### Summary of ICSH Recommendations

1. **Expand the supply of social housing in line with the Social Housing Strategy.**  
   - Allocate €90m to the Capital Assistance Scheme in 2016.

2. **Introduce a development programme for the non-profit housing association sector to enhance delivery.**

3. **Provide capital and revenue funding for CALF¹ (Capital Advance Leasing Facility) scheme.** Funding of €30m for CALF in 2016.

4. **Reactivate the local authority low-cost sites scheme for Approved Housing Bodies, enable access to sites & stock transfer.**

5. **Strengthen the social housing return from Part V.**

6. **Develop the private finance funding model – establish a special purpose vehicle.** Approved housing bodies (AHBs) private loan financing is off balance sheet, which is a significant benefit to the State in raising finance. Capacity has already been increased with 11 approved housing bodies certified to access loan financing from the Housing Finance Agency.

7. **Initiate a Housing Supply Innovation Fund to facilitate delivery under new housing supply models (€2m).**

8. **Funding for Homeless Prevention, Emergency & Transitional Services.**

9. **Supported Housing Packages for Elderly People and People with Disabilities.**

10. **Sustain the Management and Maintenance (M&M) Allowance and servicing of loans provided through the capital loan and subsidy scheme.**

11. **Deliver on the promises made to people with disabilities.**

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¹ For description of CALF, CAS and P&A Agreement please see appendix.
Introduction

The Irish Council for Social Housing (ICSH) is the national federation for non-profit housing associations, representing approximately 270 members who provide social housing. The sector manages over 30,000 homes for families on a low income, older people, people with disabilities and homeless households.

The ICSH welcomed the Social Housing Strategy published in November 2014 and have been working closely with the Department of Environment, Community & Local Government (DECLG) and local authorities since then to implement it. There is a major role for approved housing bodies mapped out in the Strategy and it is the aim of the ICSH and its members to work closely with Government to meet the goals of the strategy.

Context of Budget:

Number of households on waiting lists for social housing .................................89,872
Number of adult individuals accessing emergency accommodation .....................3,095 adults
Number of families in emergency accommodation with dependent children........556 families (1,185 dependents)\(^2\)
Number of accounts for principal dwelling houses in mortgage arrears...............104,693 (Q1 2015)
Number of buy-to-lets in mortgage arrears......................................................33,475

The ICSH propose the following recommendations for Budget 2016.

1. Expand the supply of social housing in line with the Social Housing Strategy.

The target for 2016 in the Strategy is 6,500 units of accommodation to be delivered. Last year’s Budget (2015) committed to an overall capital investment of over €2.2 billion for social housing provision for the next three years. This involves three main strands:

- Firstly, over €1.5 billion will be directly invested from the Exchequer by 2017.
- Secondly, Public Private Partnerships will be used to invest €300 million in social housing units by 2017.
- Thirdly, an off-balance sheet financial vehicle will provide at least €400 million from 2015 onwards to the Approved Housing Bodies. The second non-exchequer approach is to set up an off balance-sheet financial vehicle to channel investment funds to the voluntary housing sector.

\(^2\) Q2 2015 figures from Dublin Regional Homeless Executive
The target for delivery of units through capital and current measures will be in excess of 6,500 units for 2016. The ICSH agree with this target and recommend that progress on commitments made in the Strategy to enable the efficient delivery of units be accelerated.

The ICSH recommends that an allocation of €90m be made to the Capital Assistance Scheme in 2016 to enable the delivery of housing for special needs and to help relieve the pressures of the growing homelessness problem.

2. Introduce a development programme for the non-profit housing association sector to enhance delivery.

The ICSH is calling for the introduction of an incentivised housing development programme for the non-profit housing association sector over three years (2015-2017) co-ordinated centrally. As part of the programme Approved AHBS would commit to deliver specific housing targets as part of an overall housing starts programme for the sector. This would include indicative CALF and Payment & Availability Agreement (P&A) allocated annually for those accepted into a programme which places the responsibility for delivery on approved housing bodies co-ordinated through a dedicated unit.

The ICSH has carried out a survey of our larger developing members in the Dublin region and nationally, which shows that there are plans to deliver 3,126 units by 2017 under CALF and P&A, as well as 1,057 units approved under CAS to 2017. To do this a development programme incorporating the CAS already approved and CALF will assist larger AHB’s in developing their plans.

Also a capacity building programme/fund should be established for the sector to expand the social housing programme in addition to meeting new regulatory requirements which will facilitate increased access to loan finance which is off the State’s balance sheet.

The main benefit of introducing an incentivised housing development programme would be to begin longer-term planning for approved housing bodies and move away from the current system which is approval of schemes on a case by case basis which is slow and overly bureaucratic.

3. Provide capital and revenue funding for Capital Advance Loan Facility (CALF) scheme. Funding of €30m for CALF in 2016.

The ICSH estimate that with the development pipeline of over 3,000 units a CALF allocation of €30m is required in 2016.

