



Irish Council
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AILG Elected Member Training

Role of Approved Housing Bodies in Housing Delivery

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September 2016



Content

- Irish Council for Social Housing
 - who we are & what we do;
- Overview of housing association sector;
- Delivery Mechanisms;
- Roles of local authority, Elected Members & housing associations;



Irish Council for Social Housing (ICSH) – Who are we?

- National representative federation for housing associations in Ireland
- ICSH committed to assisting members in the provision of social housing to meet the needs of various groups such as the elderly, homeless, people with disabilities or families on low incomes.
- 270 members



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Different “tiers” of Approved Housing Bodies(AHBs’) Housing Associations

Large Housing Association

Located over a number of local authorities providing housing & services for families and special need groups e.g. Respond, Clúid, Túath

Regional or County Based Housing Associations

Primarily focused on a county area or HSE Region e.g. Foscadh Housing Association, Brothers of Charity

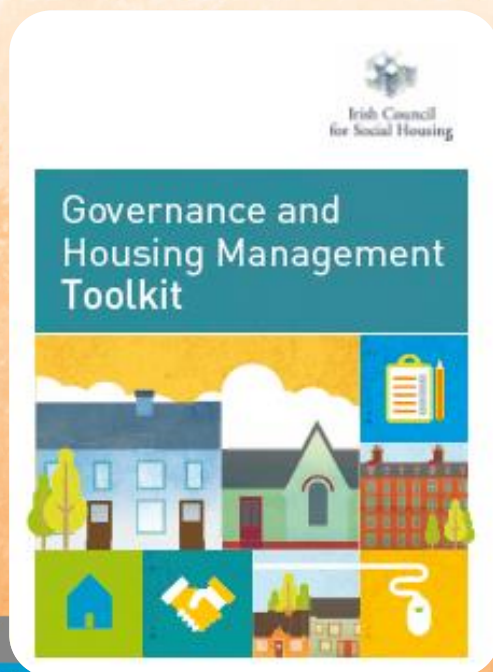
Local Community Based Housing Associations

A significant number of housing associations often linked to local organisations e.g. Claregalway, St Kilian’s



ICSH – What do we do?

- Represent and advocate on behalf of members;
- Provide information flow e.g. policy, funding developments;
- Supporting regulatory developments bringing increased accountability & professionalism;
- Events, training, publications development & support;



Scale of Properties in Social Housing

- Local authorities 130,000
- Non-profit Approved Housing Bodies
30,000 homes



Delivery	Units
Family Housing (CLSS)	10,152
Special Needs(CAS)	15,771
Leased Properties	3,500



Then & now

- Voluntary activity has always played a part in the delivery of social housing in Ireland;
- Involvement dates back to 1890's;
- 1980s – dedicated funding schemes (CAS / CLSS) established separate to LA funding;
- Peak output – over 2,000 homes in 2009
- 2011 Housing policy statement '*enhanced role*' for housing associations in housing delivery

Social Housing Strategy/ Action Plan



Enhanced role for AHBs in the provision of new supply will be central



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Current Context

- Government's [Housing Action Plan 2016](#)
 - Builds upon the Social Housing Strategy(Nov 2014) – enhanced role for AHBs in provision of new supply;
 - Addresses the chronic under-supply of housing and the problems that has created for families and communities;
 - Looks at all aspects of the housing system – social, affordable, private and private rented housing;
 - Challenge – generate supply to meet housing for homeless –those in unsuitable accommodation in shortest possible timeframe

Main Objectives

Pillar 1 – Address Homelessness

Pillar 2 – Accelerate Social Housing

Pillar 3 – Build More Homes

Pillar 4 – Improve the Rental Sector

Pillar 5 – Utilise Existing Housing



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Housing Action Plan

- The Action Plan includes commitments to the sector reflecting the work undertaken by ICSH over recent months in regard to the following;
 - A co-ordination unit for AHBs to be established in the Housing Agency /technical assistance e.g. procurement;
 - AHB access to local authority lands;
 - Additional funding under CAS will be made available;
 - An innovation fund for the sector to support the development of new financial models;
 - Support for an ICSH / sector led SPV to attract new investors into the sector;
 - A multi-annual funding programme for CALF;
 - Policies to support special needs accommodation programmes
- Important to ensure new systems are bedded down quickly - delivery of increased housing is prioritised.



