

# Social Housing Strategy

## 2020

### Support, Supply and Reform



Comhshaol, Pobal agus Rialtas Áitiúil  
Environment, Community and Local Government



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## List of Abbreviations

AHB	Approved Housing Bodies
CAS	Capital Assistance Scheme
CALF	Capital Advance Leasing Facility
CCMA	County and City Management Association
CLSS	Capital Loan and Subsidy Scheme
DBFM	Design, Build, Finance and Maintain
DECLG	Department of the Environment, Community and Local Government
Dfinance	Department of Finance
DPER	Department of Public Expenditure and Reform
DSHDT	Dublin Social Housing Delivery Taskforce
DSP	Department of Social Protection
EIB	European Investment Bank
HA	Housing Agency
HAP	Housing Assistance Payment
HDSG	Housing and Disability Steering Groups
HFA	Housing Finance Agency
ICSH	Irish Council of Social Housing
ISIF	Irish Strategic Investment Fund
JESSICA	Joint European Support for Sustainable Investment in City Areas
LGMA	Local Government Management Agency
NABCO	National Association of Building Co-operatives
NAMA	National Asset Management Agency
NARPS	National Asset Residential Property Service
NESC	National Economic and Social Council
NHSPWD	National Housing Strategy for People with Disability
P&A Agreement	Payment and Availability Agreement
PPP	Public Private Partnership
RAS	Rental Accommodation Scheme
RS	Rent Supplement
SCBI	Strategic Banking Corporation of Ireland
SHLI	Social Housing Leasing Initiative
SHS	Social Housing Strategy
SPV	Special Purpose Vehicle



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## Ministerial Foreword

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Everyone needs a home: a secure, comfortable place in a pleasant and sustainable community; a place to rear a family, if they so wish, and to grow old in serenity.



In recent years, our society has not been meeting its obligation to thousands of people who need assistance to provide a home for themselves. This situation did not happen by accident. It is partially the outcome of an undersupply of homes directly provided by the State for people who cannot afford to provide them for themselves and partially the result of reversals in Exchequer funding, a trend that has been redressed this year.

Thanks to the policies of this Government, our return to economic growth has come quickly. This welcome growth has an impact on household formation and on housing supply, which the State is responding to, through Construction 2020 and through this Strategy.

This six-year Social Housing Strategy sets out to fully meet our obligations to those who need assistance to provide a home for themselves. It makes a fresh start. It lays down a firm foundation for a carefully calibrated, multi-annual investment programme that seeks to break through the electoral cycle and to prioritise the provision of social housing out to the year 2020.

The Strategy restores the State to a central role in the direct provision of social housing through a resumption of building on a significant scale. It emphasises the State's lead role in building partnerships between Local Authorities and other public, voluntary and private providers of housing in the development of innovative funding mechanisms that do not increase the General Government Debt, so as to deliver sufficient homes for all our people.

The vision outlined in the Strategy is that every household will have access to secure, good quality housing suited to their needs at an affordable price in a sustainable community and that the State, for its part, will put in place financially sustainable mechanisms to meet current



and future demand for social housing supports, ensuring value for money for taxpayers while respecting the preferences of individual households to the greatest extent possible.

In providing €1.5 billion in guaranteed, upfront Exchequer investment from 2015 to 2017, in developing a new €300 million Housing Public Private Partnership and in making available up to €400 million of public investment in a new housing finance entity to leverage further substantial private investment, the State is doing its part. While the State can set housing policy and targets and is providing a substantial amount of Exchequer funding, we challenge the other stakeholders in housing to respond in a positive and proactive way to the investment stimulus and the new sources of funding we intend to put in place.

Working together, and through combining public, voluntary and private investment, we can provide our growing population with the required level of quality, affordable homes. Our purpose is to provide more than 35,000 new homes to meet social housing needs by 2020, and in addition, to deliver up to 75,000 units of long term, quality accommodation through local authority housing support schemes for tenants.

Together with my colleague, Minister of State Coffey, I am committed to taking a 'hands on' approach in working with all the stakeholders involved so that we drive on towards achieving the housing targets this Strategy sets out.

**Alan Kelly TD**

**Minister for the Environment, Community and Local Government**



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## Minister of State's Foreword

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A strong Social Housing Sector is an essential requirement for a modern European country like Ireland - for our communities, our economy and our people.

This Strategy builds on work initiated under Construction 2020. It will underpin a more financially sustainable and integrated Social Housing Sector which is more responsive to people's needs. It will also assist in the recovery of a strong and sustainable construction sector.

We all need good quality affordable homes to live in. This Government commits to providing a more flexible, progressive and targeted system of Social Housing supports over the next six years in order to meet this need to the greatest extent possible. This strategy utilises a range of tools including Exchequer funding to kick-start provision and new innovative off balance sheet mechanisms to ensure the on-going provision of affordable and good quality housing. It will work to maximise the impact of both the not for profit and the private sectors. It will also give local authorities greater scope to provide assistance to those most in need of social housing support, including those with special needs.

The Irish housing market has changed radically in recent years and the existing framework underpinning the supply and funding of social housing supports is no longer adequate to address housing need. The strategy responds robustly to that challenge by providing a roadmap that will accommodate 90,000 households, the entire Housing Waiting List, by 2020.

Actions to address current difficulties are the cornerstone of the Social Housing Strategy, though many of the issues will not be resolved overnight. Implementing the strategy will require a considerable and coordinated effort from key stakeholders



inside and outside Government. Minister Kelly and I are determined to ensure that it is implemented with the energy and commitment it deserves.

**Paudie Coffey TD**

**Minister of State**

**Department of the Environment, Community and Local Government**





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## Executive Summary

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### Introduction

This Social Housing Strategy will support the realisation of a new vision: that to the greatest extent possible, every household in Ireland will have access to secure, good quality housing suited to their needs at an affordable price and in a sustainable community.

