency section of the paper, for the scheme. It should be noted, however, that given the relatively short period of operation of the scheme the review will be limited to the specific and operational objectives for the scheme.

#### 4.2.2.1 *Transfer Targets*

The annual target set by the D/EHLG and D/SFA for transfers from those on long term RS +18 to RAS and other social housing schemes is 5,000 including transfers to social housing. To December 2007 5,964 households have been transferred to RAS. These transfers are housed by CAS voluntary housing schemes or in private rented accommodation. In 2005/2006 70% of transfers to RAS were sourced in the voluntary sector, while in 2007 there was a complete reversal of this trend with 70% of transferees accommodated in the private rented sector. This trend over the period of the review is outlined in Figure 4.9 below.

**Figure 4.9: Monthly transfers to RAS by housing sector.**



This graph illustrates that apart from the occasional month, the trend for transfers to the voluntary sector has decreased consistently while transfers to the private sector have increased over time. As one of the main objectives of RAS is to use the private rental market to house people on long term rent supplement, this would seem to support the assertion that more people are in fact being transferred to private rental accommodation under RAS as the scheme continues. As discussed earlier in this chapter, using estimates from the Irish Council for Social Housing, it is unlikely that

transfers to the voluntary sector will represent a significant part of the total RAS transfers in the coming years.

Table 4.8 offers a breakdown of all transfers, by private or voluntary accommodation type, over the period covered by the review. Nationally, the ratio of voluntary transfers to private transfers is 1:1. Looking first to the lead authorities of Dublin, Cork, Limerick, and Galway City Councils and South Dublin, Offaly, Donegal, Louth, and South Tipperary Councils involved in the first phase of RAS implementation. It was expected that these authorities would demonstrate a higher level of activity, particularly in relation to transfers to the private rented sector, than other similar authorities given the longer implementation period they were afforded. While the majority of lead authorities do demonstrate a higher ratio of private transfers than voluntary transfers i.e. South Dublin (8.6), Louth (5.06), Offaly (3.05), Limerick City (2.17), Galway City (1.85), a number of lead authorities are matching private to voluntary transfers (Dublin City at 1.09 and South Tipperary at 1.08), or have more voluntary than private transfers, Cork City (0.61) and Donegal (0.66). As these ratios may be unduly influenced by a higher than average stock of voluntary accommodation which more easily transferred in the early implementation phase, it is important to track this trend over the coming years to ensure the achievement of this objective into the future.

**Table 4.8: Breakdown of Private and Voluntary Transfers**

Local Authority	Total Voluntary Transfers @ end 2007	Total Private Transfers @end 2007	Total
Carlow	33	10	43
Cavan	49	15	64
Clare	48	115	163
Cork City	276	169	445
Cork County	205	41	246
Donegal	65	43	108
Dublin City	465	508	973
South Dublin	35	301	336
Fingal	0	102	102
Dun Laoghaire Rathdown	53	111	164
Galway City	130	241	371
Galway County	136	24	160
Kerry	21	157	178
Kildare	65	65	130

Kilkenny	215	68	283
Laois	56	27	83
Leitrim	5	14	19
Limerick city	66	143	209
Limerick county	146	44	190
Longford	0	110	110
Louth	17	86	103
Mayo	220	62	282
Meath	40	19	59
Monaghan	81	0	81
Offaly	21	64	85
Roscommon	47	47	94
Sligo	90	26	116
Tipperary North	29	91	120
Tipperary South	52	56	108
Waterford City	173	68	241
Waterford County	4	8	12
Westmeath	29	80	109
Wexford	76	31	107
Wicklow	18	52	70
<b>Total</b>	<b>2966</b>	<b>2998</b>	<b>5964</b>

Taking the lead authorities as (a) representative of the country as a whole in terms of rural and urban splits, and (b) as having the longest history of transfers, the author broke down the transfers for the lead authorities between the years 2005-2006 and 2007 to determine any significant trend between voluntary and private transfers. As shown in the following table the number of voluntary transfers was seen to be slightly ahead of private transfers in 2005/6, with this position reversing significantly in 2007 where almost five times as many private transfers occurred as voluntary transfers. The author suggests that given that accommodation in the voluntary sector is of an appropriate standard for RAS, the administrative gains associated with dealing with landlords with multiple units, and the lack of rent negotiation as part of the process, processing voluntary transfers first might have afforded local authorities with some “quick wins” in the early phase of implementation.

This trend away from voluntary transfers in 2007 lends further credence to the earlier conclusion that going forward the scheme will be much more focussed on private transfers having exhausted the voluntary sector stock. In addition, the author concludes that this finding should allay concern expressed during interviews with

representatives of the CWS where it was suggested that one of the failures in the implementation of RAS was its focus on “easy” voluntary transfers.

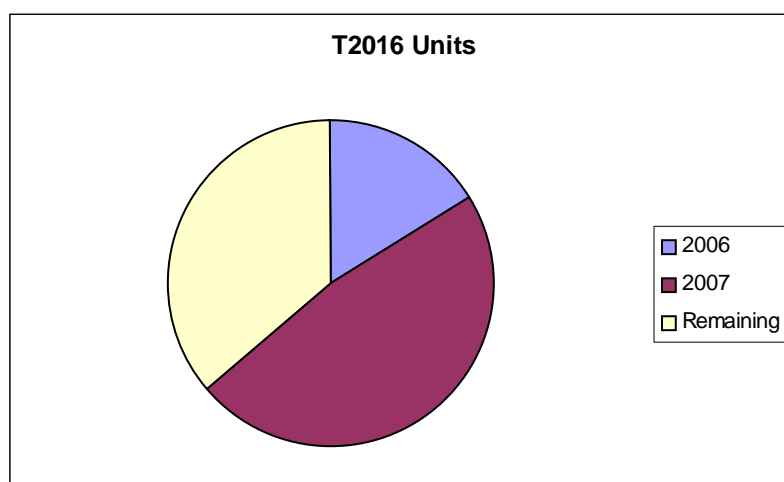
**Table 4.9: Breakdown of private and voluntary transfers by year and lead authority**

Local Authority	2005/2006 Voluntary Transfers	2005/2006 Private Transfers	2007 Voluntary Transfers	2007 Private Transfers
Cork City	199	22	77	147
Donegal	65	5	0	38
Dublin City	431	238	34	270
South Dublin	9	159	26	142
Galway City	81	89	49	142
Limerick city	57	51	9	92
Louth	16	24	1	62
Offaly	21	30	0	34
<b>Total</b>	<b>879</b>	<b>618</b>	<b>196</b>	<b>927</b>

#### 4.2.2.2 *Towards 2016 Targets*

Under the terms of the current Social Partnership agreement –*Towards 2016*- the D/EHLG has committed to the delivery of long-term contractual arrangements for the supply of 1,000 new units. By the end of 2007, 638 of these units have been delivered, ahead of the original target of 600 units, and at a cost of €5.96 million.

**Figure 4.10: Towards 2016 units**



Funding for these units is allocated to each local authority on the basis that three “matching” units would also be sourced for the scheme. Given the difficulty in distinguishing between regular transfers and “matched” units, as well as the supply constraints in some authorities, it was not possible to accurately determine the extent to which this has been achieved. However, taking the total number of private transfers as a proxy figure to determine whether or not authorities are operating at or above the agreed level under *Towards 2016* in terms of delivering three private units for each unit provided for under *Towards 2016*, the following were noted. While the vast majority of authorities do have at least three times the level of private transfers as *Towards 2016* units, Carlow, Waterford County, Fingal, Limerick City, and Meath all reported less than three times the number of private transfers than *Towards 2016* units. While sufficient supply may be an issue in rural authorities, this should not be the case in the urban or near urban authorities of Fingal, Limerick City, and Meath. Some further review of the activity levels around these units is recommended.

