



Pre Budget Submission

Budget 2005

July 2004

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Introduction

Comhairle was established in June 2000. The primary function of Comhairle is the provision of information, advice and advocacy in the broad area of the social services. To this end, Comhairle is involved in the development of Citizens Information Services, including the development and support of the nation-wide network of Citizen Information Centres (CICs), the Citizens Information Phone Service (CIPS) and the Oasis Website (www.oasis.gov.ie).

Comhairle has a number of other functions including:

“To support, promote and develop the provision of information on the effectiveness of current social policy and services and to highlight issues which are of concern to users of those services”

In carrying out this function, Comhairle relies heavily on feedback, based on social policy reports, on the needs and experiences of users of the CIC and CIPS services.

This submission addresses the social policy issues, which are of most concern to people who have used the services of Citizens Information Centres (CICs) and the Citizens Information Phone Service (CIPS). CICs and CIPS report queries with a social policy dimension to Comhairle where they are analysed and used as the basis for policy submissions and reports. During 2003, the CICs registered 564,217 queries and the CIPS 41,307. Of these 605,524 queries, 1,154 were deemed by CICs and CIPS to have social policy implications and were reported to Comhairle in separate social policy records. This was a 58% increase on the 2002 figure.

In CIC Survey 2003, the four largest categories of queries were issues relating to Social Welfare (30% of all queries), Employment (13%), Health Services (9%) and Health Board Payments (7%).

From an analysis of these returns, Comhairle considers that the main issues of concern to users of Citizens Information Services, which could be addressed in Budget 2005 are:

1. Challenges faced by families
2. Issues relating to people with disabilities
3. Entitlement to the medical card
4. The effective enforcement of employment legislation protecting employee rights and the problems faced by migrant workers on the work permit scheme
5. Housing, in particular, the problems experienced in the private rented sector and access to the Disabled Persons' Grant for home adaptations.
6. The difficulties experienced by asylum seekers under direct provision.

1. Challenges faced by families

2004 is the 10th Anniversary of the UN Year of the Family 1994.

Comhairle's submission suggests that Budget 2005 should concentrate on the particular challenges faced by families in terms of income maintenance, accessing entitlements, supports for low income families, childcare, supports for joint parenting and work life balance.

Family Policy in Ireland: The Context

There are a number of factors which relate to families in Ireland in the 21st century and which need to be taken into account in formulating policy. These include:

- trends in family formation;
- reconciliation of work and family life, including women's participation in the labour force and flexible employment for family carers;
- the role of the family as a caring unit and the support structures required;
- joint parenting;
- social inclusion (income support, housing/accommodation and access to health services and education);
- particular factors in relation to lone parent families; and
- overall policy effects on children.

Family Formation

Between 1996 and 2002 the number of single persons in Ireland grew by 15.5 per cent and the number of married persons by just over 7 per cent. There were close to 153,900 lone parent families in 2002, 85 per cent of them headed by females.

Between 1981 and 2002 the fastest growing category of family, up 79.2%, consisted of couples (whether married or not) without children. There was also strong growth in families with one or two children, while the number of families with four or more children almost halved.

Reconciliation of Employment and Family Life

In practice many employers do little to take account of the family lives of their workers. "There are hardly any workplace crèches available in Ireland and part-time, flexi-time and arrangements such as term-time working are very scarce" (Daly 2004)¹. Also, in many instances there is no provision to replace a worker who is absent for family reasons.

There is a need for a specific recognition in employment and social policy for workers who are looking after a family member with a disability or an elderly relative who is dependent on family care. If workers with caring responsibilities leave their jobs they have real difficulty re-entering the labour

¹ Daly, M., (2004). Families and Family Life in Ireland: Challenges for the Future, a thematic study of the issues which arose during the public consultative family fora in 2003.

market when their period of care is over. Caring over a long time may cause financial hardship, loss of promotion opportunities, reduced earnings or loss of pension rights because of early retirement.

The Caring Role

The role of the family as a caring unit has been the subject of much discussion and debate in recent years due mainly to changes in work patterns and in the role of women in society. An increasing number of carers, be they caring for small children, elderly parents or people with disabilities, either by necessity or choice, are now working outside the home.

The Comhairle Report *Supporting Carers* published in 2002 made a number of recommendations. Comhairle welcomes the establishment of the social partnership working group which will “produce proposals for the development of a fully inclusive social insurance model which would facilitate combining work and family responsibilities in the context of changing work and social patterns.”