It will:

- Provide** 35,000 new social housing units, over a 6 year period, to meet the additional social housing supply requirements as determined by the Housing Agency,
- Support** up to 75,000 households through an enhanced private rental sector; and
- Reform** social housing supports to create a more flexible and responsive system.

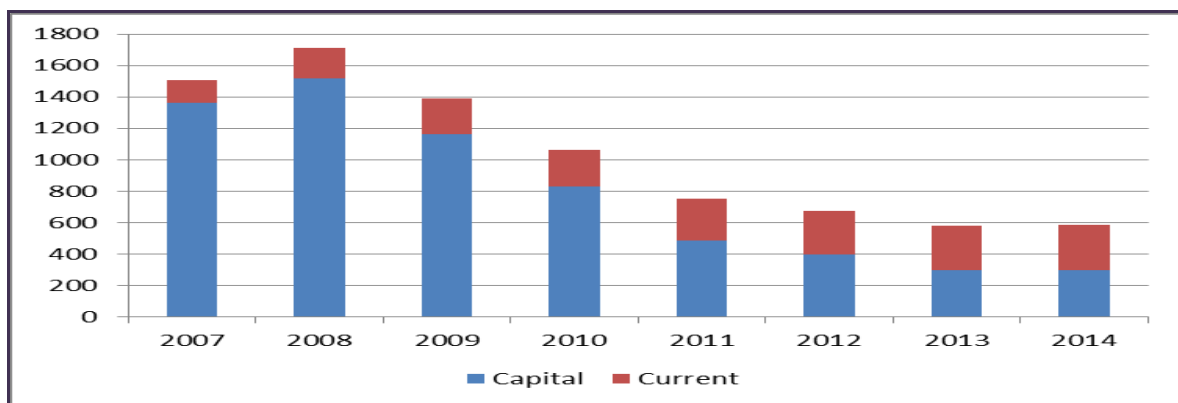
A multi-annual approach underpins the delivery requirements during two phases. Phase 1, building on Budget 2015, sets a target of 18,000 additional housing units and 32,000 HAP/RAS units by end 2017. Phase 2 sets a target of 17,000 additional housing units and 43,000 HAP/RAS units by end 2020.

### Context

The development of this Strategy has taken place against a background of successive years of retrenchment in the social housing budget, which has seen Exchequer funding fall from over €1.7bn in 2008 to some €597m in 2014 (Figure A).



**Figure A: Housing Expenditure, Capital and Current 2007-2014**



The Strategy reverses this trend and will underpin the development of a sustainable funding environment for social housing.

This work will be overseen by a high-level group led by the Minister for the Environment, Community and Local Government. The actions will be delivered by a Project Board, a newly established Dublin Social Housing Delivery Taskforce and five dedicated Work-Streams.

### *Three Pillars of the Social Housing Strategy*

There are three central Pillars in this Social Housing Strategy.

#### *Pillar 1: Provision of New Social Housing Supply*

Pillar 1 of the Strategy targets the delivery of 35,000 new social housing units over the period to 2020. The cost to the exchequer of building, acquiring or leasing these 35,000 units is estimated over the period to 2020 to be €3.8bn.

Under Pillar 1 of this Strategy, two primary delivery channels are envisaged: local authorities and Approved Housing Bodies (AHBs). These will be supported by a Dublin Social Housing Delivery Taskforce (DSHDT), to be established immediately, to respond to the current supply challenge in Dublin, facilitate mixed tenure developments and ensure maximum value from Exchequer investment.

#### **Financing New Supply**

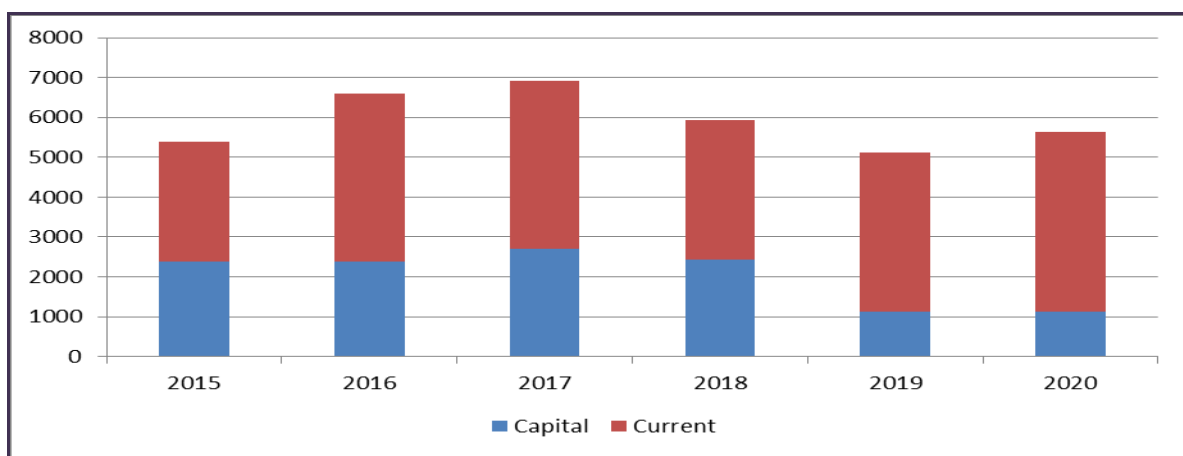
Significant Exchequer funding is now being allocated to ensure that the early phases of this Strategy will deliver a convincing response to the prevailing need for social housing. Figure B



shows the planned delivery of new units and the shift to current funding which will be used to service new forms of off-government balance sheet financing over time.

Off-balance sheet mechanisms will be used to maximise financial opportunities and leverage other assets available to the State including land. Under the Strategy's Governance structure, a dedicated work stream will be established from within DECLG/DPER/DFinance and the Housing Finance Agency to progress specific off-balance sheet mechanisms: expansion of the NAMA SPV, a large scale PPP and a new financial vehicle.