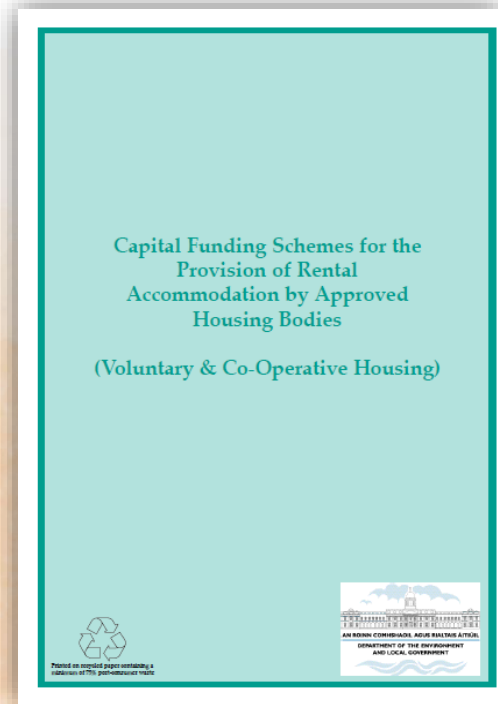
Housing Association - Delivery Methods

- Capital Assistance Scheme(CAS);
- Capital Assistance Leasing Facility(CALF);
- Accessing Private Finance – Mixed Funding Models;
- Utilizing NAMA;
- Leasing – private developers/unsold affordables;
- Regeneration/Retrofitting.



Provision of Capital Assistance Scheme(CAS)

- ▶ The first capital support to be provided for Approved Housing Bodies. It is generally used for special needs housing: elderly, people with disabilities, formerly homeless;
- ▶ Provides up to 95% or 100% (from Oct 2007) of the capital costs to agreed maximum limits;
- ▶ Funding is provided by the DHPCLG and drawn down through the LA. The funding is sourced from the exchequer;
- ▶ Funding through CAS can be used for new build, turn key, design & build or refurbishment & renovation.



Memorandum on Capital Funding Schemes for Approved Housing Bodies, May 2002



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Capital Assistance Scheme(CAS) 2016

- **General Call for Proposals** – Announcement June 2016 (Circular 29/2016) - focus – Homeless persons, Elderly, People with Disabilities(+ €10million allocated for people moving from congregated settings)
- Changed Process for project submissions/ timeframe for approvals - having a rolling programme where housing associations can submit proposals to local authority all year round;
- Construction
- Acquisition



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CAS Examples

Housing for Older People St Vincent De Paul – Foxford, Co. Mayo



CAS Examples

Achill Sheltered Housing Association

- Housing for Older People - Cuan Aoibhinn, Achill Sheltered Housing, Keel, Achill, Co. Mayo – 6 2-bed bungalows & community facility



CAS Examples

Housing for Older People - Nazareth Housing Association Nazareth Village, Church Hill, Sligo



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CAS Examples

Sophia Housing Association Tubbercurry, Co Sligo

- Housing for people with disability;
- 32 self-contained apartments with communal facilities including office spaces, common room, coffee dock, meeting rooms and multi-sensory room.



CAS Examples

St. Killian's Housing Association, Mullagh Co.Cavan

- 12 2bed units for elderly



Reaching Targets - ICSH CAS Tracking

- Tracks Housing Association Progress on Acquisition and Construction Projects; e.g. legals, tender, planning;
 - Tracks project spend;
 - Identifies Issues/Obstacles to delivery;
 - Communicates issues to Local authority / Department;
 - Highlights issues through SHS Reporting Arrangements; Department/CCMA;
- Overall Aim to expedite delivery



Capital Advance Leasing Facility (CALF)

- Loan up to a maximum of 30% of the value of the acquisition or construction
- 70% private finance
- Properties made available to meet social housing needs, supported by ongoing revenue subsidy from the state known as Payment & Availability Agreement made available through Local Authority;
- paid as a loan repayable at end of lease term- interest at a fixed rate of 2% per annum.