Social Inclusion

Income Support

Ireland has experienced an unprecedented growth in employment over the last ten years. Between 1993 and 2000 employment grew by an average of 4.7% per year. However among those who continue to experience consistent poverty, lone parent families, families with four or more children, people who are ill or disabled, people who are working in the home and people who are unemployed are particularly vulnerable. It is also a fact that one in five of those in consistent poverty are employed, possibly in part-time and low paid work.

Low-income families, specifically those with children and those in employment need to be targeted in Budget 2005 to reduce the growing gap between rich and poor. Social Welfare payments need to be increased in real terms and income limits for medical card eligibility set at a reasonable level. Coupled with inflation, the lack of any increase in Budget 2004 in the personal tax credit or the standard rate tax band has not helped to narrow the gap.

Disincentives to Work

Lone parent households experience particular difficulties combining their working and caring responsibilities and tend to experience other labour market disadvantages including low educational qualifications. FÁS and Community Employment (CE) schemes play a key role to assist women, in particular lone parents, in returning to or entering employment. This has also become a key route to employment for people with disabilities and others distant from the workplace.

Social welfare strategy should ensure that social welfare measures are flexible enough to support work in the home when children are young and provide incentives to return to employment and education at a later stage.

Housing and Accommodation

Housing is a key determinant in quality of life for families. With local authority waiting lists growing and the cost of buying a house out of reach of many families, the number of private rented dwellings almost doubled between 1991 and 2002. A recent Combat Poverty report by Fahey et. al. *Housing, Poverty and Wealth in Ireland*, shows that private tenants pay more for their housing each month than do first time buyers and are more likely to experience financial strain as a result of their housing costs.

The high cost of housing and the waiting list for social housing has meant that lone parents have been more likely to form households in the private rented sector with rent supplement support. While the One Parent Family Payment offers substantial disregards the benefits are often negated by the way the Rent Supplement means test is applied. Comhairle welcomes the review promised by the Minister for Social and Family Affairs which aims to establish the extent to which the One Parent Family Payment may be acting as a disincentive to recipients taking up employment and to making the transition to full time employment, greater self sufficiency and a better overall standard of living for them and their children.

Access to Health

While the precise value of a medical card depends on the circumstances of the holder, it is clearly the case that it is of particular importance to families with young children. There is a need to increase the threshold for medical card eligibility. (This is discussed further later in the submission).

Access to Education

There is a need to look at more creative ways of eliminating costs of participating in education for disadvantaged families. Costs can be substantial including uniforms and books but also sports and extra curricular activities, music and drama. More effort is also needed to improve the number of students from disadvantaged backgrounds going on to third level education.

One Parent Families

Ireland now has one of the highest proportions of one parent families within the European Union, with over 11% of households headed by a lone parent. (Relate, May 2004). Up to 45% are in employment, a low percentage compared to other countries. For most, the One Parent Family Payment is their main or only source of income. Average duration of this payment is more than eight years. Long-term dependency on social welfare increases the likelihood of being at risk of poverty. Lone parents comprise some 40 per cent of those working on the Community Employment Programme. The local, flexible and part-time nature of CE allows lone parents to take that first step back into the workplace.

Joint Parenting

It is becoming more widely accepted that fathers, (including non-resident fathers), should have as big a place in children's lives as mothers, in the best

interests of themselves, the mothers and, most importantly, the children. Sharing the care and upbringing is as important as financial provision. It is important that social welfare provision does not discourage joint parenting.

Child Care Supports

The availability and cost of quality childcare is a key issue for working parents. This is even more so for lone parents.