**Table 4.10: Towards 2016 targets and Matching Units**

Local Authority	Total new Units under PPP/Partnership "Towards 2016" @ end 2007	Total Private Transfers @end 2007	3:1 Ratio
Carlow	28	10	0.36
Cavan	3	15	5.00
Clare	28	115	4.11
Cork City	9	169	18.78
Cork County	7	41	5.86
Donegal	0	43	N/A
Dublin City	61	508	8.33
South Dublin	79	301	3.81
Fingal	39	102	2.62
Dun Laoghaire Rathdown	18	111	6.17
Galway City	44	241	5.48
Galway County	7	24	3.43
Kerry	39	157	4.03
Kildare	20	65	3.25
Kilkenny	5	68	13.60
Laois	4	27	6.75
Leitrim	1	14	14.00
Limerick city	54	143	2.65
Limerick county	12	44	3.67
Longford	16	110	6.88
Louth	28	86	3.07
Mayo	17	62	3.65



Meath	7	19	2.71
Monaghan	0	0	N/A
Offaly	19	64	3.37
Roscommon	5	47	9.40
Sligo	0	26	N/A
Tipperary North	24	91	3.79
Tipperary South	13	56	4.31
Waterford City	17	68	4.00
Waterford County	4	8	2.00
Westmeath	6	80	13.33
Wexford	2	31	15.50
Wicklow	22	52	2.36
<b>Total</b>	<b>638</b>	<b>2998</b>	<b>4.70</b>

The Memorandum for Government (July 2004) also made provision for the acquisition of new units for RAS through PPP type arrangements and €20 million (value of capital works) was allocated in 2006 for this type of procurement of properties under RAS. Following a request from the D/EHLG, a number of local authorities sought expressions of interest for PPP projects to provide RAS units in their area. Due to a lack of market interest, however, only one local authority, Louth County Council, was able to agree a long- term contract for 8 units. At the time of writing a second agreement for the provision of 10 units over 20 years is currently being negotiated. The capital value of the 18 properties involved is estimated at between €4.5m and €5.5m. However, the properties are being acquired on a lease only basis and an asset transfer is envisaged on the conclusion of the contract.

In line with the target set in *Towards 2016*, and the stated operational objective of expanding the PPP model, the Department has during the period of the review maintained its commitment to procuring up to 1,000 RAS units on long-term leases through PPP arrangements. To that end, the Affordable Homes Partnership (AHP) were engaged in a process of competitive dialogue for the procurement of these units for RAS in the Dublin area (Dublin, Kildare, Louth, Meath and Wicklow). Although outside the scope of this review, the author notes that the current market, as well as the development of a new leasing programme, have led to the suspension of this process pending further review.

#### 4.2.2.3 *Provision of high quality, secure accommodation to benefit clients*

The original Memorandum for Government, as well as subsequent literature and local authority stakeholders, identified the provision of high quality accommodation, with secure tenure, to RS+18 clients as key objectives for the scheme. In addition, it was designed to have the additional benefit of avoiding the social exclusion traps inherent in rent supplementation by encouraging and facilitating clients to return to employment. Taking these linked objectives together, this section will examine whether RAS ensures high quality accommodation, whether tenures are secure, and finally, will offer some thoughts on whether the scheme encourages clients to return to work.

In terms of improvements to the quality of accommodation included within the scheme, the review has already determined an increase in the number of property inspections carried out since 2005. However, this does not give an indication of any improvement in the quality of accommodation. Therefore, as part of the review of case files in each of the case study areas, the files were reviewed to determine whether improvements were undertaken prior to properties being taken onto the scheme. The cases included new properties as well as properties where the client already lives. Of the 156 cases reviewed, some 93 or 60% required improvement to the property before transfer could take place. This information is however limited as the information was either not recorded or was not recorded in a comprehensive way. The scale of the improvements varied significantly too, with many more properties only requiring additional fire safety measures (smoke alarms, fire extinguishers etc.) than significant structural/improvement works. Again there were differences in the assessment and reassessment of the properties with some cases only requiring a certification by the landlord that works had been completed and others re-inspecting the property. It should be noted however, that given the sample size it was not possible to determine whether there is any correlation between the scale of the works and the undertaking of a re-inspection.

A second measure of delivery of this objective is the response of clients to the quality of the accommodation. During the two focus groups with tenants of the scheme, participants were asked to describe their experiences of living in RAS

accommodation. One of the key findings from this element of the discussion was the general satisfaction with the quality of the accommodation which participants describe in the following terms:

‘Not just liveable but comfortable’

‘Beautiful’

‘Perfect’

‘My apartment is gorgeous’

‘Nothing needs doing’

One participant described a feeling of empowerment to request necessary improvements to the property in the future, stating that previously when on rent supplement:

‘I wouldn’t have had courage to ask’.

Although many participants described how their landlords were now more responsive to their needs, in terms of conducting repairs etc., the experience of other participants (who had transferred in their existing accommodation) had not changed because of their transfer onto the scheme. A number felt that they would work hard to keep the accommodation at the same standard as it now was and described themselves as happy with their accommodation. In addition, some participants indicated that they felt that the RAS accommodation was ‘their own’ and felt reassured that if they had to move, the Council would ensure that the move was to ‘somewhere nice’. Overall, the response of participants indicated a high degree of satisfaction with accommodation quality, with some participants noting improvements in accommodation condition and engagement by the landlords after transfer onto the scheme.

In tandem with the provision of high quality accommodation, RAS aims to provide greater security of tenure to clients of the scheme. Again during the review of case files the author reviewed the average length of rental agreement, where the information was available. The following provides an overview of the results:

Length of Lease	1-3 Years	4 Years	5 Years	> 5 Years
Numbers	4	89	10	25

Of the cases where the information was available, the majority of cases involved agreements for four years (69.5%) indicating that the medium term housing needs of households are being met by the scheme. For longer-term needs to be met, agreements of over five years would need to be signed which was the case in 19.5% of files reviewed. To determine the effectiveness of the scheme in meeting this objective, the author returned to the review of households on the scheme which indicated that over 75% of households in the scheme are single people or single people with one dependent. As identified in interviews with RAS co-ordinators and programme managers this group are a key target for the scheme, and single people in particular are often not likely to receive offers of traditional social housing under authorities' allocations procedures. Therefore, for the scheme to be fully effective in meeting housing need and providing the appropriate security of tenure to this group, the scheme needs to encourage landlords to engage in longer term contracts. However, every care should be taken to ensure that where a longer term contract is being negotiated, there is sufficient housing need beyond that of the tenant in question should that tenant decide to move on from the scheme.

Despite this, the feedback from scheme clients was predominantly positive when questioned about security of tenure. A number of clients indicated relief at joining the scheme and satisfaction at not having to worry about moving in the near future:

'It's great to know it's yours for 5 years, I don't mind buying things for it'

'Feel safe'

'It takes a lot of pressure off.'

Many described how they no longer felt at the 'mercy' of the HSE welfare officers and now able to plan their life. One participant in particular noted the security that the scheme offered in terms of meeting requests for additional "under the counter" payments:

'If I wasn't on RAS I'd be on the floor-just wondering if I could pay another 100 euro. Now I didn't care. I know if they did sell, RAS would get me another place.'

This comment is particularly noteworthy as it highlights the dichotomy between the "security of tenure" of traditional social housing, whereby the tenants have a secure right to the dwelling provided to them, and RAS, where the security is provided

through a commitment by the local authority to ensure that the household is housed under the scheme whether in the same dwelling or a suitable alternative should the need arise.

While participants were generally in agreement on the above, a couple of participants expressed their concern that, while feeling more secure, there were no injunctions against landlords selling the property. And some participants still felt that a traditional social house would be preferable in terms of providing absolute security of tenure. It was suggested that the local authority would consider purchasing RAS properties after a period of time on the scheme. The discussion also saw clients indicating no desire to move from RAS to social housing seeing it more as an opportunity for them to regularise their financial position and move into the property market at a later stage. One participant described how after moving on to RAS:

‘I want my circumstances to change. I am not going to stay the way I am. I’m going to buy my own property.’

Another said:

‘Delighted to get the 5 years from the Council’. Need the 5 years to get sorted. I don’t think I would go for a council house. .. take 5 years to sort out life and then buy your own house.’

Landlord perceptions of this aspect of the scheme were explored during the telephone interviews to determine their attitudes towards long-term leases with RS+18 clients. A major selling point of the scheme for landlords it emerged, with agreement from all twelve interviewees, was the guarantee of rental income over the length of the lease. In fact, this was the aspect of the scheme that most attracted them to RAS and they were prepared to forgo the possibility of higher rents in the open market in lieu of this guarantee. In addition, there was consensus that the fact that local authorities would find and assess tenants when vacancies arise was another attractive aspect of the scheme. Therefore it can be inferred that landlords on the scheme are willing to negotiate for longer term, however the matter of relinquishing nominating rights remains difficult in these early stages of the scheme. The attractions of a guaranteed rent under the scheme, and the move towards local authority autonomy in the

nomination of tenants, should be taken into account by local authorities in negotiating new leases and, in particular, for renegotiations.

