Background

The Irish Council for Social Housing (ICSH) is the national federation for non profit housing associations, representing approximately 300 members who provide social housing. The sector manages over 27,000 homes for families on a low income, older people, people with disabilities and homeless households.

The Government, in the 2011 Housing Policy Statement, recognised that the non profit housing sector has the capacity to play a significant role in social housing supply. However, the unprecedented levels of demand for social housing alongside the absence of a significant capital programme have created serious challenges for all stakeholders involved in the supply of social housing and the provision of supports. Government have placed non profit housing associations at the heart of new social housing delivery, but without the resources to do so.

The limited allocation under the Capital Assistance Scheme (CAS), initiated in 1984, is now the main mechanism for delivery of tailored accommodation for vulnerable groups, such as older people, homeless households and people with disabilities and CAS should be protected.

In order to deliver a supply of housing to meet the needs of the most vulnerable, it is more important than ever to ensure that actions are prioritised within the overall envelope for social housing allocation in 2014. The priorities for the ICSH remain consistent with the objectives of the wider Irish economy in terms of employment creation and fiscal discipline. This will be achieved by:

- Prioritising capital funding for social housing through a €150 million stimulus programme from savings from the promissory note.

- Maintaining revenue funding to meet ongoing Government commitments in social housing, such as the management and maintenance allowance, leasing and regulation for housing associations required to raise private loan finance.

- Developing a 3 year housing development programme until 2016 for non profit housing associations to deliver more than just bricks and mortar but also providing critical social housing and special needs support to keep people living in their own homes.

---

1 The 2011 Housing Needs Assessment found that over 98,000 households were in need of housing.

2 CAS funding has been cut from €156 million in 2008 to €40m in 2013. The CLSS scheme was abolished in 2010 – 10,000 homes were delivered under this scheme.
Stimulus Package to creating jobs and meeting social housing need

Evidence has shown that the provision of social housing has strong multiplier effects in terms of employment and has greater short-term impact on the labour market than other construction investments. This is due to a higher labour-intensity in house building activity. It was also concluded that for every ten jobs created by building social housing, seven jobs could be created or sustained elsewhere in the economy. Revising spending priorities to invest in social housing will also counter deprivation and fuel poverty as well as reducing homelessness which takes pressure off budgets in other areas of Government expenditure.

Key Recommendations for Budget 2014

1. Capital Funding – prioritising within the limited capital allocation
   a. Prioritise and protect the Capital Assistance Scheme (CAS) to target new housing delivery for special needs groups. This capital funding allocation is key to the implementation of both the National Homeless Strategy, the Positive Ageing Strategy and the National Housing Strategy for People with Disabilities in ensuring a supply of housing.

   b. Allow capital funding allocated to local authorities for regeneration to be used in conjunction with housing associations as part of a mixed funding model with private finance to stretch state capital investment with the injection of private loan finance. This will utilise the skills and experience of the non profit sector built up over the last 30 years in delivering 27,000 homes.

   c. As part of a new stimulus package for social housing, increased capital allocation for CALF to ensure greater leverage by housing associations for accessing private finance, including a separate allocation for Mortgage to Rent to assist those with unsustainable mortgages.

Smyth, Mike and Bailey, Mark Dr (2009): Addressing the Economic Downturn: the case for Increased Investment in Social Housing. University of Ulster. This includes brick layers, joiners, plumbers, roofers, etc. as companies and industries in the supply chain.
### Key Recommendations for Budget 2014

#### 2. Maintain revenue funding to ensure supply and level of service to tenants

a. The ICSH urge the Government not to reduce revenue funding through leasing and the payment and availability agreements. This funding should be guaranteed and is required to assist in servicing loan finance arrangements over a long period where loan finance has been obtained.

b. Revenue funding for leasing through National Asset Residential Property Services (NARPS) should also be sustained by Government.

c. The ICSH recommend that the management and maintenance allowance allocated to approved housing bodies under CLSS should be maintained at current 2013 levels for the management and maintenance of low income family housing.

d. The ICSH recommend that Home Care Packages are bundled through housing associations providing support housing for older people in order to meet the Government objectives for the provision of more community care.

e. The HSE should contract with housing associations that can provide higher support care to formalize arrangements which will demonstrate clear savings and ensure older people are placed in appropriate environments.

#### 3. Protecting Future Housing Supply

a. The ICSH recommend that Government obtain a commitment from financial institutions to advance loan finance to support the mixed funding model through sustainable lending to housing associations on appropriate terms of trade, including the Mortgage to Rent Scheme.

b. The Government should continue to resource the implementation of the Homeless Strategy and the National Housing Strategy for People with Disabilities.

c. The ICSH recommend protection of rent allowance levels for existing and future CAS units to protect housing needs of the vulnerable including those with disabilities.

d. The ICSH recommend that water charges would be the responsibility of the tenant through individual metering and that certain exemptions would apply to special needs accommodation such as emergency accommodation / group housing etc.

---

4 A separate submission will be prepared in relation to water charges and tenants of approved housing bodies.
For queries contact:
Caren Gallagher, Projects Officer Tel: 6618334. caren@icsi.ie