**Figure B: Housing Units to be Delivered: Capital and Current 2015-2020**



The Strategy will also ensure that existing stock is utilised more efficiently and appropriately sustained and refurbished. It will continue support for regeneration and holistic efforts to revitalise specific areas; and enhance efforts to bring vacant property back into use.

### **Enhancing the Role of AHBs**

Under Pillar 1, an enhanced role for AHBs in the provision of new supply will be central to the Government's vision for the provision of social housing supports. This Strategy includes a number of changes and actions that will help to promote the optimal configuration of what is a very diverse sector; and encourage the formation of the large scale providers that the sector needs, if it is to fulfil an enhanced role in social housing supply. The changes include the introduction of a multi-annual housing expenditure programme; prioritisation of funding to incentivise scale; a more streamlined funding process; promotion of collaboration at local and regional level between local authorities and AHBs; and enhanced regulation.



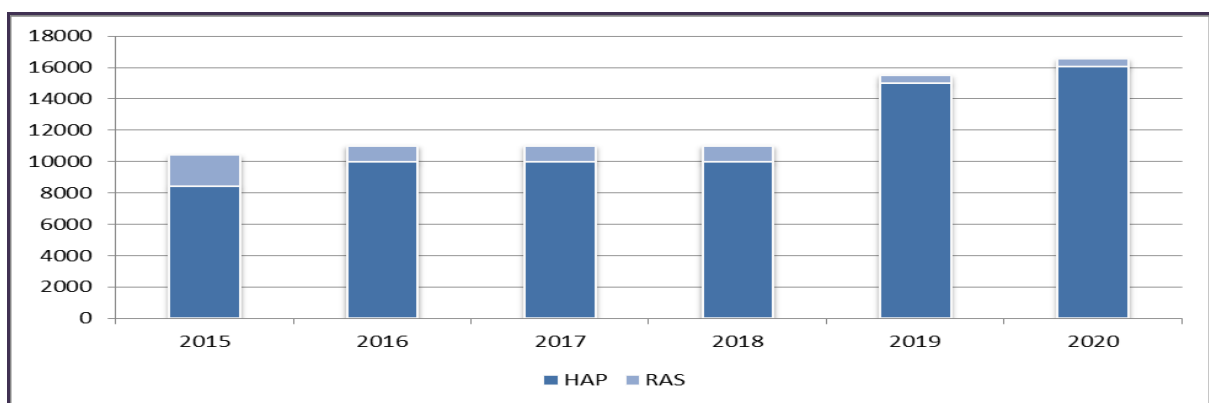
## *Pillar 2: Providing Housing Supports Through the Private Rental Sector*

Pillar 2 focuses on the delivery of social housing supports provided through the private rental sector. The overall tenure mix of housing is changing, with rental increasing strongly as a share of the total, especially in Dublin and other cities. Supply pressures and consequential rising rents increase demands on Exchequer funding for those tenants supported through the Rental Accommodation Scheme (RAS), the Housing Assistance Payment (HAP) and Rent Supplement (RS).

### **Housing Assistance Payment**

HAP is designed to bring together all the social housing services provided by the State and, alongside the existing RAS, will have scope to provide accommodation for up to 75,000 households. Figure C illustrates the number of additional households that are expected to be accommodated by HAP and RAS in each year of the Strategy.

**Figure C: Additional HAP and RAS Units 2015-2020**



HAP has a number of objectives including the removal of a potential barrier to employment by allowing recipients to remain in the scheme if they gain full-time employment; provision of a better integrated and more streamlined service; and better regulation of the private rented sector. The Strategy highlights the need to examine how greater security and stability might be created for tenants and the scope to use resources in HAP and leasing budgets to support new off-balance sheet provision of social and affordable or cost rental mechanisms.

### **Innovative Measures**

The State is a significant funder of activity in the private rental sector, with over one half of all rents received by private landlords coming from Rent Supplement, the Rental



Accommodation Scheme and other schemes, at an annual cost to the Exchequer of over €500m. Under this Strategy, the State will take measures to enhance the capacity of the sector to contribute in a more sustainable and cost effective way to social housing supports.

An important part of this Strategy is the exploration of the conditions for development of a cost rental segment in Ireland's housing system. A major advantage of cost rental is that it can avoid the kind of exposure to rising market rents that has greatly driven up the cost to the Exchequer of Rent Supplement and other supports for low income tenants in private rented accommodation. In addition, a steady and enduring increase in the supply of affordable and cost rental housing can help ease demand for social housing.

Housing associations, local authorities and the DSHDT will be encouraged to create more mixed tenure developments in urban areas of high demand.

#### **Cost Rental Explained**

The basic idea of cost rental is that a housing provider raises the finance to provide accommodation and charges rents that are sufficient to cover both capital costs and on-going maintenance and management. The alternative, profit-rental, is where a landlord charges the maximum obtainable rent; these market rents tend to rise with the increasing value of property.

In normal circumstances cost-based rents will increase slower than market rents in the same way that an individual's mortgage payments will generally increase at a slower rate than market rents.

In collaboration with the Department of Finance and the Central Bank, further consideration will be given to the scope to devise effective means of managing the transition of encumbered Buy-to-Let Properties which will also have the effect of moderating future demand for social housing

Finally, under Pillar 2, the Strategy will continue work on the development of a national policy aimed at increasing investment in, and supporting the supply of, good quality, secure and affordable rental accommodation.

### ***Pillar 3: Reform Creating More Flexible and Responsive Social Housing Supports***

Pillar 3 includes a range of actions to ensure that social housing supports are responsive to people's current needs, as well as to improvements in their circumstances.



Many of these reforms impact in fundamental ways on local authorities, a sector in which significant change is currently taking place both generally and in relation to social housing. Local authorities will continue to be a key social housing provider. They will also have an enhanced leadership and coordination role in facilitating and enabling social housing delivery by other providers. This strategic leadership role in the delivery of social housing and housing services in their areas is fully consistent with local government being the main vehicle of governance and public service at local level, as set out in *Putting People First: Action Programme for Effective Local Government*.