Finally, a key objective of the scheme was to enable and encourage clients to return to work as a means of eliminating the inherent poverty trap under Rent Supplement<sup>7</sup>. Although an attempt was made to determine the number of clients on RAS that had returned to work or education nationally, it was found that this information was not being collected by local authorities. The matter was, however, discussed at the tenant focus groups where there was a generally positive response to the facility to return to work/education under RAS. Participants reported the following higher work expectations:

‘I can now look for promotion without fear of the effect on my rent allowance’.

‘On rent supplement you don’t bother to get a job’

Some participants had returned to education and were undertaking third level courses, some were in part-time employment, and others described themselves as looking for work. All the participants in these three categories felt more motivated to make these plans than when they had been on rent supplement and looked forward to being more independent with some indicating a desire to move on from state supports altogether. An ancillary benefit of participating in RAS was the move to differential rents whereby increases in pay were perceived as having a minimal effect on rent contributions.

#### **4.2.2.4      *Quality Customer Service***

One of the main specific objectives identified both in the literature and among stakeholders was the need to provide a quality customer service within the Rental Accommodation Scheme. The two main customer groups for the scheme are, of

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<sup>7</sup> In June 2007, new measures were introduced by the D/SFA to encourage rent supplement recipients to take up employment, training or other progression opportunities to provide for the gradual withdrawal of rent supplement as hours of employment or earnings increase. Where a person, working up to 30 hours per week, has additional income in excess of the appropriate weekly rate of supplementary welfare allowance, the first EUR75 of such additional income together with 25% of income above EUR75 is disregarded for means assessment purposes.

course, RS+18 clients transferring to the scheme and the landlords providing RAS accommodation. In the first instance, the service provided by RAS units was examined by clients in two focus groups in Mullingar and Dublin. In all instances the clients indicated that they had been contacted by the local authority rather than approaching the authority, and there was agreement that the application process was clear and easy to use with clients describing the process as “brilliant” and “no problem at all”. A number of clients expressed the feeling that now “somebody cared” about their [families’] housing needs.

When asked about the time taken to move onto the scheme there were divergent views, reflecting the previously discussed supply driven nature of the scheme. In one instance, a client felt that the process was too fast giving little time to prepare for the move, while two other clients indicated waiting for periods of eight months to two years for accommodation under the scheme.

In all cases the relevant RAS staff were seen in a very positive light and were described as being very helpful, well informed, and willing to make an extra effort to get positive results for their clients. The following are some comments made during the course of the discussions:

‘They treat you as a normal person. They don’t use big words. Say it as it is’

‘the staff were excellent’

’They had your files to hand’

‘They didn’t put you on hold for hours’

In terms of the second customer group, RAS landlords were asked a number of questions regarding their experience of the process and their views on the effectiveness of the RAS units. Although first contact with RAS came from a variety of sources including advertisements in local media, word of mouth, and direct contact from the local authorities, all landlords agreed that the RAS units were efficient in moving them through the process. None of the landlords surveyed indicated any difficulties with the inspection process or indicated dissatisfaction with the time taken

to move onto the scheme. Three quarters of those interviewed indicated that they would recommend RAS to another landlord without condition, while two indicated that they would recommend it only to some landlords. Only one landlord said they would not recommend the scheme. Due to the limited time of operation of the scheme none of the landlords interviewed had undergone a rent review, and it is suggested that this form a key element of the next review of customer service.

Overall, the author is satisfied that RAS provides a quality customer service to tenants and landlords. Although the research methods used to ascertain RAS tenant and landlord satisfaction were limited in terms of sample size and represent a small number of locations across the country, the standardised nature of the process (as provided for in the RAS guidance manual) suggests that these experiences would not be uncommon. However, it is recommended that as the scheme progresses that a more formal customer satisfaction review be built into the process e.g. through feedback surveys at key points in the process like inspection, rental agreement, rent review.

### **4.3 Rationale for the current and future investment in RAS**

Having regard to the foregoing sections 4.1 and 4.2, which have determined that the scheme is for the most part operating efficiently, and is meeting its objectives, the review must also examine the ongoing rationale for investing Exchequer funds in RAS by benchmarking it against the two other social policy instruments available to this client group i.e. traditional social housing and rent supplementation.

#### *4.3.1 RAS Vs Rent Supplementation*

Having already determined that the current implementation of the Rental Accommodation Scheme is delivering on its annual transfer targets, although not the global objective of full transfer of all RS+18 to RAS, the author undertook to compare the average cost of delivering RAS units as compared to rent supplement (Appendix 6). It should be noted, however, that the analysis is limited in that it is based on the rent caps provided by D/SFA. It is also not reflective of the full cost of the scheme as

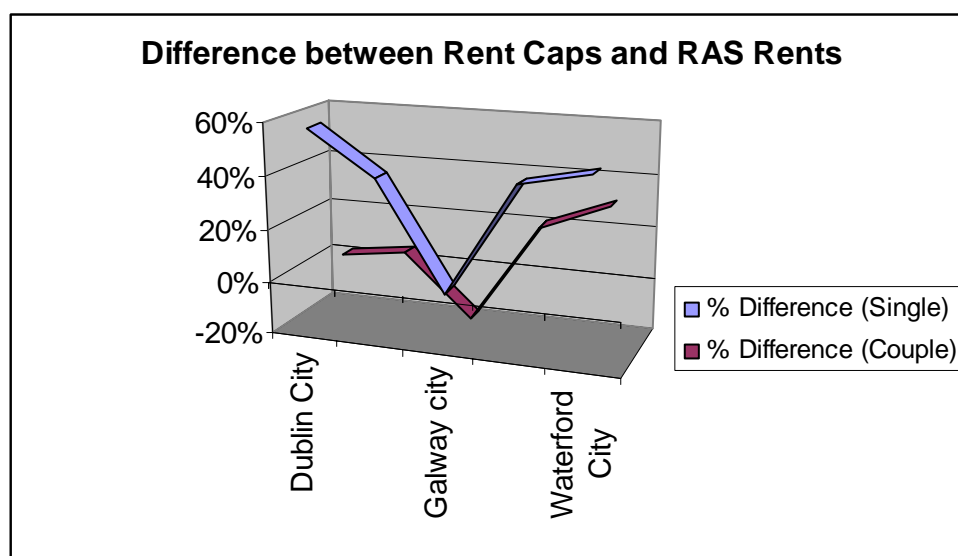
it does not include personal rent contributions under the rent supplementation or the differential rent scheme, nor is it in a position to calculate the cost of under the counter payments which, it is recognised anecdotally at least, are prevalent. It should also be noted that the rent caps are calculated having regard to household composition rather than accommodation type. That said, the author has linked certain rent cap categories with the type of accommodation that a local authority would provide them with e.g. single person in a one bed apartment, couple and two children in a three bed house.

Looking first to the urban authorities of Dublin, Cork, Limerick, Waterford and Galway, for one bedroom apartments which the local authorities deem suitable for both single people and couples with no children, there were striking discrepancies between the rent caps and the average monthly rent. For single person households, the rents caps are far less than the average RAS rent for those areas with a difference of 41% in Cork City, 43% in Limerick City, 48% in Waterford City, and 58% in Dublin City. From interviews with RAS personnel in Waterford City, the relatively high price for a one bed apartment is accounted for by the relative scarcity of this type of accommodation in the City as well as the authority taking advantage of a long-term, multi-unit opportunity. That said, the much lower rent caps might be reflective of bedsit accommodation rather than one-bed apartments. However local authorities have been moving away from such accommodation in preparation and (since this work was undertaken) following the new private rented standards. As such a revision of the basis for determining this particular cap should take place to ensure that accommodation provided meets the new standards.

Galway City alone bucks this trend with average reported rents for one bed apartments of €500 per month relative to a rent cap of €498 per month. It was not possible to determine whether this might be the result of a particular multi-unit agreement or some other locational factor. The same exercise was carried out in relation to the rent cap for couples with no children and one bed apartments. Due to the higher rent cap, the differences are less striking here for Dublin City (+2%) and Cork City (+6%), however Waterford City and Limerick City respectively report

average rents 21% and 31% higher than the rent cap. Again, savings were made in Galway City, this time in the order of 18%.