This is in addition to the already announced CAS scheme approval of €151m over 2016/7 which is most welcome and will provide a platform for the delivery of 1,057 units for special needs delivery.
4. Reactivate the local authority low-cost sites scheme for Approved Housing Bodies, enable access to sites & stock transfer.

For AHBs to meet the targets for delivery in the social housing strategy, access to sites is vital. Traditionally AHBs do not have land banks at their disposal and therefore access to local authority land banks and stock transfer arrangements will be key. If AHBs have to pay full market costs (either current or in some cases historic) this will restrict overall additional supply. Low-cost subsidised sites should be earmarked for initiating a new social housing construction programme for social housing. An operational land supply programme to assemble sites – including from state sources such as the Land Aggregation Schemes (LAGS), NAMA or other inventories of state land from public bodies – is required and status of zoned land should also be re-examined.

Stock transfer has been shown to work successfully in a number of schemes such as St. Joseph’s Mansions (Cluid Housing) in Dublin 1 and the elderly housing complex in Ballygall, Dublin 11 (Fold Ireland).

Stock transfer involves a local authority transferring an existing social housing scheme/estate to an approved housing body wherein the AHB can regenerate the estate and take over the management and maintenance responsibilities.

5. Strengthen the social housing return from Part V.

The ICSH recommends that the amending legislation to Part V of the Planning and Development Act 2000 recently enacted should be commenced as soon as possible. The ICSH recommend that the guidance around Part V issued to local authority planning departments should include guidelines around the inclusion of AHBs as early as possible in the planning process to ensure smooth delivery under Part V.

Approved housing bodies are keen to work with local authorities and the Department in the delivery of social housing under Part V. To facilitate strengthened Part V delivery by AHBs through the mixed funding model, an adequate level of CALF and P&A is required. AHBs will be able to use the mixed funding model to acquire these units.

The amending legislation allows for the Part V obligation to be fulfilled by developers through long-term leasing agreements. The ICSH recommends this be used sparingly under strict Departmental guidelines and that the permanent acquisition of units for social housing be the norm.

6. Develop the private finance funding model – establish a special purpose vehicle.

Approved housing bodies private loan financing is off balance sheet which is a significant benefit to the State in raising finance. Capacity has already been increased with 11 approved housing bodies certified to access loan financing from the Housing Finance Agency.

An off balance sheet financial vehicle will provide at least €400m from 2015 onwards to Approved Housing Bodies. This financial vehicle will be open to both private investors and bodies like the European Investment Bank (EIB). This will leverage private finance and provide for at least another 2,000 units over the period 2016-2018. The ICSH are keen to
engage with this and there are a number of access issues, for example with the payment & availability agreement (P&A) that should be dealt with promptly to allow for this to proceed efficiently.

7. Initiate a Housing Supply Innovation Fund to facilitate delivery under new housing supply models (€2m).

In order to promote and facilitate the development of new housing supply models, a new Housing Supply Innovation Fund should be initiated by the Department of the Environment, Community and Local Government. The purpose of the Fund would be to facilitate new initiatives including joint ventures, capacity building, collaboration and stock transfer. These often require co-ordination and strong stakeholder management from public and private sources. It would be targeted towards new supply models where seed funding was required to bring new supply models through the various stages of development to increase the supply of social housing. Emerging new models of supply – including collaboration and joint ventures across the private and AHB sectors – need a platform to develop from. The innovation fund would also fill the gap that is not funded in these new models through different traditional funding sources, whether through traditional public or private sources. Overcoming such a funding gap would allow housing projects to progress or be completed.


The Government set a target to end long term homelessness by 2016 with a housing led approach, which involves access to permanent housing along with supports appropriate to each person’s needs.

The number of homeless families has increased by over 100% in the last year from 264 in June 2014 to 556 in 2015. The number of families currently registered as requiring emergency accommodation is 556 comprising 770 adults and 1,185 children.

In parallel, the number of adult individuals accessing emergency accommodation is higher than it has ever been at 3,095 individuals. Following the implementation of the actions agreed at the Homeless Summit (Dec 2014), an additional 271 emergency beds were provided. The lack of move on accommodation and return to reliance on emergency accommodation for individuals undermines the progress made under the Homeless Strategy. Appropriate funding is required for the provision of housing and supports both for families and individuals who now face long term homelessness.

Current rent supplement limits were set in June 2013 and have not been increased since. They are insufficient to meet market rates for rent, with the result that there is a steady stream of single people and families becoming homeless. The Tenancy Protection Service and protocol has worked well to prevent over 300 people becoming homeless. However, the increasing demand for this service and widespread disparity between rent supplement and market rents demonstrates the need for specific measures to address the high proportion of individuals and families becoming homeless.

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3 Figures from the Dublin Regional Homeless Executive July 2015
4 This is due to the increase in capacity from the measures introduced in December 2014
The ICSH recommend that both rent supplement and housing assistance payment caps are in line with the private rental market.

