

AILG

Association of Irish Local Government
Aontas Rialtas Áitiúil na hÉireann

Association of Irish Local Government

Meeting with the Joint Oireachtas Committee on Housing & Homelessness

31st May 2016



Cllr. John Crowe, President AILG & Clare Co. Co.

Introduction

The Association of Irish Local Government (AILG) is the statutory representative body representing the democratically elected members and their member authority of Irish Local Government. The association supports the elected members in their role as board members of the local government units in the State.

The AILG supports the establishment of the Oireachtas Committee on Housing & Homelessness, as our members believe that the country is facing one of the biggest housing and homelessness crisis in its history. The work of this committee is an important step in resolving the challenges facing those affected by this crisis. We note that the Minister has consulted with the Chief Executives of the Local Authorities and not with the Elected Members on this issue – in some ways that sums up the cause of the problem to date. The Department officials are not dealing with the people – namely the Elected Members – who are dealing on a daily basis with those in housing distress. The association thanks the Committee Chair and members for inviting it to make a presentation and to brief the committee on the views of our local public representative's. To-day we will set out what the local representatives believe must be done in order to provide access to appropriate social and affordable housing. We bring to the table the experience of elected members for whom housing related issues are a central concern in their work as public representatives. We can safely state that, currently, no other local government issue generates so much of a councillor's workload as is the case with housing.

While this submission does not represent the full extent of our association's housing policy, it does outline the key priorities which we believe should be

included in the report of the Committee on Housing and Homelessness that will be presented to the Dáil over the coming weeks. Our submission contains recommendations that we believe need to be implemented in both the immediate and longer term in order to address the housing and homelessness crisis currently facing the country.

However, our key point, that we will be making throughout our submission, is that the role of the local authority, as the housing authority in each city and county and as lead providers of social housing throughout Ireland, needs to be reinforced in order to fully address the current crisis.

However, we do of course not disregard the role and contribution of other social and affordable housing providers

For more than a century local authorities have, successfully, been the providers of social housing for the Irish population. Our local authorities have a strong record of achievement in the housing area. Many independent commentators, including many contributors to this committee over the last number of weeks, have reiterated that local authorities should be the primary provider of social housing in the country. In the context of any housing policy, the experience and the capacity of the local authority as the housing authority needs to be underpinned and emphasised.

We note that some commentators are calling to enshrine the right to a home in our Constitution by way of a referendum. We would like to point out that local authority housing is the only current form of social housing that offers tenants the opportunity to buy out their houses and become home owners. Home ownership is an aspiration that we believe should be afforded to all social housing tenants and, to this end, we welcome the new tenant purchase

scheme, introduced earlier this year, which will provide opportunities for tenants to become home owners.

We would now like to make some specific points regarding individual measures and recommendations that we would like the committee to consider and include in their final report to the Minister and the Oireachtas.

1. **Commencement of a National Local Authority House Building Programme**

The AILG believes that the Committee on Housing and Homelessness must propose that local authorities embark on a more ambitious, nation-wide local authority house building programme to include both acquisitions and a new build programme. With approximately 139,359 people on local authority waiting lists as at February 2016, there must be a significant increase in capital funding for local authorities to deliver an acquisition and new build programme over the next five years to meet this ever increasing demand as our population increases.

During the course of the last decade, and under various governments, national policy has been over-reliant on the private housing market to deliver social housing units. We believe that now is the time for this trend to be reversed. The number of new build and acquisitions of local authority social housing units has fallen, from 31,527 units delivered in the 6-year period from 2004 – 2009 to 5,702 units delivered in the following 6-year period 2010 – 2015. This significant drop in local authority new build and acquisition units was partially compensated through the delivery of 32,011 privately provided housing units during the same 6-year period to 2015. These units were delivered through a

number of other social housing supports in the private housing sector including RAS, HAP & SHCEP (previously known as long term leasing). Such figures demonstrate considerable over-reliance on the private housing market to deliver social housing units. However, with population growth figures set to continue to rise, thus enforcing a high demand for housing, this will inevitably lead to both social housing and private housing clients competing for the same limited supply of units in the absence of a significant increase in the building of social housing units. While we believe that local authorities, in their role as housing authorities, have an important function in facilitating housing provision and development in conjunction with the private sector and the approved housing bodies it is imperative that local government be allowed the freedom to substantially enhance its own capacity to directly deliver housing units.