**Figure 4.11: Rent Caps Vs RAS Rents in Urban Authorities**



Across the rest of the accommodation types analysed (two bed apartments, three and four bed houses), no clear trend emerged with savings being made in some authorities and on some accommodation types. While two bed apartments in Dublin City cost 6% above the rent cap, three and four bed houses were 4% and 1% below the rent caps respectively. Cork and Limerick City Councils both reported average rents in excess of the rent caps with average increases of 22% and 9% respectively. Waterford City reported savings of 9% on two bed apartments, with average rents +2% and -1% for three and four bedroom houses. In Galway City two bed apartment rents were 4% higher than the rent cap, three bed houses were 3% lower than the rent cap, and four bedroom houses were 10% higher than the cap. This would suggest that, in addition to the difficulties in assessing the impact of under the counter payments and in line with the earlier discussion on market rents, that there are particular local and operational factors that impact on the level of rent agreed.

**Table 4.11: Rent Caps Vs RAS Rent by Accommodation Type and Local Authority**

Local Authority	% Difference (Single)	% Difference (Couple no children)	% Difference (single/couple one child)	% Difference (single/couple two children)	% Difference (single/couple, three or more children)
	One Bed Apartment	One Bed Apartment	Two Bed Apartment	Three Bed House	Four Bed House
Dublin City	58%	2%	6%	-4%	-1%
Cork city	41%	6%	19%	22%	25%
Galway city	0%	-18%	4%	-3%	10%
Limerick city	43%	21%	12%	9%	6%
Waterford City	48%	31%	-9%	-2%	-1%
Carlow	41%	24%	12%	2%	5%
Cavan	3%	-24%	-11%	-21%	
Clare	27%	-2%	-6%	-7%	-11%
Cork County			-7%	-6%	6%
Donegal	0%	-25%	-33%	-11%	-19%
South Dublin	72%	12%	5%	-5%	1%
Fingal			-3%	-7%	4%
Dun Laoghaire – Rathdown	82%	4%	15%	45%	11%
Galway County	-33%	-52%		-27%	0%
Kerry	30%	2%	-1%	-43%	-8%
Kildare North	83%	23%	-6%	0%	13%
Kildare South	20%	-22%	-27%	22%	-8%
Kilkenny	25%	-4%	5%	1%	6%
Laois			5%	5%	3%
Leitrim					-12%
Limerick County	20%	-8%	8%	18%	10%
Longford	-18%	-22%	-24%	-27%	-18%
Louth	31%	15%	1%	-11%	-7%
Mayo	12%	12%	-16%	-13%	-8%
Meath	28%	0%	-3%	12%	
Monaghan					
Offaly	17%	-3%	5%	11%	
Roscommon	-4%	-4%		-17%	-17%
Sligo	30%	8%	-7%		-6%
Tipperary North	7%	7%	8%	-46%	-5%
Tipperary South	-4%	-15%	4%	-9%	4%
Waterford County	-5%	-16%		-12%	
Westmeath	7%	-11%	2%	-5%	0%
Wexford			-22%	-5%	-2%
Wicklow	11%	-24%	-3%	-19%	-11%



For Regional Authorities in the Dublin City commuter belt (South Dublin, DLRCC, Westmeath, Kildare North, Louth, and Carlow) the trend of higher average rents particularly for one and two bed apartments was noted. Fingal County Council, however, reported average rents at less than the rent caps.

Across the 25 regional authorities with average rents for two bedroom apartments, the majority (14) reported savings on the rent cap between 3% (Fingal) and 33% (Donegal). Research from the case study indicated that such savings in Donegal can be attributed to the achievement of value for money through agreements with landlords for multiple units. For three bedroom houses, 18 out of 27 authorities reported savings, while for four bedroom houses 13 out of 25 reported savings with a further two authorities reporting rents at the rent caps.

While it is fair to say that there is a general trend toward the achievement of rents at or lower than the rent caps for most accommodation types (with the notable exception of one bedroom apartments for single person households), the findings of this analysis did not provide the author with a cast iron conclusion that RAS represents better value for money than Rent Supplement. Thus the author was led to question whether such analysis could ever reach this conclusion, ignoring as it does the need to question the validity of the rent caps and the divergent objectives of the schemes themselves. Whereas the primary objective of rent supplementation, as defined by the D/SFA is:

*to provide short-term income support to assist with reasonable accommodation costs of eligible persons living in private rented accommodation who are unable to provide for their accommodation costs from their own resources and who do not have accommodation available to them from another source.*

The Rental Accommodation Scheme is designed to, at least in part, *enhance the response of local authorities to long-term housing needs*. Rent Supplement is fundamentally an income support paid directly to the client. RAS is one of a suite of housing supports whereby the local authority takes responsibility for meeting the accommodation needs of households for whatever period is deemed appropriate, while also seeking to ensure that the property is of a sufficiently high quality. In

terms of meeting these broader objectives the previous sections on efficiency and effectiveness have demonstrated the ability of the scheme to meet these, and have confirmed that the scheme is more socially inclusive than rent supplementation. Accordingly, it is perhaps more useful to benchmark the scheme against the delivery of traditional social housing rather than the income support model of Rent Supplement.

#### *4.3.2 RAS Vs. Traditional Social Housing*

Prior to comparing the costs of social housing construction and the Rental Accommodation Scheme, consideration must be given to the ability of local authorities to meet current housing need under the social housing construction programme.

The 2005 Housing Needs Assessment identified a net need of 43,684 social housing units, and every indication from the preliminary returns from the 2008 Needs Assessment is that this figure has in fact increased to 56,000 in the intervening three years despite the annual delivery of 5,559, 5,208, and 8,673 social housing units. These figures include 1,350, 1240, and 1,685 units constructed under the voluntary and co-operative sector construction programme over the period. Given the current challenges in meeting existing construction cost commitments to local authorities from the capital programme, coupled with the tightening of the available funding for the programme in 2009, it would be impossible for the local authorities to meet all of this need in the coming years. With a high proportion of households on the housing waiting list in receipt of rent supplementation, RAS therefore represents one of the only mechanisms for addressing the majority of housing need in the short to medium-term.

It should be noted that, with the majority of social housing applicants already in receipt of rent supplementation, the transfer to the Rental Accommodation Scheme does not, in the main, create an additional Exchequer cost and does offer greater control for the public purse against the vagaries of the private rented market with local authorities being party to the rental agreement.



The case study authorities were again used in the comparative analysis of the cost of social housing as compared to the rental accommodation scheme as demonstrated in the following table. The social housing costs remained static over time, augmented only by the annual cost of maintenance of the properties. On the basis of information received from local authorities this was estimated at €2,000 per annum plus 5% annual inflation. The RAS rental figures were calculated using the average rent figures supplied by the authorities, and include an estimated 5% annual inflation to account for any increases due to bi-yearly annual inflation. As the following table demonstrates, the direct cost to the exchequer for RAS is less than the cost of constructing or purchasing a social house in all four authorities over periods of one year, five years, and ten years. For periods between ten and twenty years this trend is reversed with RAS over twenty years costing more than traditional social housing in Dublin City and Waterford City Councils. RAS remains marginally cheaper in the rural authorities of Donegal (4.4%) and Westmeath (4.2%).

**Table 4.12: RAS and Social Housing Cost Projections 2007-2026**

	<b>DCC</b>	<b>Donegal</b>	<b>Westmeath</b>	<b>Waterford City</b>
<b>Social Housing 2007</b>	€ 251,000.00	€ 145,000.00	€ 162,000.00	€ 189,000.00
<b>RAS 2007</b>	€ 12,545.00	€ 5,988.00	€ 6,480.00	€ 8,189.00
<b>SH + 5yrs Maintenance</b>	€ 262,109.51	€ 156,109.51	€ 173,109.51	€ 200,109.51
<b>RAS 2011</b>	€ 69,684.38	€ 33,261.86	€ 35,994.80	€ 45,487.87
<b>SH + 10yrs Maintenance</b>	€ 276,466.94	€ 170,466.94	€ 187,466.94	€ 214,466.94
<b>RAS 2016</b>	€ 159,741.37	€ 76,248.01	€ 82,512.88	€ 104,274.38
<b>SH + 20yrs Maintenance</b>	€ 319,001.37	€ 213,001.37	€ 230,001.37	€ 257,001.37
<b>RAS 2026</b>	€ 426,538.61	€ 203,596.11	€ 220,324.45	€ 278,431.62

The foregoing was prepared having regard to the proposition by Indecon Economic Consultants that the award of a social tenancy is in effect a transfer of an asset to the tenant as while the tenant is in situ the local authority is not in a position to sell the asset on the open market. Therefore the asset, while remaining in the ownership of the local authority, has no appreciating value while the tenant remains there. This position is, however, reversed should the tenant wish to purchase the dwelling under a tenant purchase scheme. Such schemes generally operate a 50% discount on the

market value. The average tenant purchase prices for these four authorities in 2007 were €57,094 (Donegal), €226,877 (Dublin City), €110,472 (Waterford City), and €115,730 (Westmeath), although these are undoubtedly higher than the current average prices given that the calculation of tenant purchase prices is dependant on market valuations and that 2007 represented the top of the recent house price inflationary cycle.