### **Implementation of Reforms**

The Strategy provides for the implementation of a number of key reforms:

- there will be continuing support for transfer to HAP;
- a new framework for rents and related charges for local authority housing and other forms of social housing will be introduced;
- a new tenant purchase scheme for existing local authority houses will be put in place.

The Strategy also strengthens local authorities' ability to effectively manage their housing stock to the benefit of all their tenants by expanding existing powers to counter anti-social behaviour.

The Strategy provides people with a greater degree of choice. It progresses the choice-based letting allocation process, developed and operated in South Dublin County Council, to other local authorities and examines the development of an individual housing "passport" that would facilitate tenant mobility between local authorities. The Strategy will also support improved regulation to underpin an enhanced role for AHBs.

### **Monitoring and Review**

The Strategy attaches considerable significance to on-going monitoring and review which will refresh and drive reform and policy development during its lifetime. The Strategy is underpinned by a clear Governance structure, to ensure that actions are measured and delivered.



A review of the Strategy will take place in 2017 to assess overall progress. In addition, there will be a review of all funding and delivery structures for social housing programmes, including how funding is provided to AHBs. There will also be more regular annual assessment of housing need.

There will be a review of the principles underpinning the existing system of provision of social housing support and how it is assessed, allocated and reviewed; the system of assessment and allocation for vulnerable social housing support to better match need; and, the guidance and regulation around allocation schemes.

A pilot programme on cost rental will be carried out with AHBs and local authorities. This will be assessed and consideration will be given to the institutional supports and wider policy issues, such as rent and active land management, that impact on its development in Ireland.

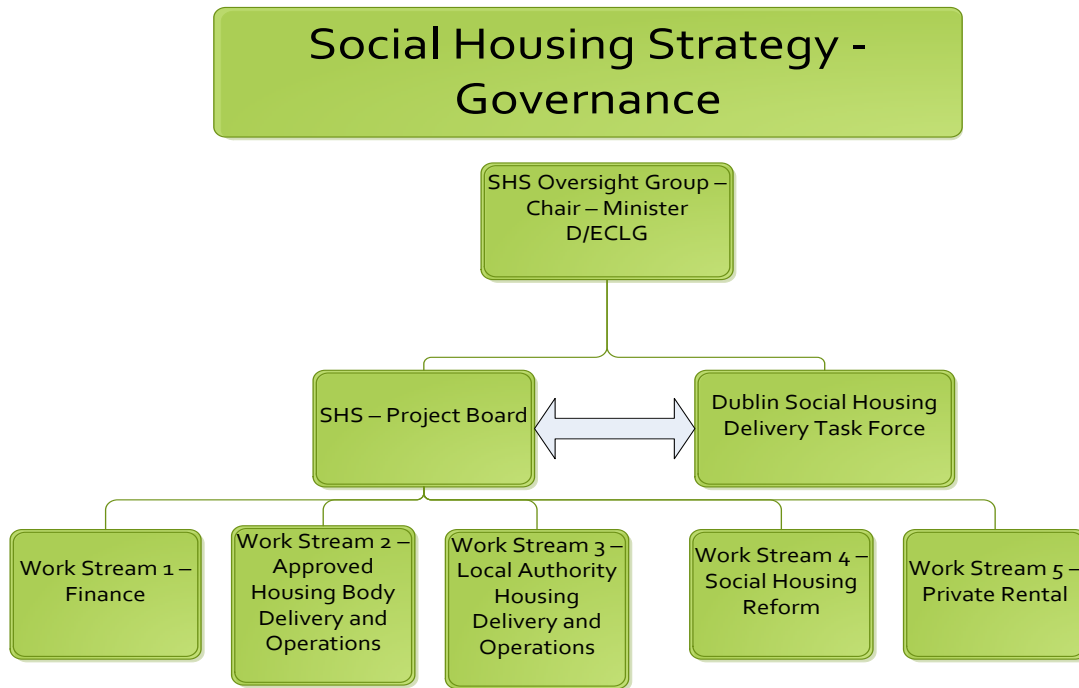
Given the ambition set out in this Strategy, it will be vital to harness the capacity of the Housing Agency to contribute to the range of delivery actions involved.

## **Governance and Delivery of Actions**

Figure D provides an overview of the governance structure which will ensure that actions are delivered. It will coordinate work across a range of stakeholders within DECLG, other Government Departments, agencies and wider stakeholders in the public, private and voluntary and community sectors. Table A provides a summary of the key actions to be undertaken by the various components of the Governance structure.



**Figure D: Social Housing Strategy 2015-2020: Governance**







**Table A – Summary of Key Action in the Social Housing Strategy**

<b>Responsibility</b>	<b>Key Areas of Action</b>
<b>SHS Oversight Group</b>	<p>Oversee delivery of the overall Social Housing Strategy.</p> <p>Monitor and review progress of the Strategy and ensure that risks are actively managed.</p>
<b>Project Board</b>	<p>Agree targets for each local authority and with AHBs for delivery of housing.</p> <p>Oversee the delivery of the actions and targets in this Strategy and take appropriate action when required to ensure timelines are met.</p> <p>Track, monitor and manage risks associated with actions in the Strategy.</p> <p>Review the Social Housing Strategy in 2017.</p>
<b>Dublin Social Housing Delivery Taskforce</b>	<p>Agree targets for each of 4 Dublin local authorities for delivery of housing.</p> <p>Oversee delivery of significant additional numbers of social housing units in Dublin</p> <p>Maximise financial opportunities and leverage other assets available to the State, including land and expertise, to deliver significant social housing output.</p> <p>Work with the relevant work streams and the PB to progress areas covered by each.</p>
<b>Work Stream 1: Finance</b>	<p>Progress off-balance sheet funding mechanisms.</p> <p>Expand the uses and sources of supply for the NAMA SPV.</p> <p>Work on a PPP to provide 1,500 new social and housing units.</p> <p>Establish a financial vehicle.</p> <p>Establish a multi-annual Housing Programme.</p>
<b>Work Stream 2: AHB Delivery and Operations</b>	<p>Agree targets for delivery of social housing in 2015 and subsequent years</p> <p>Support the development of a more effective system of funding for AHBs.</p> <p>Facilitate the development of Regional Social Housing Forums.</p> <p>Roll out a Pilot Cost Rental and review supports needed for its development</p> <p>Prioritise funding for AHBs based on criteria to be agreed.</p> <p>Progress the establishment of a statutory based Regulator for AHBs.</p>
<b>Work Stream 3: LA Delivery and Operations</b>	<p>Work with Project Board in developing targets and actions for local authorities</p> <p>Link future funding to the ability to return vacant units to use.</p> <p>Better align the outcomes of the Housing Need Assessment with needs.</p> <p>Provide a multi-annual planned programme of LA stock refurbishment.</p> <p>Provide guidance to Local Authorities for Housing Services Plans &amp; Action Programmes.</p> <p>Build on 7,800 housing adaptation grants in 2014 in subsequent years.</p>