Under the current Social Housing Strategy 2020, it is proposed that 110,000 social housing units are to be delivered in the period 2015-2020. However, of these 110,000 units, only 35,000 are to be delivered through new build & acquisitions with the remaining 75,000 to be delivered through the existing RAS & HAP Schemes via the private housing market. The association sees this as a continuation of the existing over-reliance on the private housing market and therefore we envisage, in the absence of a significant investment in new unit development by the local authorities, continued inability to meet housing demand throughout the State.

We, therefore, call for the figures as set out in the new Programme for Government, to be revised to a more evenly 50:50 split for the delivery of

these units between new builds/acquisitions and units delivered under RAS & HAP.

As stated in our opening comments, local authorities have a strong record of achievement in the housing area and are always conscious of the need to create sustainable, integrated communities with accessibility to schools, community facilities, shopping centres and employment. A national local authority house building programme will ensure that these sustainable communities will continue into the future. In that regard we caution following simplistic calls for NAMA Housing to be handed over to local authorities.

In addition, and as noted earlier, we have a responsibility towards sustaining communities and simply accepting units offered through NAMA without due regard for the need for community sustainability, could conceivably end up creating even more legacy challenges for the relevant housing authorities.

2. Increase in Capital Funding & Funding Options for a National Local Authority House Building Programme

In order to deliver on the ambitious targets, set out in point 1 above, a significant increase in capital funding for a new house building programme will need to be made available to local authorities over the next 5-year period.

Under the Social Housing Strategy 2020 it is estimated that a delivery of 35,000 new social housing builds/acquisitions will cost in the region of €3.8 billion. If this number is to increase to approx. 50,000 units, as envisaged under a 50:50 split, it is estimated that this cost will be in excess of €5.5 billion. In order for

this to be achievable a significant increase in capital funding will need to be delivered.

We acknowledge that this will be an enormous challenge for both the Government and the Oireachtas to deliver on this level of capital funding. However, taking the current housing crisis into account we feel that there is little alternative. We therefore welcome and support the recent comments from the Housing Finance Agency in saying that it could lend at a fixed rate of 1.75% for 25 years to local authorities for social housing building projects. The agency has stated that they have a capacity to lend up to €10 billion and have a current facility of €6.3 billion with the option of further borrowings available from the European Investment Bank for house building.

While recognising the fact that EU fiscal rules make it difficult for local authorities to borrow, given the need to keep borrowings “off balance sheet”, we need to recognise that this is a viable option for addressing our current housing crisis and would call on the Department of Housing, Planning and Local Government to support local authorities in borrowing from the HFA.

The association also supports the recent proposal by the Irish League of Credit Unions to work with Approved Housing Bodies to provide additional social housing units. This funding option should be explored as we believe that Approved Housing Bodies, working in conjunction with local authorities, also play a significant role in delivering social housing projects.

3. Review of procurement and tendering procedures required for quicker delivery of social housing projects.

The association calls on the Minister to carry out an urgent review of procurement and tendering procedures in order to fast track social housing projects for quicker delivery. The current process for a turnkey social housing project needs to be fast tracked in order to eliminate unnecessary delays in giving projects the necessary go-ahead to proceed. Currently the length of time that it takes to deliver a social housing project is unacceptable and needs urgent reform. The various stages involved in delivering a housing project include initial appraisal, design, planning, tendering, finance approval and construction with each stage needing approval at central level before the next stage can commence. This is leading to lengthy delays in housing projects and is an issue that needs urgent action. For example, there is evidence of a one project taking as long as 26 months to deliver a 19-unit housing project for which 100% funding has already been given (so money is not the problem) which is already 6 months late and it looks like houses will not be occupied until at least January 2018.