If taken forward, assuming a 30% fall on the 2007 price in 2008, and an optimistic price inflation of 5% over each of the following years, and setting this projected tenant purchase figure against the future costs of RAS, for some time periods RAS continues to deliver greater value for money than traditional social housing. As with the previous comparison, however, this effect decreases over time.

**Table 4.13: RAS and Social Housing Cost Projections 2007-2026, including Tenant Purchase**

	DCC	Donegal	Westmeath	Waterford City
<b>Social Housing 2007</b>	€ 251,000.00	€ 145,000.00	€ 162,000.00	€ 189,000.00
<b>Average TP 2007</b>	€ 226,877.00	€ 57,094.00	€ 115,730.00	€ 110,472.00
<b>Net Cost to Exchequer</b>	€ 24,123.00	€ 87,906.00	€ 46,270.00	€ 78,528.00
<b>RAS 2007</b>	€ 12,545.00	€ 5,988.00	€ 6,480.00	€ 8,189.00
<b>SH + 5yrs Maintenance</b>	€ 262,109.51	€ 156,109.51	€ 173,109.51	€ 200,109.51
<b>Projected TP 2011</b>	€ 185,233.00	€ 46,614.00	€ 94,487.00	€ 90,194.00
<b>Net Cost to Exchequer</b>	€ 76,876.51	€ 109,495.51	€ 78,622.51	€ 109,915.51
<b>RAS 2011</b>	€ 69,684.38	€ 33,261.86	€ 35,994.80	€ 45,487.87
<b>SH + 10yrs Maintenance</b>	€ 276,466.94	€ 170,466.94	€ 187,466.94	€ 214,466.94
<b>Projected TP 2016</b>	€ 239,387.00	€ 60,242.00	€ 122,111.00	€ 116,563.00
<b>Net Cost to Exchequer</b>	€ 37,079.94	€ 110,224.94	€ 65,355.94	€ 97,903.94
<b>RAS 2016</b>	€ 159,741.37	€ 76,248.01	€ 82,512.88	€ 104,274.38
<b>SH + 20yrs Maintenance</b>	€ 319,001.37	€ 213,001.37	€ 230,001.37	€ 257,001.37
<b>Projected TP 2026</b>	€ 399,819.00	€ 100,615.00	€ 203,948.00	€ 194,682.00
<b>Net Cost to Exchequer</b>	-€ 80,817.63	€ 112,386.37	€ 26,053.37	€ 62,319.37
<b>RAS 2026</b>	€ 426,538.61	€ 203,596.11	€ 220,324.45	€ 278,431.62

While the inclusion of tenant purchase in the calculation was included for the sake of completeness of the analysis, it should be noted that not all social housing dwellings are tenant purchased and as such, this offsetting of the costs may not be guaranteed or

may only be relevant for a proportion of the total stock. In addition, under the social housing reform programme the tenant purchase model is to be largely replaced with a new incremental purchase model which sees the front loading of the tenant purchase of the house to the first five years in the dwelling at a substantial discount. As such, there is little likelihood that the longer term calculations will have much relevance for the social housing programme going forward.

#### **4.4 Alternative policy and organisational approaches to RAS**

At the outset of this examination of alternative approaches to RAS, it should be noted that RAS is in itself an alternative approach to meeting housing need of clients in receipt of rent supplementation for more than eighteen months. This, coupled with the relatively short timeframe for operation of the scheme and the not insignificant investment of time and resources into the establishment and rolling out of the scheme, leads the author to suggest that such an examination of alternative approaches would be more appropriate for the final review of the implementation of RAS rather than this Interim review. That said, the author has reviewed recent work by the D/SFA (2006) and Centre for Housing Research (D/EHLG, 2004b) which examined the effectiveness of similar schemes in operation internationally to benchmark their effectiveness in the first instance and to identify any potential improvements which may be applied to the current operation of the RAS scheme.

An ongoing area of debate in social housing policy, not least between our own Rent Supplement Allowance and Rental Accommodation Scheme models, is the balance between provision/subsidisation of accommodation supply (Social Housing/RAS) or personal subsidisation of individuals and households in need of assistance (RS). While some social policy theorists favour the latter on the grounds of promoting personal choice, this debate must be considered from the perspective of market and other outcomes including cost to the Exchequer, the creation of affordability problems for low income households, and Government involvement in the private rented sector.

In the first instance, international experience suggests that the personal subsidisation model may have a negative impact on the cost to the exchequer of supporting these vulnerable households. Currently some 14 countries within the EU offer some type of housing allowance, however the extent of the allowance and its uptake varies significantly. Whereas less than one percent of households in Belgium, Luxembourg, Italy, Greece, Spain and Portugal receive such allowances, this figure is much higher for Denmark, France, the UK and Finland where some 20% of households receive an allowance. The structure of such schemes varies widely e.g. the UK provides a housing benefit allowance often accounting for 25% of the household income to cover the cost of rent (although there are complex and extensive rules on maximum levels in the private rented sector) to the 15.7% of the total social housing stock supplied by the private rented or housing association, while in Finland such allowances are typically much smaller or about 12.5% of the household income.

Looking at the Irish context, the D/SFA in its 2006 review of rent supplementation identified a correlation between allowances and rents particularly in the lower end of the rental market. The CHR confirmed this finding in a review of mean market rents in two HSE regions (Dublin/Kildare/Wicklow and Cork/Kerry) whereby certain property types tend to be priced in line with current supplement limits and therefore the majority of tenants in these properties are in receipt of rent supplement. Accordingly this gives rise to a negative outcome for the public purse as more households receive the highest available allowance to reflect the new market position. In addition, such policy changes and their impact on rents at the lower end of the market can also create affordability problems for low income households not in receipt of such an allowance either pricing them out of the market or, in some instances, creating additional demand for rent allowance.

In recent years the use of leasing arrangements by local and central government to meet the housing needs of low income households has become increasingly popular, with Germany, Belgium and even the UK (for emergency accommodation) all adopting this approach to a greater or lesser extent. This approach, it must be noted, is favoured by the D/SFA in its review of rent supplement as a more appropriate methodology for meeting the medium to long term housing needs of particular



households. Benefits of this approach noted in the literature are the increase in stock available to Government to meet housing need, and the potential for the state to act as a mediator against discrimination of certain population groups within the sector.

To conclude, and having due regard to the difficulties already outlined in determining alternative approaches to the Rental Accommodation Scheme, the international evidence suggests that the principles of such an approach continue to have relevance in an Irish context with the benefits identified in line with the scheme's objectives and current housing policy. At this early stage of the implementation of the scheme it is difficult to ascertain the overall impact of RAS on the private rented sector and more specifically, to determine the delivery or otherwise of the social inclusion objectives of the scheme. The author recommends that such research be included in the final review of the scheme due in the coming years.

#### **4.5 Performance indicators**

Following this examination of the efficiency and effectiveness of the implementation of the scheme, as well as setting it against alternative social policy interventions, consideration was given to the establishment of a set of key performance indicators by which the scheme will be measured in future. These are divided into a number of categories relating to the different aspects of the scheme; financial, activity, and social policy.

##### *4.5.1 Performance Indicators: Value for Money*

As RAS is a market based delivery mechanism, it is appropriate that rents under the scheme continue to be measured against the prevailing market rents. However, to ensure that this indicator is accurate it is crucial that the D/EHLG have access to a comprehensive database of current market rents. While some efforts have been made to use PRTB data, the author is concerned that the current collection methodology is not appropriate for this use given that rental information is point in time, rather than current, with no requirement for updating when rents change under rent review or

otherwise. Further engagement with the PRTB on this matter is recommended prior to the establishment of this indicator.