<b>Work Stream 4: Social Housing Reform</b>	<p>Review the funding and delivery structures of all Social Housing Programme</p> <p>Introduce the new framework for rents.</p> <p>Introduce new tenant purchase scheme for existing local authority houses.</p> <p>Strengthen local authorities' ability to effectively manage their housing stock.</p> <p>Examine the system of assessment and allocation of social housing support.</p> <p>Carry out the Housing Needs Assessment on an annual basis from 2016.</p> <p>Progress and report on development of CBL and examine housing passports.</p> <p>Review the Housing Agency service level agreement.</p>
<b>Work Stream 5: Private Rental</b>	<p>Work on the development of a national policy for rental accommodation.</p> <p>Examine fixed term leasing agreements with property owners.</p> <p>Ensure that all eligible households that require HAP will transition to HAP.</p>



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## Chapter 1: Introduction

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### 1.1 Vision for Social Housing Strategy in Ireland

This Social Housing Strategy (SHS) is focused on supporting the realisation of a new vision: that every household in Ireland will have access to secure, good quality housing suited to their needs at an affordable price in a sustainable community. The State, for its part, will put in place financially sustainable mechanisms to meet current and future demand for social housing supports and ensure value for money for the taxpayer, while respecting, to the greatest extent possible, the preferences of individual households.

### 1.2 Where We Have Come From

During a decade of significant transition and upheaval, the core objectives of housing policy in Ireland have continued to develop in a progressive manner. Housing policy statements were published in 2005, 2007 and 2011. The key objectives in those statements focussed on affordability and quality of accommodation, increasing tenure options and principles of sustainable communities. This new Social Housing Strategy builds on those wider housing policy statements. It also seeks to support others, related to social housing such as the *National Housing Strategy for People with Disability 2011-2016* and the *Implementation Plan on the State's Response to Homelessness (2014)*.

Within the funding constraints of recent years, Government has responded in a variety of ways to meet emerging housing needs, including the expansion of schemes such as the Social Housing Leasing Initiative (SHLI), Rental Accommodation Scheme (RAS) and Payment and Availability (P&A) agreements with Approved Housing Bodies (AHBs). The upsurge in social housing need during the economic crisis was also met through the Rent Supplement scheme, administered by the Department of Social Protection. While these responses have facilitated the continued delivery of social housing supports to those most in need, they have meant that there is now a major reliance on the private rental sector to an extent that is no longer sustainable.



### 1.3 Current Context

Housing in Ireland is undergoing a period of rapid change as the economy begins to recover and demand for housing increases, particularly in Dublin and other urban centres. This brings with it a set of particular policy challenges, especially the need to balance supply and demand in the short term, while having regard to longer-term issues such as sustainable development. The need for a broad strategic approach to the overall housing market in Ireland is outlined in the Government's *Construction 2020 – A Strategy for a Renewed Construction Sector*.

Social housing—the provision by Government of housing supports for those unable to provide for accommodation from within their own resources—is a key social policy and it affects a significant proportion of the population. Actions taken by public bodies in relation to social housing can have a considerable impact on the overall housing market and, equally, fiscal or regulatory measures in relation to the housing market can have an effect on the availability of social housing. This inextricable link between the overall housing market and social housing is acknowledged in the Government's *Construction 2020* strategy, which committed to the publication of this Strategy on social housing.

Budget 2015 marks a significant change in the trajectory of social housing funding with provision increased in 2015 by some €210m to €800m and provides a commitment to multi-annual funding envelopes for social housing with clear capital commitment over the period to 2017. Budget 2015 has also ensured that off-balance sheet and more sustainable forms of funding will now come into operation, with the announcement of an extension to the NAMA Special Purpose Vehicle (SPV), a large scale Public Private Partnership (PPP) and a commitment to establish a Financial Vehicle. The Strategy provides a coherent policy and institutional framework within which these initiatives can be executed, connected and developed.

### 1.4 Core Elements of the SHS

There are three central Pillars to this Strategy<sup>1</sup>:

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<sup>1</sup> The Strategy was developed by the Department of the Environment, Community and Local Government with input from key personnel in the National Economic and Social Council (NESc) and the Housing Agency. During the process a public consultation was undertaken. Appendix 1 provides a list of the submission received.



**Pillar 1: Provision of New Social Housing Supply** - Provision of 35,000 new social housing units through a range of delivery mechanisms over the lifetime of the Strategy;

**Pillar 2: Providing Housing Supports Through the Private Rental Sector** - Supports for eligible low-income households through the private rental sector. This Pillar includes the new Housing Assistance Payment which will aim to provide housing support for up to 75,000 households; and, innovative measures that the State, as a significant funder and regulator of the rental market, can take to help ensure that future supply is more stable, affordable, secure and cost effective; and

**Pillar 3: Reform Creating More Flexible and Responsive Social Housing Supports** -This Pillar includes the implementation of reforms— a new rent framework, a new tenant purchase scheme, expanded powers to counter anti-social behaviour and housing services plans— and an on-going commitment to monitor and review the Strategy to refresh and drive reform and policy development.