Housing Finance Agency

- Significant funding available;
 - Acquisition /construction/build Finance;
- Most competitive funding rates;
- Tier 2 product - 10 Year Fixed – 3.35% p.a.
- 14 AHBs have obtained certified Borrowing Status

Funding Example –
Túath Housing
Association
HFA Finance for the
purchase of 80 units in
combination with CALF
& CAS finance



CALF & Private Finance

Túath & Clúid Housing Association

Unfinished Estate - An Leargan, Western Distributer Road, Galway

Disabled, over 55's + homeless - wide range of disabilities catered for including wheelchair users, persons with mild physical disabilities and persons with intellectual or sensory disabilities.

9 -2bed units , 4 1 bed units

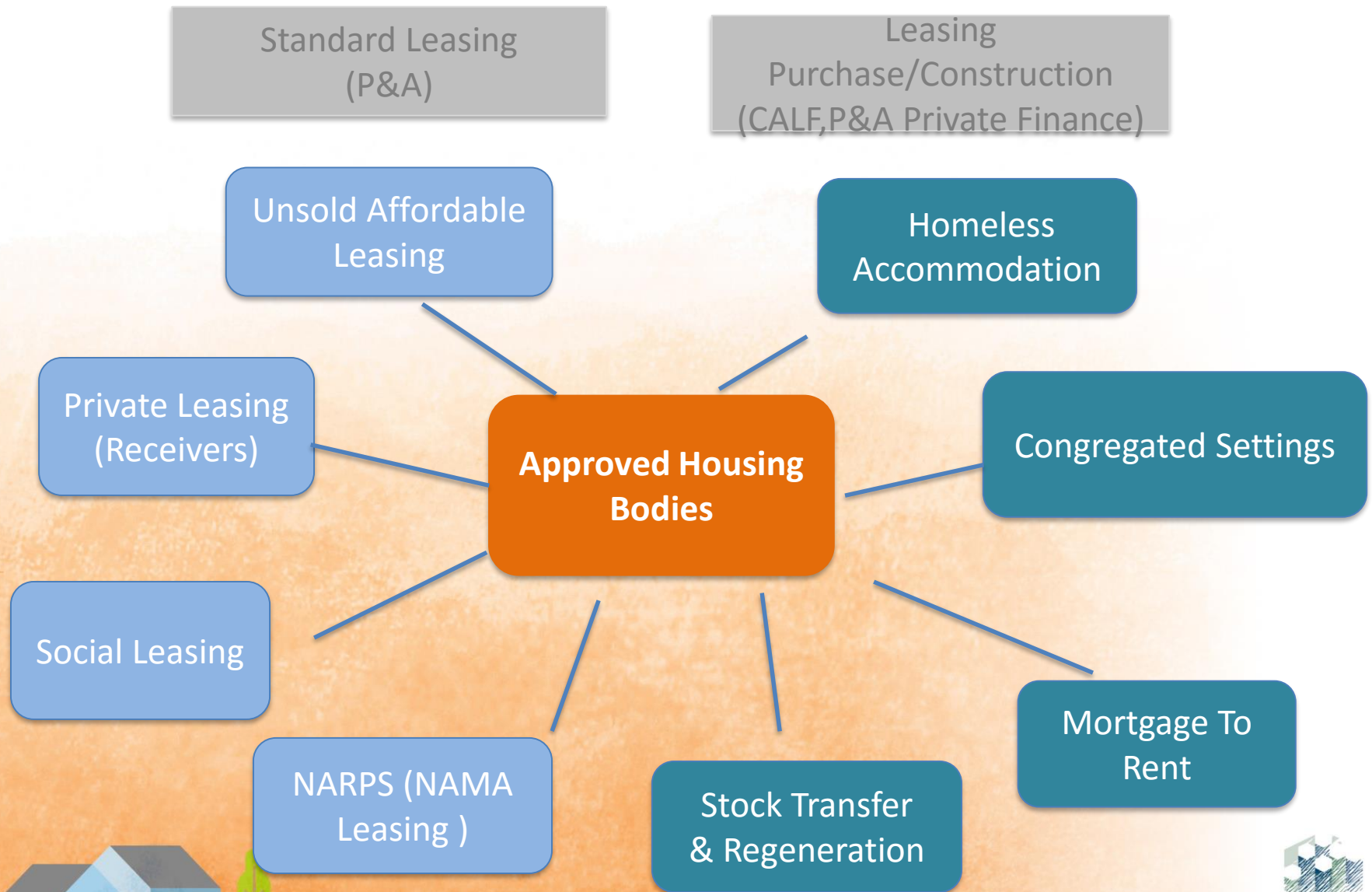


Social Housing Leasing Initiative Options

- AHB can source and secure units through:
 - **Leasing from Private landlord** (using long term lease),
 - **Leasing from local authorities of unsold affordable housing** - utilising void stock;
 - **Leasing from Receivers** - Unfinished estates;
 - **Leasing from NAMA** through NARPS;
 - **Purchasing** properties on the open market; (utilising Capital Advance Leasing Facility(CALF) & Private Finance);
- General Needs;
 - People with Disabilities; meeting targets LA Disability Strategy
 - Assisting people with unsustainable mortgages (Mortgage to Rent);
 - **Constructing** properties(utilising CALF & Private Finance);
 - **Refurbishing** Properties –(utilising CALF & Private Finance) including take overs – resolving problems of poor quality housing;



Leasing Initiatives – Approved Housing Bodies



Mortgage to Rent – AHB Acquisition (CALF)