Family Support Issues which need to be addressed

- There is a rapidly rising demand for female paid labour. This needs to be tempered with a pro-active work-life balance policy. It is important that budgetary policy meets the changing needs of families and children in areas such as child care provision and/or subsidies, flexible work arrangements, parental leave schemes and equal access to employment benefits for part time workers.
- Planned multi-annual increases in child benefit promised in Sustaining Progress and NAPS were not reached in Budget 2004. These need to be brought back on track. This would involve an increase of €24.10 in the lower monthly rate and €28.10 to the higher rate in Budget 2005.
- The fact that unmarried couples are treated as a couple for social welfare purposes, but as separate individuals in the tax system is inconsistent, encourages welfare fraud, causes hardship for the adults as well as the children and is a disincentive to work for social welfare recipients. The treatment of married and cohabiting couples should be harmonised in both the tax and social welfare systems.
- Working parents find it difficult to integrate work and family life due to the lack of available and affordable childcare services. A quality, affordable childcare system with an emphasis on care and curriculum as well as infrastructure and regulation, needs to be developed and properly funded.
- The link between poverty and family size has been clearly demonstrated in studies by the ESRI and others. Households with children of school going age are at a relatively high risk of poverty particularly when coupled with unemployment. This can contribute to early school leaving and unequal access to further education. However, the Back to School Clothing and Footwear Allowance (BSCFA) excludes a number of welfare dependant and low income families at present. The means test for this payment should be revised, taking into account the range of supports which a person may be receiving. If they are already receiving support such as a social welfare income support payment, back to work payment, Revenue Job Assist, FÁS training, CE or FIS, they should automatically receive this payment. At present there are some inequities in the scheme e.g. a widow on CE with 2 children is entitled to BSCFA – a widow on CE with 5 children, whose Child Dependent Allowance brings her over the limit, is not.
- Although the Family Income Supplement budget was cut by 4% in Budget 2004 recent reports from the DSFA suggest that only about

35% of those entitled to FIS actually claim it. This is despite the fact that FIS is promoted in tax literature. This low take up rate suggests a problem with administration of the FIS and the need to consider making this payment automatically available to those who are eligible through the taxation system.

- The qualifying working hours for FIS should be reduced from 19 to 17.5 hours per week as many lone parents are job sharing (a 35 hour week being increasingly common) and many fail to qualify for FIS due to the number of hours worked. The qualifying working hours are averaged over a week or a fortnight. However, a growing number of people working in atypical employment (casual, part time and irregular hours) find that while hours worked, averaged over a monthly period, exceed this limit they may not qualify for FIS where the hours worked are calculated on a weekly or fortnightly basis. Calculation of FIS entitlement should take these situations into account and be more flexible in decisions around entitlement.
- In general there is a lack of financial support and recognition for family carers including a lack of planned respite facilities. The recent Mercer and O'Shea reports provide a detailed rationale for the consolidation of existing payments for carers into a single, non-means tested benefits package. This and other recommendations of these reports need to be considered urgently by government. The recommendation for a 1.5% increase in PRSI to cover the cost of care for the elderly is an innovative one. However, the manner in which additional funding raised through such a measure is distributed between residential care, care in the community and supports for family carers should be carefully considered.

2. Issues relating to people with disabilities

Cost of Disability Allowance

66.5% of people who are ill or have a disability are considered 'at risk of poverty' compared to 21.9% for all households.

Many people with disabilities have significant extra costs related to their disability. These costs vary according to the severity of a disability. A recent study from the UK suggests that the annual cost of raising a child with a disability is on average three times greater than the annual cost of raising a child without a disability². Initial outlay on aids and appliances and the loss of paid employment places a considerable strain on people with disabilities and on family carers. Groups representing people with disabilities have long

² Dobson, B. and Middleton, S. (1998) *Paying to Care: the cost of childhood disability*. York Publishing Services: Joseph Rowntree Foundation

campaigned for the introduction of a Cost of Disability Allowance. Comhairle's submission to the DSFA *Review of Income Maintenance Payments for People who are Ill and people with Disabilities* points to the "substantial extra costs of disability, especially for people living alone". The issue has been under examination for a number of years.

In its recent report, *Disability and the Cost of Living*, the National Disability Authority has called for the introduction of a Cost of Disability payment because the cost of living is higher for people with disabilities and for families caring for a person with a disability.

Personal Assistant service

The Personal Assistant service provides a personal assistant to certain people with disabilities enabling them to live independent lives and providing them with an opportunity to work and develop skills. At present the service varies between Health Board areas and there is no transparent means of application or equity in the administration of the scheme.

Community Employment

While the recent Department of Enterprise, Trade and Employment Review of Active Labour Market Programmes, (page 109), suggests that "*for older groups, participation on Community Employment on a permanent basis might be the only realistic option. This suggests the need for a non-progression CE option. Accordingly we would recommend the continuation of a limited form of CE for older workers whose employment chances are weak.*" While progression to mainstream employment should be the goal of active labour market programmes, this may not be realistic for some people with disabilities for a range of reasons. There is a case to be made for a similar flexible approach to some people with disabilities on CE who have major difficulties progressing to mainstream employment, as is recommended by the review for older people.

Domiciliary Care Allowance Payments

It has come to our attention through CIC social policy returns that Domiciliary Care Allowance is not being administered equitably across all health boards. There is evidence from CICs that some health boards pay the allowance to children with a mild learning disability while others require proof of a second disability eg. cerebral palsy or epilepsy.

