



To: Chief Executives  
Directors of Housing

Circular Letter Housing 44/2023

20 November 2023

**Re: Room for a Student - Local Authority Tenancies**

Dear Chief Executive,

I have been asked by Mr Darragh O'Brien, T.D., Minister for Housing, Local Government and Heritage to refer to the Government's commitment in Housing for All to *extend the Rent a Room scheme disregard for social welfare recipients and extend the disregard into medical card criteria from 1 May 2023 and allow Local Authority tenancies to access the scheme.*

While the Rent a Room Scheme is a taxation measure, the implementation of this action requires that local authority tenants are permitted under their tenancy agreements to rent a room to a third party who is not a member of the household. It should be noted that [Housing Regulations 1980 \(SI 296/1980\)](#) already allows for a part of a local authority house to be occupied by a lodger with the consent of the local authority.

Following very helpful consultation and feedback with and from the City and County Management Association (CCMA) as well as legal advices received by the Department, a range of issues were identified that have implications for various aspects of housing legislation and polices including those related to executive and reserved functions of local authorities. In order to ensure that all of these issues are adequately addressed and sufficient clarity is available to the Courts in circumstances where local authorities' decisions in this area are challenged, amendments will need to be made to primary legislation.

Balancing this advice with the opportunity for potential additional rental accommodation with the extension of the Scheme to local authority tenancies, the Minister has decided to introduce the scheme on an administrative basis that can support access to the scheme in certain circumstances. This initial rollout will target potential student renters avoiding the more complex circumstances and associated risks that could arise with the broader rollout of the scheme on a non-statutory basis.



In parallel this Department will begin making preparations for the introduction of the scheme on a broader basis and on a full statutory footing. The preparation of these statutory arrangements will be informed and therefore, benefit from, the operation of the initial targeting of the scheme and further detailed engagement with local authorities in that context.

This 'Room for a Student – Local Authority Tenancies' scheme (the Scheme) will be open for applications from **1 December 2023**.

### **Operation of the Room for a Student - Local Authority Tenancies Scheme**

The Department has, in consultation with the CCMA, devised a set of operating principles which underpin the Scheme, along with template application forms and licence agreements. These documents as well as a Frequently Asked Questions document can be found at Appendices 1, 2, 3 & 4 respectively.

The Scheme will operate on the basis of a licence agreement made between the tenant and the student. Local authorities will be responsible for operating and managing the Scheme and the administration of the individual applications and agreements locally. Local authorities are encouraged to use the sample operating principles, application forms and sample licence agreements provided in the interests of achieving a consistent approach to the implementation of the Scheme nationally.

The broad outline of how the Scheme will to operate is as follows:

- The local authority tenant advertises an available room - [gov.ie/roomforastudent](https://gov.ie/roomforastudent) provides information to those wishing to rent a room to students in full time education, along with information for students.
- Once the tenant and the student are happy to proceed, they apply to the local authority for consent for the duration of the academic year.
- The local authority may decide to carry out a Garda check in respect of the student.
- The local authority has discretion to approve or refuse the application.
- Grounds for non-approval include, but are not limited to:
  - Rent arrears without a payment plan;
  - Overcrowding;
  - Anti-social behaviour or on good estate management grounds;
  - The property is unsuitable on other grounds e.g. size, condition, access, facilities, etc.
- Following an approved application, the tenant may let the relevant room or rooms under licence for the duration of the student's academic year.



- The tenants may charge and receive a rent from the student – such rental income **will be considered reckonable income under the local authority’s Differential Rent Scheme**, with rent charged by the local authority according to that scheme.
- The student will not be included on the tenant’s rent account, that is any income generated by the student renting a room will not be assessable for differential rent purposes.
- All other matters, including contributions to utilities and energy costs, security deposits, disputes and mediation between the tenant and licensee, etc. are matters solely for the residing tenant. The local authority has no role in this regard.
- Reporting of income for the purposes of availing of relevant tax relief, medical card and social protection disregards, when available, are matters solely for the residing tenant.
- The local authority may request the tenant revoke the licence on grounds of anti-social behaviour, overcrowding, etc.
- The tenant is ultimately responsible for any breach of the tenancy agreement by any member of their household, and if necessary the local authority may issue a tenancy warning for any such breach.
- At the end of the academic year, the student must vacate the property. Should the tenant and student wish to continue the arrangement into the next academic year, consent of the local authority is required.

