

**Joint Committee on Social Protection, Community and Rural
Development and the Islands**

Rent a Room Regulations Amendments

**Opening Statement by Niall Egan, Assistant Secretary General, of
the Department of Social Protection**

1. Introduction

Good morning, my name is Niall Egan, and I am the Assistant Secretary General with responsibility for Corporate Affairs including the finance function in the Department of Social Protection. I am joined by Alan Flynn who is the Principal Officer with responsibility for Budget and Estimates and by Saidhbhin Hardiman who is a Principal Officer in the Department recently working on the Department's Means review.

I would like to thank the Joint Committee for the opportunity to attend today to discuss the recent changes to means assessment in respect of rental of a room in a person's home.

2. Background – Rent a Room Regulations

In July 2022, in order to remove barriers in relation to the housing market, the Minister for Social Protection exercised her statutory powers under the Social Welfare Consolidation Act (as amended) and, with the consent of the Minister for Public Expenditure, NDP Delivery and Reform made two regulations namely 396 of 2022 and SI 397 of 2022. These provide for a disregard of up to €14,000 annually to recipients of social assistance schemes to those people who rented a room in their own homes. These regulations were subsequently extended until March 2025, with a sunset clause in effect at that date.

Those regulations specifically limited the scope of the disregard to those renting a room in their **own** home.

3. Recent Government Decisions

In April last year, Government decided, in a response to a Housing for All strategy, to take further measures, across the full breadth of policy areas, to support the Irish housing, and in particular, rental markets.

Two areas of policy reform, in particular, link into the recent change in social welfare regulations.

Over the last number of months, the Minister for Housing has progressed mechanisms to support rental of local authority properties in certain circumstances.

With effect from December 2023, local authority tenants can rent a room to students under the “Rent a Room to a student” scheme. This change, implemented on an administrative basis initially, will allow the Department of Housing to monitor the impact and take-up of the scheme.

At the same time, the Department of Health has been considering making modifications to the financial assessment process associated with the Nursing Home Support Scheme (NHSS, known as Fair Deal scheme).

Rental income from a person’s home has always formed part of the financial assessment process for the Fair Deal scheme. The percentage of rent assessable has been reduced in phases in recent years and, following a review by the Minister for Health and with effect from

February this year, the percentage assessable has been reduced to zero – thus removing a barrier to availing of the fair deal scheme.

4. DSP Policy Response to Recent Government Decisions

The Minister wanted social welfare regulations to be in line with Government policy in this regard.

Since its introduction, the Department's Rent a Room disregard has provided a small, but positive, support to the rental market, removing barriers to facilitate a total of 650 such means assessments linked to claims since the introduction of the Disregard, with 250 currently in payment.

Following consideration of the policy changes across Government the Minister decided to implement a twofold extension of the scope of the existing Disregard -

- (1) removing the requirement for the home to be “owned” in the circumstance where the DSP customer is a local authority tenant, who is providing accommodation under the “Room for a Student” scheme, and
- (2) removing the requirement for the home to be “personally used and enjoyed” where the person has moved into NHSS provided Nursing Home Accommodation.

Take up of the disregard will be monitored over the coming months as both wider Government policy and the Irish rental market evolves in the medium term.

Associated guidelines for non-statutory schemes have been modified in line with these statutory changes.

The DSP disregard is still subject to a sunset clause, which will expire in March 2025, so the Department can continue to monitor uptake and assess any other effects of the change with that safety net in place.

Of course, relevant briefings took place with officials in the Department of Public Expenditure, NDP Delivery and Reform.

Members will note from the Regulations , that both Ministers signed the regulations into effect from 30th January 2024. Members will be aware that Regulations are always shared with this Joint Oireachtas Committee immediately after their have signed into law.

5. Conclusion

To conclude, my colleagues and I look forward to hearing the Committee's views on the Regulations and we are happy to assist with any questions members of the Committee may have.