Issues that need to be addressed:

- A Cost of Disability Payment needs to be put in place to cover the added cost of living of people with disabilities and families caring for a person with a disability.
- It is essential that Personal Assistant Schemes are expanded and a standardised means of application put in place.
- Consideration should be given to opening a non-progression Community Employment option for some people with disabilities with limited access to the mainstream labour market on the same basis as recommended for

older people in the DETE 2004 Review of Active Labour Market Programmes.

- The payment of Domiciliary Care Allowance should be administered equitably across all health boards.

3. Employment Issues, particularly the effective enforcement of employment legislation protecting employee rights

Issues relating to employment now represent the greatest percentage of issues documented in social policy records submitted to Comhairle by CIC and CIPS information providers. In 2003 almost 18% of social policy records related to employment. In the first quarter of 2004, 27% of returns related to employment with 49% of these relating to employment rights.

CIC clients have reported detailed cases where employers are in breach of employment legislation in relation to unfair dismissal, issuing contracts, minimum wage entitlement, denial of holiday entitlements and non-receipt of pay slips, P60's and P45's.

Even where cases are heard and won before an Employment Appeals Tribunal some CICs have recorded ongoing difficulties in claiming these monies from employers. In one case the Enforcement Section of the DETE referred an outstanding compensation payment to the State Solicitor who in turn brought an action against the employer. The refusal by employers to pay awards of the Tribunal result in an increased work load for the Department who must expend considerable time and effort in chasing up such payments.

In 2003 CICs and the CIPS received a significant number of requests from female clients for information on rights and entitlements to maternity leave and the employment protection offered under this leave. The social policy records highlighted a lack of knowledge among some employers regarding this legislation.

The Citizens Information Phone Service received in excess of 10,000 calls last year from employees, particularly those who work part time. The most frequently asked questions relate to part time work and entitlement to holidays and holiday pay. There appears to be a lack of awareness among employers and employees in this area.

The problems faced by migrant workers on the work permit scheme

Work Permits

There is evidence that migrant workers on the work permit scheme are having difficulty obtaining their basic employment rights including minimum wages contracts, holiday pay etc.

A number of migrant workers have complained to CICs that the cost of the work permit has been deducted from the employee's weekly wage and some claim to have paid large sums, (up to €10,000) to their future employer for a work permit.

The market option of finding a new job if conditions are bad is much more problematic for those on work permits.

Implementation of Employment Rights Legislation

It is questionable whether the resources available to the institutions and mechanisms for policing employment legislation have kept pace with the increased demand arising from new employment protection measures, expansion of the numbers in the workforce, greater numbers in atypical work situations and (in the past few years) a huge increase in migrant workers who, while they are covered by all Irish legislation often find that compliance in this area is poor.

Continuing to combat long-term unemployment

Policies to ease the transition from unemployment to employment have been largely successful in lowering the numbers of long-term unemployed over the last number of years and should be continued. Those unemployed for 12 months were eligible for Back to Work Allowance up until April 2001. Budget 2003 restricted the Back to Work Allowance to those who have been five years unemployed. It is important that policy continues to work in a preventative way to limit long-term unemployment.

Issues that need to be addressed

- Resources need to be provided to ensure compliance with employment protection legislation, including an increase in the number of inspectors in the Department of Enterprise, Trade and Employment. Comhairle welcomes the recommendation in the recent National Wage Agreement to increase employment inspection capacity. This capacity should be reviewed on a regular basis.
- Employers should incur penalties and interest for delaying compensation payments awarded to employees.
- Inspection of workplaces needs to be better co-ordinated. The question of an employment inspectorate, integrating and expanding the existing separate roles of health and safety, revenue, employment rights etc., should be examined.
- The Department of Enterprise Trade and Employment, Employment Rights Unit needs to proactively encourage employers to publicise employment rights information and make it available to their employees.
- Work Permits should be issued to prospective non-EU employees applying to work in this country and not to their employers.
- The decision in Budget 2003 to restrict the Back to Work Allowance to those who have been five years unemployed should be reviewed.

4. Entitlement to the medical card

Surveys of queries to Citizens Information Centres in 2001³ and 2003⁴ showed the medical card dominating health services queries, accounting for 47% of health related queries in 2000 and rising to 57% in 2003.

In the first quarter of 2004, 56% of the health related social policy records received were about the medical card.