- The Mortgage to Rent Scheme is a Government Initiative to help homeowners who are at risk of losing their homes due to mortgage arrears; Under the scheme the mortgage holder voluntarily surrender ownership of their home to their lender.
- A Housing Association purchases the property (CALF & Private Finance Model) from the lender and becomes the landlord;
- Applicant no longer owns their home but will continue to live in the property as a tenant of the Housing Association & pays an income related rent set by the Local Authority;
- Many stakeholders involved – timely administration process; Slow complex process delays with Banks, negotiating valuations, Delays CALF evaluation process, P&A sign off by Local Authority;
- Scheme Output is low (160 cases as of June 2016)
 - Notwithstanding Scheme has significant rewards for those involved

We've got peace of mind and we've kept our own home.'

'The nightmare is over. It's not just a house – bricks and mortar – it has sentimental value.' **(Clúid Mortgage to Rent Review July 2013)**



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NAMA Units Delivered

Through AHB
Purchase & Leasing
– 1800 (90%) units
delivered nationally.



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NAMA Properties - Issues Encountered

Acquisition/Leasing of units in incomplete schemes is complex;

- Long drawn out process for AHBs to get close projects from offer to close/occupancy 12-17months in many cases

Typically, the following issues arise:

- Solvency of debtor/unpaid creditors/receivership;
- Outstanding development levies;
- Compliance with planning conditions – particularly where the scheme is significantly incomplete;

Completion of building works:

- Remediation of building defects
- Compliance with regulatory standard
- Transfer of Common Area
- Non-NAMA interests in the estate/OMC – who is responsible?