4. Review of the planning process

We recognise that delays can arise, particularly within the planning process, for some social housing projects. While acknowledging that all citizens have a right to get involved in the planning process we will not condone persons who wilfully try to frustrate the local authority and those engaged in the provision of social housing. However, we do, as an association, have reservations in relation to recent reports on proposed changes that the Minister is considering to the Part VIII planning process. Such reports suggest that the Minister is planning to introduce emergency legislation to enable city and county chief

executives fast-track the planning process for social housing projects. It is understood that this would be through with new rules reducing the public consultation period from eight weeks to four. While, broadly we welcome this reform, we as an association would strongly object to any change to the reserved functions of the elected members in relation to the Part VIII process. As previously stated, social housing projects need to be sustainable, integrated communities with accessibility to vital services for the benefit of the people who will live there. The elected members, by retaining their reserved function in the Part VIII process, can ensure that all social housing projects are designed to ensure that this objective is achieved.

While the Association endorses any movement to streamline the planning system and the regulatory requirements in relation to the provision of housing neither are we saying that housing provision be so rushed as to compromise on build and design standards. People who live in local authority housing are entitled to the same standards of utility and design in their houses as would be the case for private houses of similar size. We have seen too many examples in this country of where rushed building programmes have left lasting social problems.

The proper planning of housing provision begins with consideration of location and ensuring -depending on the scale and nature of the development – that there is proper provision of facilities such as schools and public transport. Furthermore, the question of concentration needs to be considered. While it is tempting to react to the housing crisis by embarking on the urgent building of big schemes the mistakes of previous mass provision of houses need not be repeated. There is plenty of expertise available in the planning and architectural professions to make sure that housing can be built in a short time

frame while at the same time observing acceptable standards of location, design and build. The local knowledge of county and city councils is an invaluable asset in ensuring co-ordinated provision of housing and the necessary support services.

5. Need for recruitment of appropriate technical staff to ensure delivery of social housing projects.

Due to the previous moratorium on recruitment in the public sector, local authorities have lost invaluable technical staff over the last number of years and the loss of such experience is also leading to delays in progressing some social housing projects.

While acknowledging that this moratorium was lifted in 2015, local authorities are still experiencing difficulty in recruiting the appropriate technical staff needed to progress some social housing projects because of lack of necessary funds. We would propose that funding for appropriate technical staff would be included in the capital costs of housing projects to ensure that no housing projects are delayed due to a lack of technical expertise. Short term contracts to recruit appropriate technical staff should be afforded on specific social housing projects if necessary to ensure that these projects are commenced and delivered without delays.

We would also propose that the shared services model currently operating successfully in the Irish local government environment should be employed to rapidly scale-up the input of specialist housing personnel. Design and planning teams could be assembled in a number of core local authorities with their

services available across county boundaries to other local authorities. This approach was used to good effect in the early years of the national motorway programme where a design team was assembled in a given county and its expertise deployed to other counties so as to create a flexible and rapid response to the need for expertise in an accelerated building programme.

6. Urban Renewal and Housing

There is a strong correlation between the provision of housing and the addressing of another major contemporary issue – that of bringing life back into the centres of our towns and cities. Many towns have been “hollowed out” with only very small numbers of people living in town centres. At the same time there are often derelict and vacant sites located in or close to the town centres. While the freeing up of land in private ownership is a challenging issue there would nonetheless seem to be great potential for innovative infill provision of accommodation in locations which by definition are well served by public utilities. Schemes embracing various kinds of accommodation from one bedroom apartments to, say, three storey houses would help to make maximum use of inner urban land while at the same bringing a sustainable population back into town centre locations.

7. More student accommodation to relieve pressure on the rental market

In towns and city areas close to third level colleges the student demand can add greatly to the pressure on the availability of property to rent. The

Association would make the case for third-level institutions to provide a much greater level of on-campus or near-campus accommodation.