The Strategy includes a range of actions under Pillar 1, to increase supply of social housing, including through the establishment of a Dublin Social Housing Delivery Taskforce committed to delivering significant numbers of new units; and through use of a suite of off-balance sheet funding options. The Strategy is also designed to support a step-change in new provision by AHBs by incentivising growth and scale; and, by supporting AHBs to secure more finance from non-State sources. The delivery of new social housing is to be carried out in a way that is consistent with the Government's commitment to the key principle of developing sustainable communities (see Box 1).

Pillar 2 focuses on the supports for eligible low-income households through the private rental sector; and, the development of this sector as a source of more affordable and secure accommodation. The latter in particular can help moderate demand for social housing. The Strategy in Pillar 3 includes a range of actions to



ensure that social housing supports are responsive to people's needs as well as to improvements in their circumstances.

This Strategy is based on a multi-annual housing expenditure programme. Such a funding structure is capable of delivering a significant number of social units in a programmed way. It will give surety and confidence to potential investors, and will provide significant scale to the social housing programme into the future. We have moved to a multi-annual capital envelope and this Strategy commits to establishing a multi-annual current budget. It will also allow for broad reform of the sector by facilitating sustainable planning and development through multi-annual housing strategies by local authorities, coordinated on a regional basis, and by AHBs.



### Box 1 —Sustainable Communities

Sustainable neighbourhoods are areas where an efficient use of land, high quality urban design and effective integration in the provision of physical and social infrastructure such as public transport, schools, amenities and other facilities combine to create places people want to live in (NESC 2004).

Additional features of sustainable neighbourhoods include:

- compact, energy efficient and high quality urban development;
- tenure mix with a wide range of accommodation types;
- accessibility via public transport networks and meeting the needs of the pedestrian and cyclist; and
- provision of a range of amenities and services within safe walking distance of homes.

The Local Authority Development plan process is a key instrument in putting the policies in place to create sustainable neighbourhoods. DECLG has produced considerable planning guidance, including *Sustainable Residential Development in Urban Areas* (2010) and the *Manual for Urban Roads and Streets* (2013) to assist local authorities to promote Sustainable Communities.

In addition, DECLG's guidance document *Quality Housing for Sustainable Communities* seeks to promote quality and value for money in publicly funded housing, and will seek to maintain this level of quality even where other funding streams are fully or partially involved. Amongst the design priorities identified are:

- Socially and environmentally appropriate;
- Architecturally appropriate;
- Safe, secure and healthy;
- Affordable;
- Durable; and
- Accessible and adaptable.



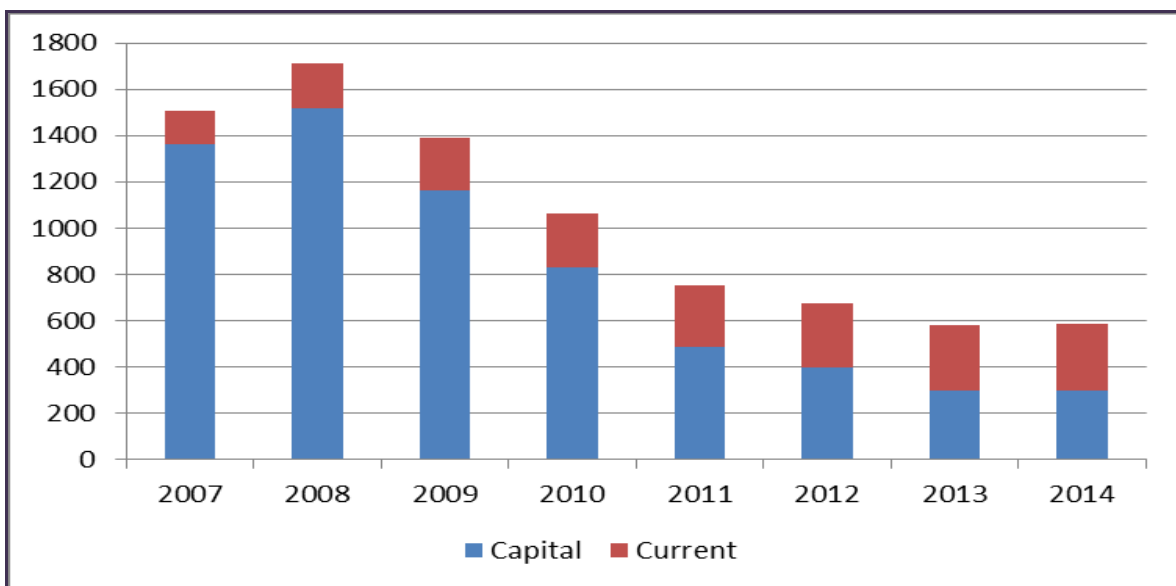
## Chapter 2: Current Pressures and Medium-Term Challenges

### 2.1 Introduction

Social housing policy is part of the State's wider social policy and is therefore linked to issues such as poverty, inequality and redistribution of income. While it is not possible for this Strategy to deal conclusively with these issues, it is important that it contributes to the overall public policy response to these issues. In this regard, while the Department of the Environment, Community and Local Government is the lead Department in terms of social housing—and as such has led on the development of the Strategy and will lead on its implementation—it is committed to working with partner organisations, public and private, to ensure that the Strategy's objectives are achieved.

The development of this Strategy has taken place against a background of successive years of retrenchment in the social housing budget, which has seen Exchequer funding fall from over €1.7bn in 2008 to some €597m in 2014 (Figure 1).

**Figure 1:** Housing Expenditure, Capital and Current 2007-2014



Source: DECLG, Housing Division.

In 2008, 5,692 units were completed or acquired by local authorities (including through Part V). In addition, 1,896 AHB housing units were also completed (again including Part V).