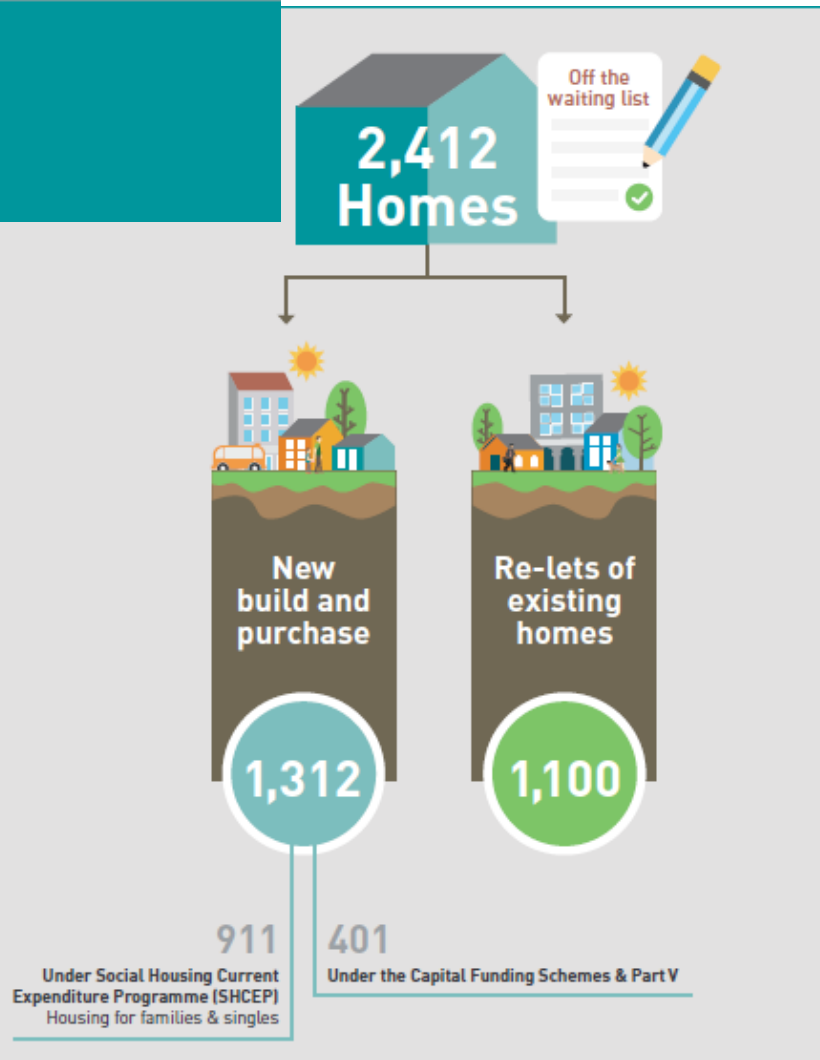


*"Summary of activity,
output & projections
Collective mission to
deliver affordable &
quality homes to
those in need"*



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Number of homes provided by Housing Associations in 2015



How are we progressing?

14

Housing Associations have certified borrower status from the Housing Finance Agency (HFA)

Up to **€100m**
loan finance
accessed by Housing
Associations to
provide 700 homes

10%
Of total housing
output in 2015 was
provided by Housing
Associations

Over **5,500**
homes were proposed
under the Multi-Annual
CALF funding, consisting
of 14 applications
worth €227m

90% (over 1,800)
Of NAMA properties to date
provided by Housing Associations*

* Source: Housing Agency website



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What's in the pipeline?



Enabling factors to increase sector housing supply

**Increased supply of
'ready to go' sites**
assembled for new
housing association
developments.



More Part V Partnerships

This is where the local
authorities partner with Housing
Associations. Developers are
under an obligation to allocate
10% of each new development
to deliver mixed tenure
developments.



Additional Areas of AHB Activity

- Regulation of the AHB Sector – Voluntary Regulation Code (July 2013)
- Strengthens the Sectors Reputation/provides reassurance – AHB on Strong footing;
- By focusing on good governance structures and financial viability of organisations, regulation will:
 - Protect public and charitable funding;
 - Ensure existing and future tenants are protected;
 - Make sector more attractive to funders;
 - Build sector capacity;
 - Create mechanism for investment in existing stock;
 - Ensure organisations are meeting their objectives, and ultimately provide more homes for social housing use;
- 237 AHBs signed up to the Code;
- Statutory Regulation 2017.



The Voluntary Regulation Code and the Annual Return

- The VRC requires those signed up to it to complete an Annual Return to the Regulation Office
- This contains information on:
 - Property (and how it was funded);
 - Governance Structures;
 - Financial information and sinking funds,
 - Tenant services and communications;
 - Financial Standard also applies

Charter of Commitments

AHBs in Tiers 2 and 3 are automatically subject to all commitments set out for Tier 1 AHBs

Tier	Commitments
Tier 1 :	<ul style="list-style-type: none"> • Have in place a properly functioning Board with <ul style="list-style-type: none"> - clear roles and responsibilities - at least 5 members, none serving more than 2 consecutive 5 year terms - a general meeting at least once per year - no employee acting as Chairperson • Comply with existing companies law, charities requirements, conditions of approved status • Have a tax clearance certificate and a sinking fund • Have an agreed set of performance management indicators • Submit an Annual Report & Accounts, and a copy of filing to the CRO or to the Registrar of Friendly Societies, to the Department (c.f. Appendix 1) • Submit data on Tenant Services (c.f. Appendix 1) • Submit a signed copy of this Charter to the Department
Tier 2: All Tier 1 requirements	<ul style="list-style-type: none"> • Have a Finance committee, or equivalent, in place • Annual report to include details of fixed assets, liabilities, reserves, loans outstanding, capital repayments and evidence of a risk register.
Tier 3: All Tier 1 and Tier 2 requirements	<ul style="list-style-type: none"> • Have an external audit process in place • Maintain an active strategic plan • 3-year financial plan in place • Have an agreed range of Tenant Services indicators in place • Submit a completed annual return, as specified by the Department • Agree to be subject to an audit¹⁰ by the Department and/or its agents, if so requested • Attend an annual review meeting with the Department and the Housing Agency, if so requested