As the scheme moves beyond the implementation phase further consideration should also be given to establishing a clear baseline by which value for money will be evaluated e.g. 10% below market rents. While the author recognises the limitations of such a blanket indicator, it may also provide a useful tool by which to direct future examinations of the locational, property specific, and other factors at play in the negotiation of rents, as well as providing a clear target for each authority to achieve.

#### *4.5.2 Performance Indicators: Scheme Delivery*

Obviously the number of households transferred onto the scheme should continue to be a key performance indicator, however the author questions the validity of setting transfer numbers against the overall rent supplement or even the RS+18 group given the constantly fluctuating nature of this figure. Rather, it is proposed to maintain the indicator as the transfer of households, while the RAS eligible numbers form the basis for the establishment of national and local targets annually.

While the analysis of case processing time did provide some useful insights into implementation activity, the author concludes that it is not an absolute measure of performance given the supply led nature of the scheme and as such has not included it as one of the performance indicators into the future. Inspection and enforcement activity, however, do represent important measures of progress and are inherently linked with the overall objective of delivering high quality accommodation. However, some further research is required to ascertain the varying types of inspections carried out by local authorities, as well as a determination of the criteria for enforcement actions.

As the scheme moves into the final stages of the implementation phase, it is timely that the measurement of progress extends beyond the simple transfer metric to examine other areas of delivery under the scheme which are only just becoming relevant. During the course of the research, as well as in discussions with RAS

personnel, the author noted the issue of tenancy management as a key area for consideration for the future success of the scheme. Monitoring of progress around tenancy management can be measured in a number of ways including monitoring of the number of households transferring within and out of the scheme, in the number of anti-social cases being dealt with by RAS teams, and the incidence of rental arrears by tenants.

#### *4.5.3 Performance Indicators: Social Policy*

RAS is, at its centre, a social policy intervention that seeks to address housing need as a means of reducing social exclusion of vulnerable households. As such, it is important that the scheme's ability to meet its social policy objectives is measured in the same way as the scheme's finances and delivery are reviewed. Accordingly, key performance indicators in this area should include the number of households returning to employment or education, as well as the number of households moving out of the social housing/rent supplementation remit.

## 5. Conclusions and Recommendations

Following this examination of the Rental Accommodation Scheme for the period 2005 to year end 2007, and in line with the terms of reference for the review, a number of conclusions have been reached regarding the focus of the scheme to date, its operation, its ability to meet key financial and social objectives and finally the continued rationale for its operation. This chapter will attempt to outline these conclusions and make recommendations, where necessary, for changes to and development of the scheme into the future.

In the first instance the objectives of the scheme were identified and analysed for ongoing validity and consistency with Government policy. Divided into three categories these objectives were identified as follows:

<b>Global Objectives</b>	<b>Specific Objectives</b>	<b>Operational Objectives</b>
To eliminate long-term dependence on the Supplementary Welfare Allowance rent supplementation scheme.	To accurately identify needs and priorities, to be met through RAS or social housing.	A more effective way of meeting long-term housing need while allowing the provision of rent supplement relief to refocus on short-term needs
To enhance the response of local authorities to long-term housing needs through the range of housing options available.	To provide the most appropriate response by relevant agencies.	A price moderating factor in the rental sector.
	To ensure a high degree of co-ordination, liaison, and co-operation between the relevant agencies in order to avoid overlaps.	An opportunity to expand the PPP model.
	To promote social inclusion through promoting a return to employment and elimination of poverty traps.	The new arrangements would provide value for money and an effective use of resources.

	To ensure quality customer service.	That difficulties relating to the provision of rent supplementation should not be imported into RAS.
	To provide high quality accommodation.	That RAS would ensure tenancy registration, compliance with private rented standards, and tax compliance of landlords.
	To provide security of tenure to clients.	Streamlining funding to the Voluntary and Co-operative Sector.

Taking these and setting them against key Government policies and documents they were found to still be relevant and appropriate for the scheme, in the context of wider social policy, and as such provide a rationale for the continued operation for the scheme.

From the review of the data, the scheme generally represents value for money both in comparison with prevailing market rents, and in comparison with other exchequer funded interventions, namely rent supplementation and traditional social housing. RAS fared particularly well when set against the prevailing market rents. Despite this general conclusion the author noted a number of inconsistencies in the delivery of value for money between the various local authorities and between different types of accommodation, which the author was unable to explore due to the limitations in the research and, in many cases, limitations in the availability of data due to the relatively short implementation period for the scheme.

In particular, the differences between the viability of the scheme in urban and rural authorities merit further examination. In terms of a comparison between market rents and RAS rents, rural authorities were less likely to achieve savings than their urban counterparts especially on one and two bedroom properties (usually apartments). Although, this can be explained by the relative scarcity of such properties and the need for such supply to meet the housing needs of single adult households, it is a

trend that merits further examination, particularly when coupled with market or higher rents being negotiated for more generic three and four bedroom properties (as is the case of Mayo, Roscommon, and Limerick County). While market forces undoubtedly impact on the rental agreements, there is a clear case for strengthening the negotiation skills of individuals within RAS units or indeed harnessing this competency from other personnel within the local authority housing department to ensure competitive rents. In tandem with this, there is a requirement for a deeper understanding of the particular locational factors in areas with relatively high rental costs to ensure that, as far as possible, value for money continues to be achieved.

Due to the negative differential between the D/SFA rent caps and market rents, a direct comparison with RAS is obviously less favourable than with market rents. That said, the author noted that for many authorities and property types RAS does achieve savings. However, in certain locations there is a striking discrepancy between the D/SFA rent caps and the provision of one bedroom apartment accommodation under the scheme. This is attributed to the differing nature of the two social interventions, one which provides an income support without reference to the property, and RAS which involves the inspection and accreditation of the property prior to acceptance onto the scheme. Furthermore, while rent caps are set by overall reference market conditions, in certain urban areas the rent cap for a single person may not procure a one-bedroom apartment, with some recipients taking bed-sit type accommodation.

Throughout the review, the author stressed the limited availability of information due to the relatively short implementation period of the scheme since September 2005, and identified a number of key areas for future research to ensure the ongoing validity and viability of the scheme. In particular, the author suggests that the development of a comprehensive database of average rents would be a positive development for the future evaluation of the scheme, and indeed other related social interventions like rent supplementation. In addition, there is a strong need to explore the nature and quantum of under the counter payments to landlords. The absence of such information in this study, leads the author to determine that the value for money comparison between RAS and RS is inherently incomplete as it was not possible to

fully account for the full value of the rental income excluding as it does the statutory rent contribution and any potential under the counter payments.

This study also found that the general objective to deliver longer term agreements for RAS properties might not be as appropriate in more rural areas where housing need is by definition limited. Equally, in more rural areas it is unlikely that there is the same variation in property types to meet the disparate needs of the RAS eligible group. I refer in particular to the needs of single adult households, which, under both D/SFA rent caps and local authority allocations policies, are more suited for one bedroom properties. If the operation of the scheme is to continue to meet the needs of these particular households, the existing recoupment arrangements/allocations policies need to be more flexible to meet such need.

The scheme is also effective, in terms of its methodology at least, in delivering on its stated objective of meeting the housing needs of households in receipt of rent supplementation for more than eighteen months. During the analysis the scheme was examined in terms of its transfer activity, in terms of case processing time, inspections and a number of other measures and was, by and large, found to meet annual targets, and to be increasing activity in a number of key areas. Although outside the scope of this study a more comprehensive examination of inspection methodology and decision taking around enforcement procedures is recommended for future reviews of the scheme. Part of this review of activity also examined the effectiveness of the scheme in delivering quality customer service to both tenants and landlords. In focus groups and interviews, the response to this aspect of the scheme was overwhelmingly positive, and every effort should be made to ensure that this level of service is maintained as the scheme expands into mainstream housing provision.

Despite the scheme's positive performance against all of the above value for money and activity criteria, it is obviously not meeting its originally set target to transfer all RAS eligible cases within the implementation period. There are, however, a number of difficulties with this proposition, the first being the dramatic increase in the number of RAS eligible cases since the first Government Decision. The original decision set the target group at a mere 19,000, however by the time of first transfers this figure had

risen to almost 33,000 households. Despite meeting the annual transfer targets<sup>8</sup> of 5,000 households in 2006 and 2007 the scheme is some distance away from meeting the long term housing needs of the total RAS eligible group, particularly in light of the fact that this group is always growing as more households reach the eighteen month threshold each day. In addition, the worsening economic climate suggests that more households will remain in receipt of rent supplementation as employment opportunities contract, thus increasing even further the cohort of RS+18 within the overall rent supplement numbers. Accordingly, it is suggested that the blanket nature of this objective is not an appropriate indicator by which to measure the scheme's effectiveness, and as such should be revised as it creates a negative impression of the overall progress of the scheme.