Rent limits should be kept under review every six months to ensure that the fluctuations in the rental market and current difficulty is addressed.

An increase in housing supply is the only way to address this acute issue and not for profit housing associations have a key role to play in the continued delivery of housing.

**Tenancy Sustainment**

Effective resourcing of tenancy sustainment services is essential in the prevention of homelessness. More comprehensive tenancy sustainment and post-settlement services are needed as is increased resourcing for the Support to Live Independently scheme.

9. **Supported Housing Packages for Elderly People**

The review of the Nursing Home Supports Scheme by Deloitte and Touche (July 2015) recommended that the role of sheltered housing, appropriately supported by community health and social services, should be considered in the context of future service planning as an integral component of long-term care. It goes on to suggest that the Departments of Health and Environment, Community and Local Government (DECLG), the HSE, and possibly NAMA should explore the potential for developing sheltered or supported living arrangements.

The HSE has also stated that it sees a significant role for supported housing in the future, but the model requires adaptation to incorporate higher levels of care. This ‘extra care’ model can play an important role in giving choices to an ageing population.

Housing associations can, and do, offer specialist supported housing. However, the current revenue funding mechanisms, which are over subscribed and ad hoc, undermine the financial viability of this model. The ICSH recommends a joint approach through the Department of Health, HSE and DECLG to further develop and provide investment to enhance this community care model. This should work in parallel with the development of appropriate domiciliary care standards, which was a commitment in the Programme for Government.

One model that has already delivered efficiencies and offers a value for money alternative is the bundling of Home Care Packages through housing associations providing support housing for older people. The ICSH recommends that an appropriate funding stream is put in place to resource supports to enable older people to remain in their homes and communities for longer.

The HSE should contract with housing associations that can provide higher support care to formalise arrangements which will demonstrate clear savings and ensure older people are placed in appropriate environments.
10. Sustain the Management and Maintenance (M&M) Allowance and servicing of loans provided through the capital loan and subsidy scheme.

The ICSH welcomed the maintenance of the Management and Maintenance allowance levels in 2015. This allowance is used by approved housing bodies for managing and maintaining social housing for families built under the capital loan and subsidy scheme (CLSS). It is key to maintaining social rented homes to the required minimum standards, and homes and estates are not allowed to run into disrepair. The Management and Maintenance allowance also provides for significant local employment in the construction related sector. The revenue budget for servicing the loans from the CLSS programme needs to be maintained.

11. Deliver on the promises made to people with disabilities.

The overarching aim of the National Housing Strategy for People with a Disability is:
‘to support people with a disability to live independently in their own homes, with accommodation designed and / or adapted as fit for purpose, rather than having to move into residential care settings.’

In addition, one of the strategic aims commits:

‘To promote and mainstream equality of access for people with a disability to the full range of housing options available suited to individual and household need.’

Whilst approved housing bodies have had limited delivery through other funding and delivery mechanisms such as CALF and leasing, the Capital Assistance Scheme (CAS) remains the main funding scheme through which approved housing bodies deliver housing for people with disabilities in partnership with service providers.

A number of funding streams were identified for the delivery of mainstream housing options for people with a disability however it is clear, that these funding streams have not worked in the way they are required, in particular for people with significant disabilities. In order to implement current Government policy and deliver on the UN Convention of the Rights of Persons with Disabilities, the National Housing Strategy for People with a Disability and the housing elements of the report from the Congregated Settings Group – Time to Move On, confirmation of appropriate, ongoing funding capital and revenue funding streams for delivery is required.

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Appendix

The following are the funding schemes available to Approved Housing Bodies (AHB’s):

CALTH: Capital Advance Leasing Facility:

CALTH funding is a repayable loan with preferential terms that is used by AHB’s as an equity injection to leverage Private Finance to acquire social housing units.

Approved Housing Bodies can purchase or construct units and make them available as Social Housing for periods of 10-30 years. Approved housing bodies can apply for a Capital Advance Leasing Facility (CALTH loan) to finance the purchase or construction costs. This loan can be up to a maximum of 30% of Acquisition/Construction costs and the agreement is made between Local Authority and AHB.

P&A Agreement: Payment & Availability Agreement:

This is an agreement between a LA and an AHB for a period of 10-30 years whereby the AHB makes units available for social housing in return for a lease payment of generally 92/95% of market rent in the area. The P&A agreement is used for long-term leasing of units from the private sector by AHB’s. It is also used by AHB’s for acquisition/construction of units whereby there is a CALTH Loan (max 30%), a loan from a financial institution (70%) and the P&A is used to repay the loan for private finance raised.

CAS: Capital Assistance Scheme:

The CAS is in operation since 1984 and is used to provide accommodation for special needs categories such as the elderly, homeless, elderly returning emigrants and people with disabilities. Funding under this scheme can be up to 100%.