The Residential Tenancies (Amendment) Act

- Act commenced on 7th April 2016;
- Rationale: To give all tenants across sectors equal rights;
- Requires all Housing Association tenancies to be registered with the Residential Tenancies Board within 12 months from 7th April;
- Revised termination periods for landlords & tenants;

Benefits

- Provides adjudication mechanisms that were previously only open to private tenants & landlords:
 - ✓ Mediation (including telephone mediation) - FREE
 - ✓ Adjudication - €15 online application, €25 paper application

Dispute processes designed to reduce lengthy & costly court proceedings.



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What housing associations have to offer

- Delivering on the Governments Action Plan targets & assisting local authority meet housing need;
- Innovative Finance - Provide Investment capital new social housing with off-balance sheet loan financing / private borrowing;
- Innovative delivery mechanisms NAMA, Mortgage to Rent, stock transfer, Regeneration;
- Experience in specialist provision e.g. elderly, homeless, disability -choice in provision of housing options- general needs and specialists;
- Housing management expertise- local authority units;
- Option for local authorities to use approved housing bodies to manage Part V developments;
- Refurbishment of local authority stock – can leverage state funds to access loan finance;



Local authority enabling role for housing associations

- Provision of subsidised sites for AHBs which were previously very successful in meeting needs of housing applicants;
- Approving CAS, CALF & other funding to deliver on Social Housing Strategy actions;
- Provision of nominations from local authorities to AHB vacancies;
- AHB allocations/completions to be included in overall local authority targets.



Elected Member role

- Strategic role in overseeing delivery;
- Promotion of social housing as option for constituents spread of choice with housing associations;
- Enable housing association development and delivery;
- Responding to local need, ensure a balance of housing types in locality;
- Elected Member as advocate, leader and innovator.



Improving Communications

- understanding, different attitudes/perceptions

Survey of Elected Members

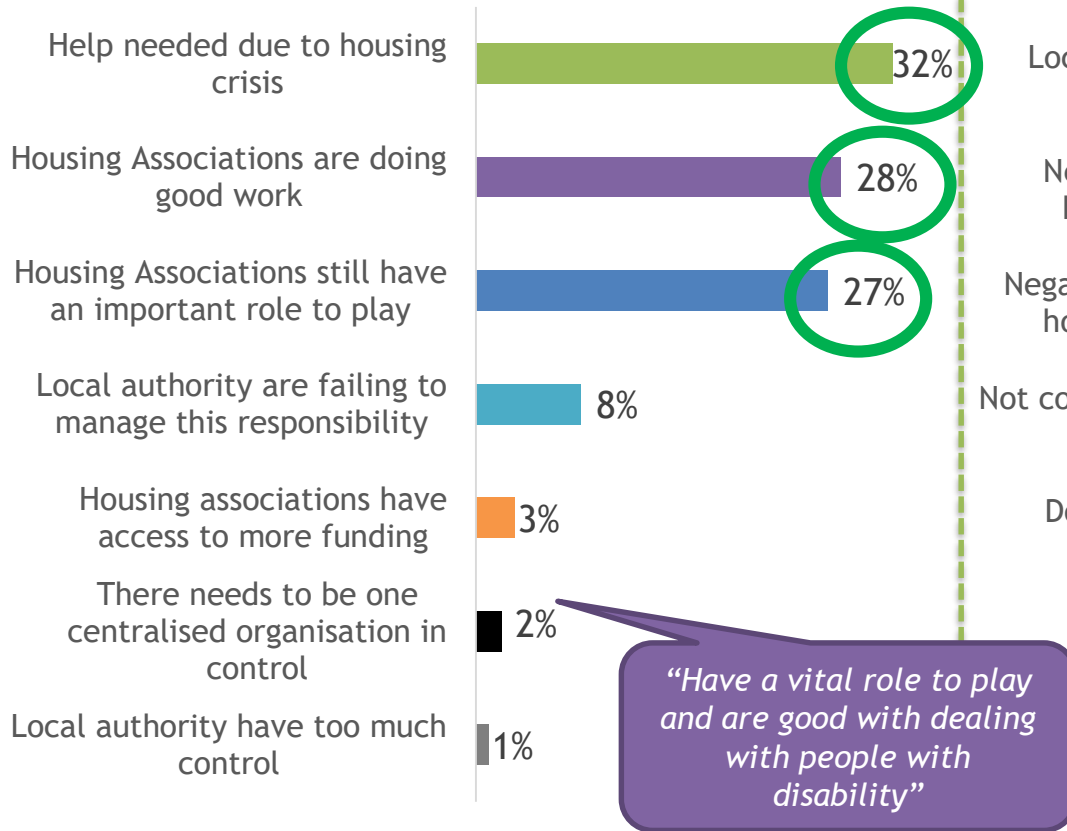
- Undertaken in June 2015
- Aim to build up engagement with elected members on priority issues identified by them.
- 200 Elected Members across the country took part
- One of the key findings was the clear desire to have greater engagement with the ICSH and the sector.
- Outcomes and Actions