Medical Card

While the precise value of a medical card depends on the circumstances of the holder, it is clearly the case that it is of particular importance to families with small children. It has been clear for some time that the loss of a medical card is a factor in the choices people make about moving from social welfare to employment or to back to education and employment schemes

People on low incomes, including people entirely dependent on social welfare, may now experience problems getting or retaining a medical card. As well as causing financial problems for these families, the absence of a medical card causes anxiety and may result in mothers in particular neglecting their own health problems in order to ensure that their children get any necessary medical care.

The 2001 Health Strategy includes a number of proposals which would greatly improve the medical card system but, so far, none has been implemented. Apart from the proposal to increase the income guidelines and to introduce an independent appeals system, it also proposes to have clear rules about the exercise of health board discretion when considering medical card applications, streamlining applications and improving the standardisation of the medical card applications process to ensure better fairness and transparency, providing clearer information to people about how and where to apply for medical cards; and proactively seeking out those who should have medical cards to ensure they have access to these services.

As described in detail in a Comhairle Report on the Medical Card to be published shortly, Comhairle has concluded that there is an immediate need to provide for:

- Clarification of the legal entitlement to a medical card
- An objective assessment of the income required to meet GP and related bills
- An increase in the income guidelines allowing more low income families to qualify for a medical card
- Better information on entitlement
- A statutory independent appeals system along the lines of the Social Welfare Appeals Office

³ CIC Survey 2001, Comhairle, Dublin 2002

⁴ CIC Survey 2003, Comhairle, Dublin 2003

- A higher income guideline for people with a disability which will increase the income limit used when assessing whether a person is eligible for a medical card.

5. Housing, in particular, the problems experienced in the private rented sector and access to the Disabled Persons' Grant

A total of almost 18% of social policy records from July 2002 to June 2003 included a housing related issue. This is an area of particular concern in terms of supporting families and family life.

A new report by Combat Poverty *Housing, Poverty and Wealth in Ireland*, by Fahey et. Al., which analyses housing trends up to 2000 has shown that during the 1990s private rent levels grew much higher than mortgage repayments. Since 2000 this has begun to alleviate somewhat. The report also highlights the continuing decline in the size of the social housing sector as a proportion of the total housing stock. These developments are placing those who have to rent privately at an increasing risk of poverty.

Almost 59% of housing-related social policy records in 2003 referred to the private rented sector. In the first quarter of 2004, 21% of records related to housing with almost 70% of these referring to the private rented sector. Work and training disincentives arising from rent supplement and the cap on rent supplement (introduced in November 2002) were the main issues recorded.

Private Rented Sector

The Residential Tenancies Bill governing the private rented sector has been passed by Dail Eireann. The provisions of this Bill are welcomed, however they need to be coupled with adequate mechanisms to ensure rigorous implementation of legislation. There is clear evidence from CICs that some landlords are in breach of their existing obligations in respect of registration, notice to quit regulations, provision of rent books and non-return of rental deposits without due cause.

Supplementary Rent Allowance

Comhairle published a report on Rent Supplement in 2002. The recommendations made remain valid in 2004.

Maximum rent guidelines have been set for different areas and Rent Supplement will not normally be paid if rents exceed these limits. During 2003 CICs documented cases where recipients had declared a lower rent on paper, in order to qualify for the rent supplement, while making up the difference from their social welfare payments.

Issues that need to be addressed:

- Targets for the elimination of housing waiting lists as set out in various reports, including the National Anti-poverty Strategy, Sustaining Progress and the National Action Plan, need sufficient resources to ensure sufficient house build, both directly by local authorities and by housing associations.
- Adequate enforcement structures need to be put in place to ensure implementation of the Residential Tenancies Bill 2003, currently being discussed in the Oireachtas.
- A comprehensive housing benefit, as recommended by the Commission on Social Welfare (1986), and the Comhairle Report, *Rent Supplement in the Private Rented Sector*, 2002, which pays particular attention to avoiding poverty and employment traps, should be introduced. The level of benefit should be adjusted in accordance with people's income whether that income is from employment or social welfare.
- Comhairle welcomes the recent initiative of the Ministers for Social and Family Affairs, Environment, Heritage and Local Government and Housing and Urban Renewal to meet the long-term housing needs of rent supplement recipients. It will be important to ensure that local authorities have sufficient resources to cater for this increased responsibility in the housing area.
- For those in receipt of Rent Supplement as a short-term income maintenance measure, guidelines should allow for a gradual withdrawal of the payment so that transfer from unemployment to employment always results in a higher disposable income.
- Entitlement to Rent Supplement should be based on housing need and income and employed people should not be automatically excluded.
- The criteria that operate in respect of ceilings for rent supplement should be continually re-examined in the context of actual market rent prices in different parts of the country.
- The new six-month clause in relation to eligibility for rent supplement, introduced in February 2004, needs to be carefully monitored to assess the implications for people who would traditionally have been able to get immediate access to accommodation with rent supplement support.
- Local authorities have a responsibility to enforce standards and regulations in the private rented sector but in practice have little involvement. Additional resources need to be made available for monitoring the implementation of regulations governing the private rented sector.