This is closely linked to the absence of a clear methodology for the transfer of funding for the scheme between the D/SFA and D/EHLG votes. Over the past few years this transfer has been the subject of much discussion between the various Government Departments, without a clear solution being reached and with an obvious uncertainty as to the delivery of target transfers and funding for ongoing commitments being created. Accordingly, it is the strong recommendation that this situation be reviewed as early as possible both in the context of this review, and the final review of the implementation period, with a single Department taking control both of the estimates process and the setting of annual transfer targets. The author notes that as the burden of the administration and delivery of the scheme currently rests with the D/EHLG, with D/SFA support for the scheme primarily in the form of the information transfer function, it would seem logical that responsibility for the voted funding would rest with the D/EHLG. It is recognised, however, that this is a matter for further discussion between the relevant Departments.

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<sup>8</sup> These annual targets are generally agreed between the D/EHLG and D/SFA as part of the annual estimates process for the scheme.

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## Appendix 1: Template for Terms of Reference of Value for Money Reviews

The following are template terms of reference for Value for Money reviews.

“The *Public Service Management Act, 1997* and the *Comptroller and Auditor General (Amendment) Act, 1993* set the background for expenditure review as regards the achievement of economy, efficiency and effectiveness, and the maintenance of adequate systems, practices and procedures for the purpose of evaluating effectiveness (VFM). The VFM Review of Programme X will:

- 1) Identify programme objectives.
- 2) Examine the current validity of those objectives and their compatibility with the overall strategy of the Department controlling programme X.
- 3) Define the outputs associated with the programme activity and identify the level and trend of those outputs.
- 4) Examine the extent that the programme’s objectives have been achieved, and comment on the *effectiveness* with which they have been achieved.
- 5) Identify the level and trend of costs and staffing resources associated with programme X and thus comment on the *efficiency* with which it has achieved its objectives.
- 6) Evaluate the degree to which the objectives warrant the allocation of public funding on a current and ongoing basis and examine the scope for alternative policy or organisational approaches to achieving these objectives on a more efficient and/or effective basis (e.g. through international comparison.)
- 7) Specify potential future performance indicators that might be used to better monitor the performance of programme X.”

A VFM Review should not, as a general rule, recommend an increased resource allocation for the programme concerned. Where, in exceptional circumstances, it is proposed to recommend such an increase to deliver better overall VFM, the Department’s/Office’s overall Steering Committee (or MAC) should be consulted in advance and should identify possible savings and/or additional income on other lower priority programmes (for the Department/Office concerned or another public body)

that would be sufficient to meet the additional costs involved: full details of these offsetting measures should be included in the VFM Review report.

16 June 2006



## **Appendix 2: RAS Value for Money and Policy Review Steering Committee**

Rosalind Carroll	Programme Manager, Local Authority
Ursula Gilhawley	D/SFA
Kathleen Holohan	Director of Housing Services, Local Authority
Breda Kenny	Vote Section 25, D/Finance
Eddie Lewis (chair)	Social Housing (Procurement and Construction), D/EHLG
Deirdre Mahony	Social Housing (Procurement and Construction), D/EHLG
Brian Murnane	Social Housing (Rental Accommodation Scheme), D/EHLG
Joan O'Dowd	D/SFA
PJ Timmins	CWS, HSE
Barry Quinlan	VFM Liaison, D/EHLG
David Silke	Centre for Housing Research



### Appendix 3: Maximum Rent Levels (January 2007 – June 2008)

	Single Person Shared	Couple in Shared	Single Person	Couple No Child	Couple or One Parent 1 Child	Couple or One Parent 2 Children	Couple or One Parent 3 Children
Dublin	98	98	130	200	1,000(PM)	1,200(PM)	1,200(PM)
Kildare	98	98	120	178	953(PM)	1,200(PM)	1,200(PM)
Wicklow	98	98	130	190	953(PM)	1,200(PM)	1,200(PM)
Cork	75	75	115	153	175	190	203
Galway	70	70	115	140	175	200	200
Meath	70	70	115	140	175	190	200
Louth	70	70	115	130	160	170	200
Wexford	80	80	115	130	150	170	170
Waterford	80	80	115	130	150	170	170
Tipperary Sth	80	80	115	130	150	170	170
Carlow	80	80	115	130	150	170	170
Kilkenny	80	80	115	130	150	170	170
Mayo	70	70	115	115	175	200	200
Roscommon	70	70	115	115	175	200	200
Limerick	70	70	110	130	150	170	185
Kerry	75	75	100	153	153	190	203
Tipperary Nth	70	70	100	130	150	170	185
Clare	70	70	100	130	150	170	185
Sligo	70	70	100	120	150	170	170
Longford	70	70	100	120	140	160	175
Westmeath	70	70	100	120	140	160	175
Offaly	70	70	100	120	140	160	175
Laois	70	70	100	120	140	160	175
Monaghan	70	70	90	121	140	155	191
Cavan	70	70	90	121	140	155	191
Donegal	70	70	90	120	140	153	170
Leitrim	70	70	90	120	140	153	170



**Appendix 4: Delegated limits for *Towards 2016* units – December 2006**

<b>Band</b>	<b>Council Areas</b>	<b>1 bed Units (per month)</b>	<b>2 bed Units (per month)</b>	<b>3 bed Units (per month)</b>	<b>4 bed Units (per month)</b>
I	<ul style="list-style-type: none"> <li>▪ Dublin City Council</li> <li>▪ Dun Laoghaire/ Rathdown County Council</li> <li>▪ Fingal County Council</li> <li>▪ South Dublin County Council</li> <li>▪ Wicklow County Council</li> </ul>	€50	€1,200	€1300	€1500
II	<ul style="list-style-type: none"> <li>▪ Cork City and County Council</li> <li>▪ Galway City</li> <li>▪ Limerick City Council</li> <li>▪ Drogheda borough and environs</li> <li>▪ Waterford City Council</li> <li>▪ Kildare County Council</li> </ul>	€650	€800	€900	€1000
III	<ul style="list-style-type: none"> <li>▪ Galway County Council</li> <li>▪ Louth County Council</li> <li>▪ Meath County Council</li> <li>▪ Offaly County Council</li> <li>▪ Clare County Council</li> <li>▪ Kilkenny County Council</li> <li>▪ Laois County Council</li> <li>▪ Sligo County Council</li> <li>▪ Waterford County Council</li> <li>▪ Wexford County Council</li> </ul>	€600	€750	€800	€900
IV	<ul style="list-style-type: none"> <li>▪ All Other Areas</li> </ul>	€550	€650	€725	€800

## Appendix 5: Comparison between average RAS Rents and average Market Rents

1 Bed Apartment						
City Councils	Mean Market Rent weekly	Mean Market Rent monthly	Updated to 2007	LA Rent RAS	Difference	%Difference
Dublin City	219	949	1007	887	120	12
Cork City	152	659	699	700	-1	0
Limerick City	132	572	607	680	-73	-12
Galway City	157	680	722	500	222	31
Waterford City	122	529	561	738	-177	-32
<b>County Councils</b>						
South Dublin	214	927	984	971	13	1
Fingal	205	888	943			
Dún Laoghaire-Rathdown	231	1001	1062	904	158	15
Kildare South	151	654	694	600	94	14
Kildare North*	214	927	984	950	34	3
Wicklow	181	784	832	625	207	25
Galway	137	594	630	290	340	54
Mayo	112	485	515	557	-42	-8
Roscommon	107	464	492	480	12	2
Cork	140	607	644			
Kerry	120	520	552	675	-123	-22
Limerick	146	633	671	520	151	23
Clare	117	507	538	549	-11	-2
Tipperary North	102	442	469	600	-131	-28
Laois	127	550	584			
Offaly	134	581	616	506	110	18
Longford	97	420	446	408	38	9
Westmeath	123	533	566	462	104	18
Cavan	94	407	432	400	32	7
Monaghan	116	503	533			
Louth	127	550	584	650	-66	-11
Meath	140	607	644	498	146	23
Donegal	102	442	469	390	79	17
Leitrim	100	433	460			
Sligo	130	563	598	563	35	6
Carlow	130	563	598			
Kilkenny	129	559	593	542	51	9
Tipperary South	114	494	524	476	48	9
Waterford	146	633	671	475	196	29
Wexford	126	546	579			
<p>*Kildare North is compared to South County Dublin Market Rents</p> <p>**Sligo Borough</p>						