1 in 3 claim they need the help of the Housing association due to the crisis

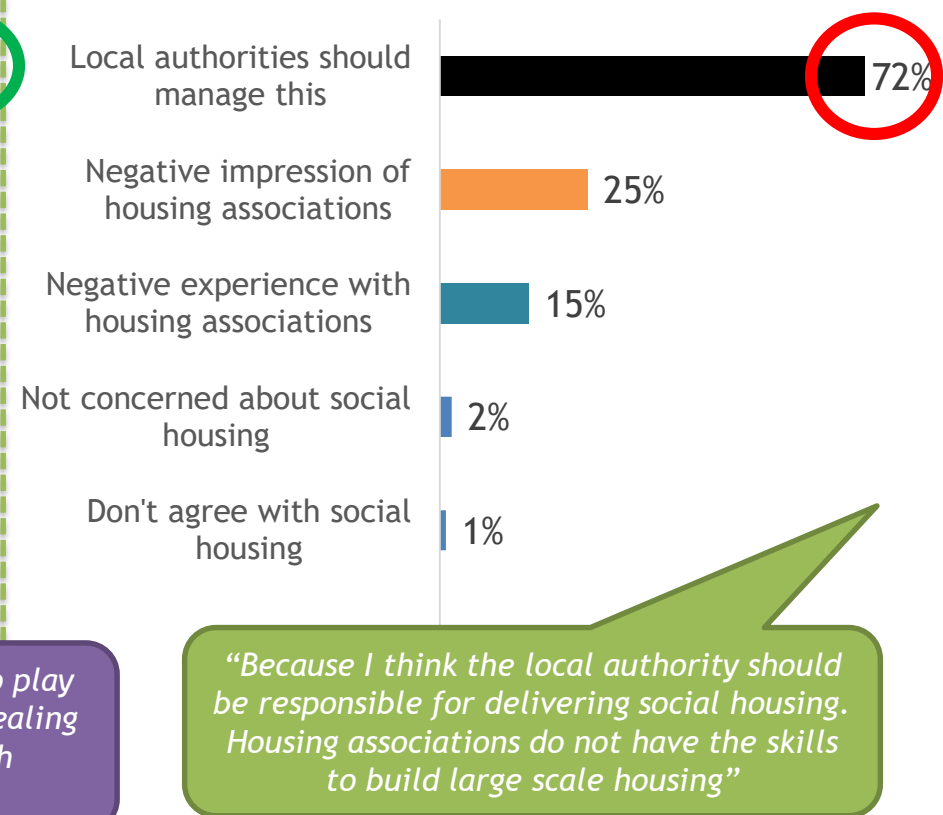
Why they should be involved

Total Sample: 120



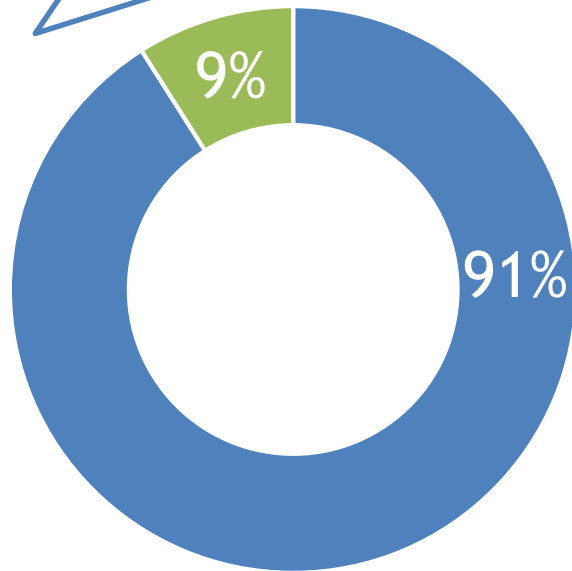
Why they shouldn't be involved

Total Sample: 80



There is an appetite to collaborate with local housing associations

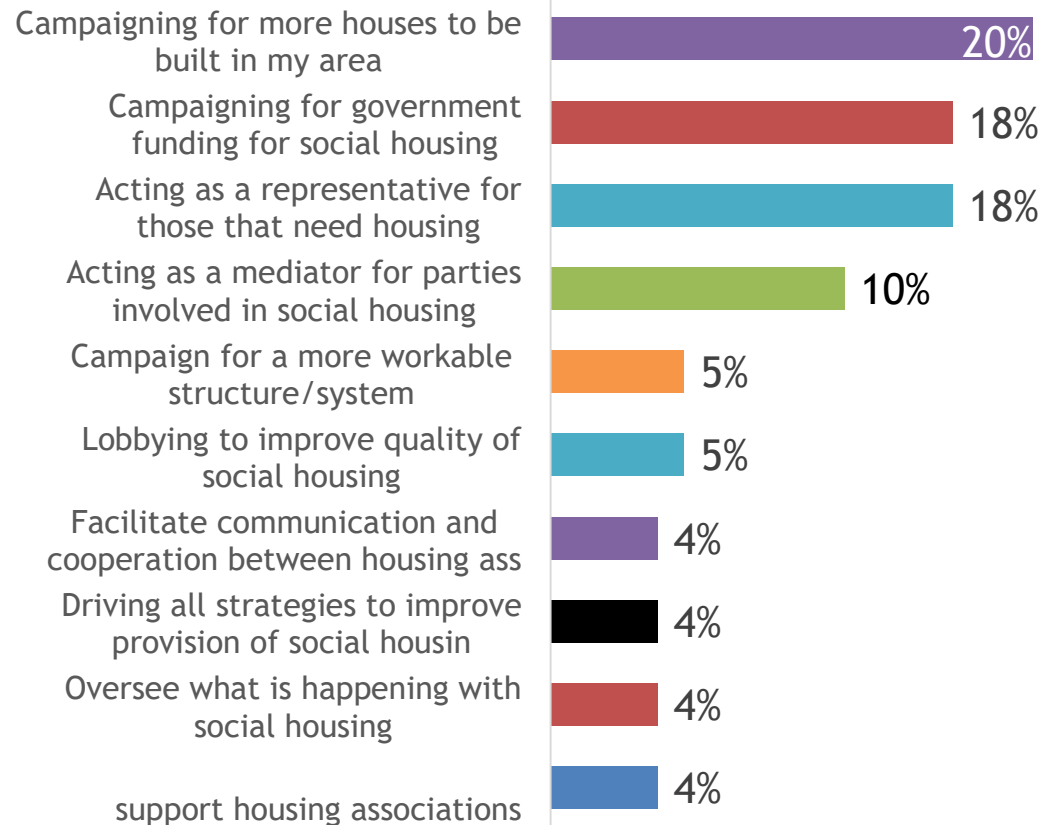
"Would you be open to facilitating collaboration between associations and the Council in the future? Such as part V, stock transfer, joint ventures"



■ YES ■ NO

Total Sample: 200

Councillors Role



Other = 20% lobby for a homeless review, anti-social behaviour, Increase my involvement, etc.



Moving Forward

- Partnership Working – AHB Forum/
- support to date;
- Identify opportunities;
- Contact ICSH/AHBs with project proposals;
- **We can all work together.**





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Thank You

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