However, by 2013 the social housing delivery model had changed considerably as leasing, P&A agreements and the RAS had become the main vehicles of social housing supply.

In 2013:

- 546 houses were completed or acquired by local authorities;
- 204 units were delivered by AHBs using Capital Assistance Scheme (CAS);
- 174 units <sup>2</sup>were delivered by AHBs under the Capital Advance Leasing Facility (CALF);
- 1,042 housing units were delivered by local authorities and AHBs through the social housing leasing initiative<sup>3</sup> during 2013. This brought the total units delivered, since its inception in 2009, to 4,600. The on-going funding commitment for these units at the end of 2013 was €27m per annum;
- 4,701 households transferred from Rent Supplement directly to RAS or to other social housing supports. This is added to the 43,210 households that had transferred under the scheme by end 2012; and
- in the period 2007 to 2013 which saw the highest annual transfer rate, expenditure on RAS increased from €27m in 2007 to €130m in 2013.

In addition, the number of landlords in receipt of Rent Supplement had increased from 59,726 in 2007 to a high point of 96,800 in 2011; with associated cost increasing from €391m to €503m. The number of recipients of Rent Supplement at the end of 2013 was 79,788<sup>4</sup>.

## 2.2 Existing Provision

There are various ways in which the State supports people's need for housing. Access to social housing support is targeted at households below a certain income level that demonstrate a housing need. Households provided with this type of support pay a differential rent, based on their income. The State also provides

<sup>2</sup> Included in overall leasing figures.

<sup>3</sup> This involves local authorities leasing or renting properties from private property owners for Social Housing. It also includes AHBs purchasing, constructing renting or leasing units and making them available for Social Housing under payment and availability arrangements. In addition unsold affordable units in Social Housing use are included.

<sup>4</sup> Statistical Information On Social Welfare Services 2013, Dublin: Department of Social Protection



support for renting through Rent Supplement. Both forms of support heavily subsidise the rents paid by households.

In the short to medium-term, this Strategy is designed to meet identified need for social housing and to enhance social housing provided through the private rental sector. In the medium to long term, consideration will also be given to the principles underpinning the existing system of provision, assessment and allocation of housing supports.

In Ireland there are three main providers of social housing accommodation.

**Local authorities** are the largest single providers of socially rented housing in Ireland, controlling, in 2014 137,000 dwellings<sup>5</sup>. Of this, in late 2014, 4,800 was stock leased under the Social Housing Leasing Initiative (SHLI) and approximately 20,200 properties were from RAS, leaving stock owned by local authorities at 112,000. Tenants pay differential rents, which are based on household income. The rents average about 15% of this income, and in 2012-2013 averaged €52.95 per week<sup>6</sup>.

**Approved Housing Bodies (AHBs)** in Ireland, of which there are some 500, manage approximately 27,000 homes. Subject to conditions set out in the Housing (Miscellaneous Provisions) Act, 1992 AHBs can be limited companies, societies or trusts (incorporated under the Charities Act). Under the Act to they must have as their primary objective the relief of housing needs, poverty or hardship or the welfare of Travellers and the provision and management of housing. They cannot distribute surplus profits, bonus or dividends to members and their assets must be used to meet their primary objective.

Until 2011, Government provided two 100% capital funded support schemes to AHBs. Under the Capital Loan and Subsidy Scheme (CLSS), AHBs provided accommodation for people on the local authority waiting list and tenants paid differential rent. This scheme closed in 2011, but during the period 2002 to 2013,

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<sup>5</sup> DECLG, Housing Division, October 2014.

<sup>6</sup> Provided by the Housing Agency and based on analysis of actual local authority rents from 2012 and 2013.



there were 6,823 dwellings completed or acquired through this funding. Funding was also provided under Capital Assistance Scheme (CAS) to construct or acquire property for people with special needs, with 8,317 added between 2002 to 2013. Tenants in these CAS properties pay economic rents which are set having regard to the tenants' income and as agreed between the local authority and the AHB.

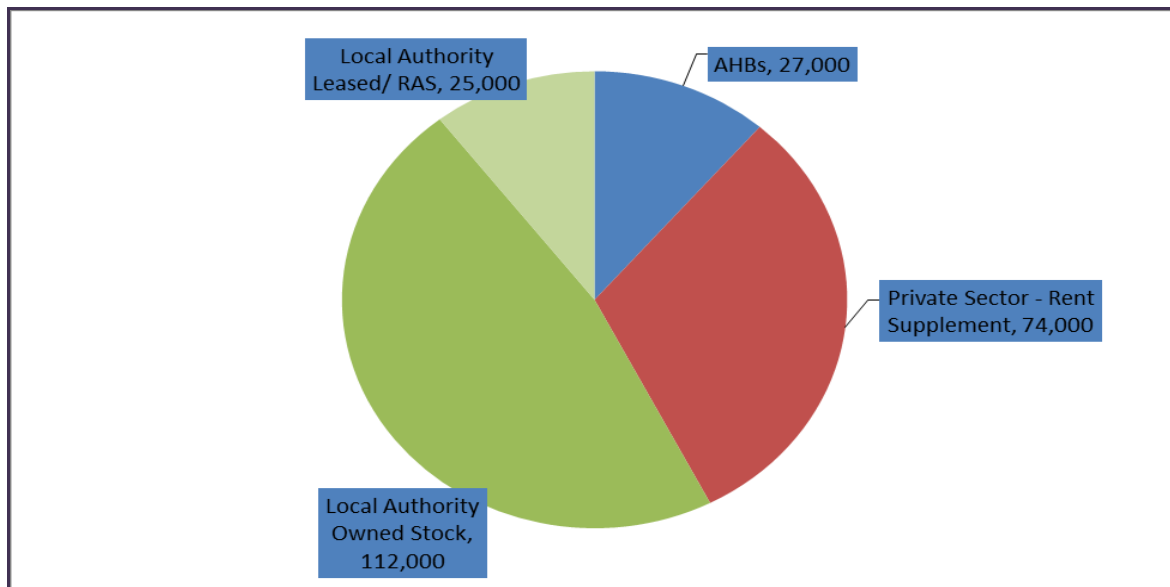
In 2011, a new capital and debt funding model was introduced, to replace CLSS. In this, AHBs can apply for a capital advance from government, called CALF, which allows them to raise finance from the HFA or commercial banks, for the leasing, acquisition or construction of housing. As noted above, 174 units were delivered under CALF in 2013. Payments and Availability (P&A) agreements are signed, at a discount to market rent, between the local authority and the AHB. Tenants pay a differential rent.