### **Letting Arrangements under the Room for a Student Scheme for Local Authority Tenancies**

The agreement made between the tenant and the student under this scheme is by way of a Licence Agreement. This is a mere permission to stay granted by the tenant with the prior approval of the local authority, consistent with the provisions of the [Housing Regulations 1980 \(SI 296/1980\)](#). This licence arrangement made under the Scheme does not confer tenancy status. The student renting a room is not a party to the tenancy agreement between the local authority the tenant and as the student is not on the tenant’s rent account they have no succession rights in respect of the tenancy.

It is important to note that the student is not subject to the tenant rights and obligations provided for in Residential Tenancies legislation. The licence agreement is similar to the arrangement that usually exists in relation to traditional student “digs”.

The license agreement may be revoked at any time by the tenant, subject to a reasonable notice period. The local authority may also request that the tenant revokes the licence agreement, for example to combat anti-social behaviour, or in cases of overcrowding.



## **Implications for Local Authority Differential Rent Schemes**

Any additional income received by a local authority tenant on foot of participation in the scheme is reckonable for the calculation of the rent paid by them to the local authority. It is important to note that the income of the student renting a room is not assessable for the calculation of the rent payable by the tenant. **Consequently, local authorities will need to need to review and, if they consider necessary, amend their differential rent schemes.**

The tenant is free to decide how much rent to charge the student under the Scheme, however the tenant is required to be tax compliant. On approval of an application, local authorities should also carry out a rent review with regard to any tenant participating in the scheme to take account of any additional income received by renting a room under this scheme.

## **Implications for Local Authority Tenancy Agreements**

Similarly, when approving applications under the Scheme, the local authority should ensure the current Tenancy Agreement permits participation. Should this not be the case, the tenant should sign a new Tenancy Agreement, which allows participation. Suggested word in these cases should mirror the [Housing Regulations 1980 \(SI 296/1980\)](#) which states:

“the tenant shall not assign, sub-divide or part with the possession of the house or any part thereof or, without the consent of the authority, sublet or allow any part of the house to be occupied by a lodger”.

## **Reporting Arrangements**

The performance of the Scheme will be monitored for an initial minimum period of 12 months. This is likely to include:

- All applications received (both complete and incomplete)
- Applications approved, refused, withdrawn.
- Reasons for refusal
- Numbers of licences revoked by (i) tenant (ii) local authority.

This information will be sought on a quarterly basis at the beginning of April, July, October, 2024 and January 2025.



## **Beneficiaries of Temporary Protection (BOTP) and the accommodation recognition payment (ARP)**

This Scheme runs in parallel to the accommodation pledge register which was set up to provide a humanitarian response for people who arrived in Ireland under the EU Temporary Protection Directive, and to the accommodation recognition payment, which is a non-taxable payment.

The BOTP initiative is a temporary arrangement which allows for an accommodation recognition payment (ARP) to the owner or tenant (with the consent of the owner) of a property in cases where a rent is not paid by the BOTP. This ARP is a monthly payment of €800 tax free and not assessable for differential rent purposes. It is also exempt for means-testing for social welfare payments and grants from other public bodies.

While these two schemes are intended to utilise under-occupied properties, they operate in a different manner. The Room for a Student Scheme is intended for individual full-time student applicants, whose primary residence is, in the main, their family home. The duration of the licence agreement is limited to the students' academic year and the income the tenant receives is to be considered for the purposes of calculation of differential rent.

Finally, I would like to acknowledge the extensive work undertaken by the local authority sector in the development of this Scheme. The successful operation of the Scheme by local authorities will assist in realising potential that may exist within the social housing sector to relieve pressure in the private rented market in the context of high demand for student accommodation. Accordingly, I would be grateful if you would make the necessary arrangements, including publishing the Scheme on your local authority website along with the FAQ, application forms and licence agreements.

Any queries local authorities may have on the enclosed can be directed to either Maria Griffin ([maria.griffin@housing.gov.ie](mailto:maria.griffin@housing.gov.ie)) or Paul Morrissey ([paul.morrissey@housing.gov.ie](mailto:paul.morrissey@housing.gov.ie)).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nina Murray', is positioned above a horizontal line.

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**Nina Murray**  
**Principal Officer**  
**Social Housing Policy Unit**