2 Bed Apartment						
City Councils	Mean Market Rent weekly	Mean Market Rent monthly	Uprated to 2007	LA Rent RAS	Difference	%Difference
Dublin City	282	1222	1297	1064	233	18
Cork City	194	841	892	900	-8	-1
Limerick City	277	1200	1274	725	549	43
Galway City	185	802	851	792	59	7
Waterford City	157	680	722	593	129	18
<b>County Councils</b>						
South Dublin	260	1127	1195	1048	147	12
Fingal	249	1079	1145	968	177	15
Dún Laoghaire-Rathdown	289	1252	1329	1145	184	14
Kildare South	193	836	887	700	187	21
Kildare North*	260	1127	1195	900	295	25
Wicklow	231	1001	1062	920	142	13
Galway	138	598	634			
Mayo	129	559	593	636	-43	-7
Roscommon	127	550	584			
Cork	193	836	887	702	185	21
Kerry	143	620	657	655	2	0
Limerick	149	646	685	700	-15	-2
Clare	140	607	644	614	30	5
Tipperary North	132	572	607	700	-93	-15
Laois	157	680	722	638	84	12
Offaly	142	615	653	639	14	2
Longford	120	520	552	464	88	16
Westmeath	148	641	680	618	62	9
Cavan	127	550	584	540	44	8
Monaghan	142	615	653			
Louth	162	702	745	697	48	6
Meath	183	793	841	733	108	13
Donegal	117	507	538	407	131	24
Leitrim	121	524	556			
Sligo	170	737	782	607	175	22
Carlow	152	659	699			
Kilkenny	150	650	690	685	5	1
Tipperary South	135	585	621	675	-54	-9
Waterford	144	624	662			
Wexford	148	641	680	510	170	25
*Kildare North is compared to South County Dublin Market Rents						
**Sligo Borough						



3 Bed House						
City Councils	Mean Market Rent weekly	Mean Market Rent monthly	Uprated to 2007	LA Rent RAS	Difference	%Difference
Dublin City	311	1348	1430	1154	276	19
Cork City	190	823	874	1000	-126	-14
Limerick City	161	698	740	800	-60	-8
Galway City	186	806	855	844	11	1
Waterford City	164	711	754	722	32	4
<b>County Councils</b>						
South Dublin	274	1187	1260	1145	115	9
Fingal	268	1161	1232	1114	118	10
Dún Laoghaire-Rathdown	328	1421	1508	1253	255	17
Kildare South	220	953	1011	900	111	11
Kildare North*	274	1187	1260	1200	60	5
Wicklow	235	1018	1080	923	157	15
Galway	148	641	680	602	78	12
Mayo	142	615	653	718	-65	-10
Roscommon	139	602	639	718	-79	-12
Cork	175	758	805	774	31	4
Kerry	271	1174	1246	686	560	45
Limerick	151	654	694	820	-126	-18
Clare	148	641	680	683	-3	0
Tipperary North	148	641	680	650	30	4
Laois	153	663	703	699	4	1
Offaly	152	659	699	767	-68	-10
Longford	134	581	616	539	77	13
Westmeath	150	650	690	661	29	4
Cavan	131	568	602	530	72	12
Monaghan	138	598	634			
Louth	170	737	782	773	9	1
Meath	194	841	892	750	142	16
Donegal	125	542	575	589	-14	-2
Leitrim	120	520	552			
Sligo	158	685	726	693	33	5
Carlow	156	676	717			
Kilkenny	163	706	749	701	48	6
Tipperary South	151	654	694	668	26	4
Waterford	151	654	694	649	45	7
Wexford	159	689	731	700	31	4
*Kildare North is compared to South County Dublin Market Rents						
**Sligo Borough						



4 Bed House						
City Councils	Mean Market Rent weekly	Mean Market Rent monthly	Uprated to 2007	LA Rent RAS	Difference	%Difference
Dublin City	376	1629	1729	1185	544	31
Cork City	236	1023	1085	1200	-115	-11
Limerick City	181	784	832	850	-18	-2
Galway City	222	962	1021	954	67	7
Waterford City	189	819	869	729	140	16
County Councils						
South Dublin	313	1356	1439	1217	222	15
Fingal	363	1573	1669	1250	419	25
Dún Laoghaire-Rathdown	439	1902	2018	1333	685	34
Kildare South	283	1226	1301	1100	201	15
Kildare North*	313	1356	1439	1350	89	6
Wicklow	253	1096	1163	1066	97	8
Galway	161	698	740	863	-123	-17
Mayo	147	637	676	795	-119	-18
Roscommon	137	594	630	723	-93	-15
Cork	213	923	979	935	44	5
Kerry	168	728	772	811	-39	-5
Limerick	190	823	874	880	-6	-1
Clare	164	711	754	715	39	5
Tipperary North	165	715	759	760	-1	0
Laois	167	724	768	777	-9	-1
Offaly	185	802	851			
Longford	160	693	736	625	111	15
Westmeath	180	780	828	761	67	8
Cavan	151	654	694			
Monaghan	142	615	653			
Louth	206	893	947	805	142	15
Meath	255	1105	1172			
Donegal	149	646	685	598	87	13
Leitrim	143	620	657	650	7	1
Sligo	183	793	841	693	148	18
Carlow	199	862	915			
Kilkenny	162	702	745	778	-33	-4
Tipperary South	174	754	800	769	31	4
Waterford	174	754	800			
Wexford	185	802	851	720	131	15
*Kildare North is compared to South County Dublin Market Rents						
**Sligo Borough						

## Appendix 6: RAS and RS Rent Caps

Local Authority	Rent Cap Single/Couple	Apt – 1 bed	Rent Cap Single/Couple +1 child	Apt – 2 bed	Rent Cap Single/Couple +2 children	House – 3 bed	Rent Cap Single/Couple +3 children	House – 4 bed
Carlow	498-563	700	650	725	737	750	737	775
Cavan	390-524	400	607	540	672	530	828	
Clare	433-563	549	650	614	737	683	802	715
Cork County	498-663		758	702	823	774	880	935
Cork city	498-663	700	758	900	823	1000	880	1100
Donegal	390-520	390	607	407	663	589	737	598
Dublin City	563-867	887	1000	1064	1200	1154	1200	1185
Dun Laoghaire – Rathdown	563-867	904	1000	1145	1200	1253	1200	1333
Fingal	563-867		1000	968	1200	1114	1200	1250
Galway city	498-607	500	758	792	867	844	867	954
Galway County	498-607	290	758		867	602	867	863
Kerry	433-663	675	663	655	823	686	880	811
Kildare North	520-771	950	953	900	1200	1200	1200	1350
Kildare South	520-771	600	953	700	1200	900	1200	1100
Kilkenny	498-563	542	650	685	737	701	737	778
Laois	433-520		607	638	693	699	758	777
Leitrim	390-520		607		663		737	650
Limerick city	477-563	680	650	725	737	800	802	850
Limerick County	477-563	520	650	700	737	820	802	880
Longford	433-520	408	607	464	693	539	758	625
Louth	498-563	650	693	697	737	773	867	805
Mayo	498	557	758	636	867	718	867	795
Meath	498-607	498	758	733	823	750	867	
Monaghan	390-524		607		672		828	
North Tipperary	433-563	600	650	700	737	650	802	760
Offaly	433-520	506	607	639	693	767	758	
Roscommon	498	480	758		867	718	867	723
Sligo (borough)	433-520	563	650	607	737		737	693
South Dublin	563-867	971	1000	1048	1200	1145	1200	1217
South Tipperary	498-563	476	650	675	737	668	737	769
Waterford City	498-563	738	650	593	737	722	737	729
Waterford County	498-563	475	650		737	649	737	
Westmeath	433-520	462	607	618	693	661	758	761
Wexford	498-563		650	510	737	700	737	720
Wicklow	563-823	625	953	920	1200	976	1200	1066