House adaptations and repairs.

Another major issue for CIC clients in the housing area in 2003 related to adaptation and home improvement grants, in particular the Disabled Persons' Grant.

Disabled Persons Grant

Local Authorities must fund one third of the total cost of the Disabled Person Grant scheme from their own resources but with overall funding constraints, have been unable to meet their commitments under the scheme. Grant application deferrals to following year budgets have resulted in building delays, increased costs and disruption to the lives of people with disabilities. Comhairle and the National Disability Authority came together to make a joint submission to the review of the disabled persons' grant in 2003. This was based on the experience of the NDA and the feedback to Comhairle in social policy reports to CICs.

Essential Repairs Grants

Essential Repairs Grants are paid for roof repairs or replacement and/or rewiring, only to a house occupied by a person over 65 years of age living alone or with a spouse. As of February 2003, the Essential Repair Grant no longer covered the updating of central heating systems while some Local Authorities do not deem replacement of windows as an essential repair.

Issues that need to be addressed:

- Sufficient resources need to be provided for grants aimed at facilitating people with disabilities and older people to improve and adapt their houses, so that they can continue living in their communities rather than going into residential care.
- Guidelines for eligibility for the Disabled Persons Grant need to be clear, readily available and consistent across all local authorities.
- The recommendations in the joint submission by Comhairle and the National Disability Authority to the Review of the Disabled Person's Grant by the Department of the Environment, Heritage and Local Government should be implemented.
- Essential Repairs Grants should cover essential repairs to windows and heating systems as they did up until February 2003.

6. The difficulties experienced by asylum seekers under direct provision.

Direct Provision

A significant number of queries to the Refugee Information Service as well as to CICs relate to direct provision of accommodation for asylum seekers. A central difficulty with the system of direct provision is the inadequacy of income. Because the system covers full bed and board, asylum seekers are entitled to just €19.10 (per adult) and €9.60 (per child) weekly. However, an Irish homeless person in similar hostel accommodation (also provided with bed and board) will generally receive a payment of not less than €60 per week. The amount payable to asylum seekers has not changed since 2000 and organisations such as the Society of Saint Vincent De Paul report regular requests for support from asylum seekers.

As a result of the Habitual Residence Rule, asylum seekers who entered the country since May 1 are no longer entitled to monthly child benefits of €131.60 or One Parent Family Payments of €134.80. Even before these benefits were removed CICs were reporting difficulties for families in direct provision accessing any extra provisions relating to schooling, clothing, toiletries or any social activities, travel or education. This new move has made matters worse and can leave families and children in a very vulnerable and isolated situation.

Asylum seekers do not have the right to work, nor are they entitled to supplementary welfare on the same basis as an Irish citizen whose means are deemed insufficient to meet their needs. Since the Social Welfare (Miscellaneous Provisions) Act 2003 an asylum seeker who previously might have qualified for the rent supplement is now considered ineligible for this payment and so cannot access private rented accommodation. Asylum seekers who urgently need to leave direct provision centres (for example due to exceptional health problems) must therefore depend on the assistance of family and friends and some run the risk of homelessness.

Issues that need to be addressed:

- The policy of direct provision of accommodation for refugees and asylum seekers needs to be reviewed with particular focus on the accommodation needs of families, pregnant women and unaccompanied minors.
- Weekly payments to asylum seekers in direct provision should be increased in line with social welfare payments or payments to homeless people in hostels. This would offset the loss of Child Benefit as a result of the habitual residency rule.
- A comprehensive housing needs assessment system should take full account of the experience and views of ethnic minority communities.
- Notification of change of circumstance to asylum seekers should be carried out with due regard for the vulnerable position of these people and information necessary for arranging alternative accommodation should be provided well in advance to ease the transition from direct provision.