This recommendation is grounded on the following factors:

- a) Helping to relieve pressure on the rented market in towns where there is a third-level accommodation;
- b) Helping relieve the costs of accommodation for students and their parents;
- c) Ensuring greater value for the Higher Education Grants paid out by the state where currently the maintenance element of the grant is in many cases effectively a transfer of state funds to a private landlord;
- d) A number of third-level colleges have considerable land within their campus perimeters. This land is well serviced by public utilities and public transport making it eminently suitable for the provision of student accommodation on site;
- e) There is a case that planning applications from third-level colleges for expanding their academic infrastructure should be accompanied by a statement showing how the relevant college proposes to address the accommodation needs of any increase in the student body.

We note that Minister Coveney has already mentioned he would give consideration to promoting an accelerated provision of student accommodation and the Association welcomes this as a way of freeing up property for wider tenant requirements as well as the other advantages outlined above.

8. Immediate need to deal with vacant local authority units (voids)

One issue that will help the immediate housing need is tackling the issue of vacant local authority housing units or voids and addressing the unacceptable

re-letting times of up to 30 weeks in some instances. A recent report by the National Oversight and Audit Commission (NOAC) has concluded that the average re-letting times and costs vary considerably from 6 to 25 weeks where major works were not required with costs ranging from €9,000 to €23,000 per unit.

The NOAC report also stated that a higher level of vacancies may be due, in some cases, to a local authority policy of holding vacancies in certain estates pending planned refurbishment work and in other instances to certain housing stock not being popular with waiting list applicants. The NOAC report which was based on 2014 data concluded that the re-letting times from the date the previous tenant vacated the dwelling to the date of the new tenant's first rent debit was a median of 24 weeks. The AILG finds these re-letting times unacceptable and it would be beneficial for individual local authorities to review their performance in this area to ensure a timely turn-around of vacant units to meet the significant demand that exists for social housing.

Having discussed this issue with our members and after having consultations with a number of local authority housing officers we would call on the committee to propose in their final report that local authorities would have a dedicated ring-fenced rolling budget on an annual basis for pre-letting repairs costs. This rolling budget from central funds could be dependent on matching funding from the local authority's own resources which would help with the timely re-letting of vacant housing units. This would also give greater autonomy to each local authority to prioritise what level of repairs are required to bring their vacant units to re-letting standards taking their immediate housing needs into account.

9. Other short term measures to address the immediate housing and homelessness crisis.

The association recognises and supports other current proposals being considered to help address the current housing and homelessness crisis in the short term including;

- €11 million to 2017 for local authority house adaptations and extensions to meet the needs of tenants with a disability and to deal with overcrowding proposed under Social Housing Strategy 2020.
- €50.5 million to 2017 available for Housing Adaptations for Older People and People with a Disability living in private houses also under Social Housing Strategy 2020.
- Introduction of the reformed Part V of the Planning and Development Act.
- Introduction of a vacant site levy to apply from 2019 in order to help free up potential development land.
- Levy on houses vacant for 12 months or more.

However, in addition to the above short term measures, the AILG would also call on the committee to consider making recommendations to include;

- Households in mortgage arrears and facing the prospect of repossession should be able to transfer their homes to a government agency where they can continue to pay rent while the agency negotiates a long term solution for the family.
- Greater provision of appropriate emergency accommodation.

- Provision of greater services including addiction and mental health supports to vulnerable persons who find themselves in a homeless situation.

One further issue of concern to elected members is the refusal by management to issue Councillors and Oireachtas members with the monthly Allocations and Transfers list. This has stopped Councillors from exercising their traditional oversight role to ensure the fairness and integrity of the system and to assure their Constituents of this. That decision was based on an intervention by the Data Protection Commissioner and is strongly opposed by Councillors and we ask you as Oireachtas members to amend the legislation governing this.

Conclusion

The Association of Irish Local Government endeavours to bring to the fore the voices of elected members who are rooted in their own communities and see at first-hand the toll that this housing crisis is having on the people that they represent.

We acknowledge the work of this important committee and pledge that we will play our part on behalf of all elected members to address this housing and homelessness crisis facing our people. In doing so we will work alongside the committee and we look forward to continuing to contribute to the work of the committee.

We would like to thank your Chairman and the committee members for listening to our submission and will be glad to take questions that the members may have.