Thank you chairman for the invitation from the Committee to the Irish Council for Social Housing (ICSH) to address this Housing and Homelessness Committee. I am accompanied by my two colleagues, the President of the Irish Council for Social Housing, Justin O’Brien, and Caren Gallagher Director of Policy.

The ICSH is the representative federation for housing associations in Ireland also known as approved housing bodies. There are 270 member housing associations who provide over 30,000 homes and related supports in over 500 communities throughout the country in both urban and rural areas. A large number of housing associations are community based, often providing housing for specialist groups such as older people, the homeless and people with disabilities. The sector also includes a smaller number of larger housing associations with projects located throughout the country and having significant programmes for new development. Just as a reference point for Committee members, annual output of new housing provided by housing associations peaked at over 2,000 new homes completed in 2009. In 2015, housing associations accommodated over 2,400 households in housing need of which 1,312 homes provided through new build or purchase.
Due to the significant changes that have occurred in the delivery of social housing from 2011 to 2014, housing associations in the sector have had to engage much more significantly with the private sector, including developers, financiers, receivers, NAMA and other property owners. The sector has played its part in providing social housing in areas such as acquiring and the redevelopment of vacant property and unfinished estates, refurbishment by the sector of local authority flats by housing associations with private finance, utilising over 1,800 NAMA controlled property for social housing, managing unsold affordable properties on behalf of local authorities, as well as assisting some home owners with unsustainable mortgages. The complex nature of many of these arrangements demonstrates the highly interconnected nature of housing delivery from a network of different organisations and individuals that the Committee should consider in any future response for an overarching future governance structure for housing which I will refer to after.
Alongside the whole range of partnerships, has been the implementation of the new mixed funding financial model (which includes both state and private finance) in the supply of new social housing with some housing associations raising up to 70% of funding from financial institutions. The sector has been innovative in developing financial models and collaborative partnerships in particular to meet the needs of homeless families.

(Included in your notes should be an infographic which indicates the updated activity for the sector for 2015 in relation to delivery now and in the coming years).

Although the social housing sector is only around 9% of the total housing sector, it has played a significant role dealing with the failures of the private sector, both private landlord and owner occupied sector, in recent years. The small size of the controlled social housing sector in Ireland, through local authorities and housing associations, means it is limited in being a safety net in dealing with all housing market failures. A total social housing stock in the region of 200,000 was recommended by NESC as far back as 2004 - this should be at least an objective for any future controlled social housing stock in the short to medium
term. This would move Ireland closer to the European average of 17% social housing provision.

The success of the housing system should not be measured on the scale of any one tenure but in the wider spread of housing options the people across tenures can access. We still have an unbalanced housing system, focussing on home ownership, but if we really believe in a more tenure neutral approach then we need to refocus policies and incentives to support this.

Our perspective is not solely from the social housing sector perspective, but comes from experience and the practical reality of developing and managing social housing projects in this new environment across different sectors and tenures. This has required engagement of a number of different stakeholders in both the public and private sectors together with the central roles of the local authority and Department. In addition, a number of the larger developing housing associations are also engaged in proposals for developing affordable and cost rental housing for households to complement traditional social housing as part of mixed tenure developments and this should be promoted.
Some of the short-term housing issues and proposals have been widely discussed in the Dáil and wider media such as limitations of rent supplement and security of tenure issue in the private rented sector. With Rapid build housing we believe it should be a stronger consideration for more mainstream social and other housing and not just limited to one group such as the homeless.

As well as short-term solutions of better utilisation of the existing housing, for improving access to housing for vulnerable groups, we need to focus on additional decisions that need to be undertaken now, to ensure a consistently high level of social housing and other housing over the medium and long term. This is particularly important for example as the implementation of the Social Housing Strategy depends significantly on a continuous supply of housing coming from the private sector.

However, less obvious, but as significant, are the more technical, financial, planning, legal and administrative processes that impact on the delivery of social housing projects by housing associations and housing supply in general. More activation of planning permissions
are essential and the Committee should have closer examination on whether development finance from the private sector is the central issue.

One the fundamental issues for increased housing association delivery the Committee should bear in mind is the immediate need for assembly of suitable sites for new housing. The previous low-cost/subsidised sites programme administered by local authorities was a significant factor in the expansion of the housing association sector from 1980’s and 1990’s. Provision of land is still one of the key enabling factors that the sector requires to sustain further expansion, together with other options that the sector avails of such as Part V, and partnerships with the private development sector. All these other options are required for a development pipeline over the long-term, but sites provided by the state to housing associations are still essential for the expansion of the sector.

Previously, research in 2005 indicated that land costs for some social housing and other housing in the period of the boom were in the region of 40% of total costs. This would significantly be above the norm in other EU countries with land accounting costs 15-20%.
Utilisation of available state land will allow more social housing to be provided by housing associations. We need to ensure that excessive land costs don’t absorb a disproportionate amount of the social housing budget.

Overall, housing associations are bringing to the table loan finance and a housing management focus and expertise and with partnership with local authorities, authorities can bring available sites and housing applicants. One key area that housing associations had been engaged with is accessing loan finance from the Housing Finance Agency (HFA) of which 13 housing associations are certified for borrowing and also from other financial institutions. More recent through the ICSH five housing associations are progressing with the development of an off balance sheet special financial vehicle which would access to finance for greater scale of housing developments.

Other medium to longer term proposals is the implementation of an assisted independent living scheme for older persons, intermediate affordable rental and a rent switch scheme programme to assist tenants who are at risk from investors wishing to dispose of homes.
Finally, the ICSH believe establishing a Cross Party Committee is important in bringing together all the key stakeholders which will build up real-time knowledge for a report for the incoming Government. A Committee such as this could have an ongoing role as a forum for or link to a Cross-Department National Housing Agreement led by Department of An Taoiseach. It will take a number of years for the housing system to fully respond to needs of people in the different tenures, one-off reports may be limited unless there is ongoing surveillance and monitoring of the housing system over a longer period of time.

We wish you well with your considerations and would be readily available to discuss any more of detail recommendations in the ICSH Submission.