**Private rental sector** provides accommodation supported by Rent Supplement for 74,000 households (in August 2014). Use of this type of accommodation has increased since the start of the downturn in 2008, but it is facing problems in urban areas where the demand for rental properties is high. As noted above, a further 24,800 units are currently leased from the private sector under the SHLI or RAS schemes.

Figure 2 illustrates the share of accommodation among the three types of social housing support.



Figure 2: Breakdown of Housing Support in Ireland (Numbers of Units)



In 2014, it is expected that 6,000 households will have their housing needs met through a range of housing programmes—leasing and RAS, regeneration projects and returning vacant stock to use— with an estimated further 3,000 households’ needs being met through normal re-lettings by local authorities and AHBs.

### 2.3 Pressures in The Three Channels of Social Housing

There are widely-acknowledged pressures in all three channels of social housing provision (NESC, 2014). Local authorities have not been able to add to their stock, significantly in the period to end of 2014, due to reductions in central Government funding, contributing to pressures in some areas, particularly large urban centres. AHBs have traditionally occupied a relatively small but strategically important role in providing specialised housing services. There has been limited uptake of new revenue based financing arrangements—CALF and P&A agreements—and the sector, as currently structured and funded, requires considerable capacity building to undertake large-scale investment and development. In addition, housing options that are reliant on the private rental sector such as RAS, HAP and leasing are under pressure as some landlords seek higher rents<sup>7</sup>. This issue is further exacerbated by

<sup>7</sup> Annual growth in rents in the Dublin private rented market in the year to the end of June 2014 was 10.5%, with Dublin house rents up by 8.5% and Dublin apartment rents up by 12.1%. In contrast, annual growth in



the difficulty in identifying new supply. Rent Supplement households face similar issues.

## 2.4 The Nature and Scale of Social Housing Need

The pressures in housing need are evident in the most recent statutory Assessment of Housing Need, undertaken in May 2013. It identified 89,872 households which qualified for social housing support. Of the households assessed, 72% were dependent on social welfare as their only source of income while 11% had income from employment only. A further 6% had income from a combination of employment and social welfare.

There are six main groups in the Housing Needs Assessment:

**Renting with Rent Supplement:** Just under half (47%) of those who qualified for support were in receipt of Rent Supplement.

**Renting without Rent Supplement:** Just over one quarter (26%) are currently renting in the private rented sector, without Rent Supplement support.

**Living With Parents:** Just under one fifth (18%) are living with parents or relatives; around two thirds of this grouping are over 35.

**Emergency Accommodation for Homeless People:** Around 2% of those on the list were homeless. Box 2 discusses Government policy and action on homelessness in more detail.

**People with Disability:** These are people with a physical, sensory, mental health or intellectual disability and account for around 4% of those in need of housing, most of whom have specific accommodation requirements. Box 3 outlines details of Government's National Housing Strategy for People with a Disability.

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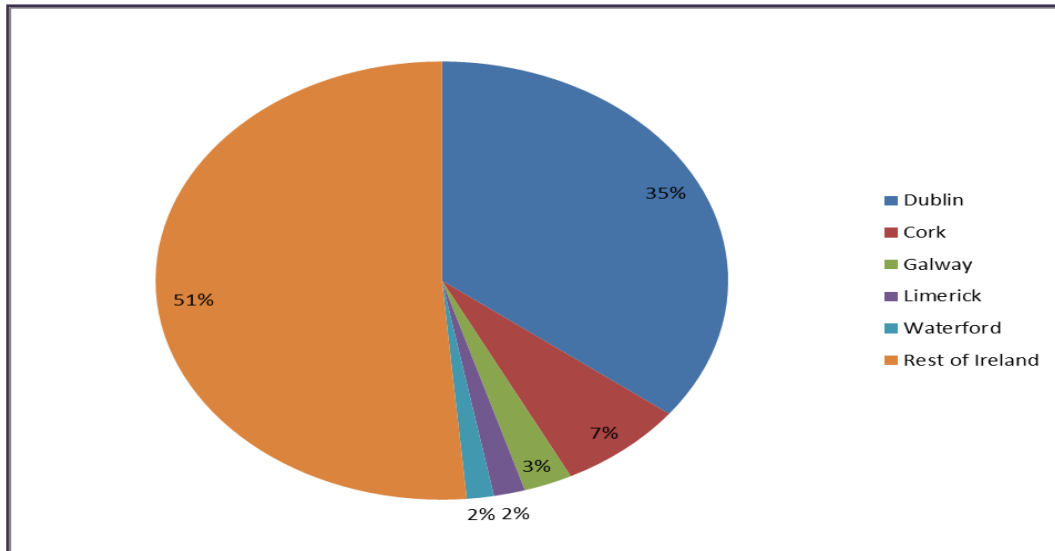
rents for the market outside Dublin was more subdued, recording growth of 2.6% when compared to the second quarter of 2013. Again the performance differs by property type. (PRTB, Q2, 2014).



**Other:** This includes people living in overcrowded or unfit accommodation and people whose mortgages have been deemed to be unsustainable under the Mortgage Arrears Resolution Process.

Figure 3 shows the regional composition of the local authority waiting lists between the main cities and the rest of Ireland. It shows that just over one third of those on the waiting list are in the Dublin area – that is within Dublin City, South Dublin, Fingal and Dun Laoghaire-Rathdown.

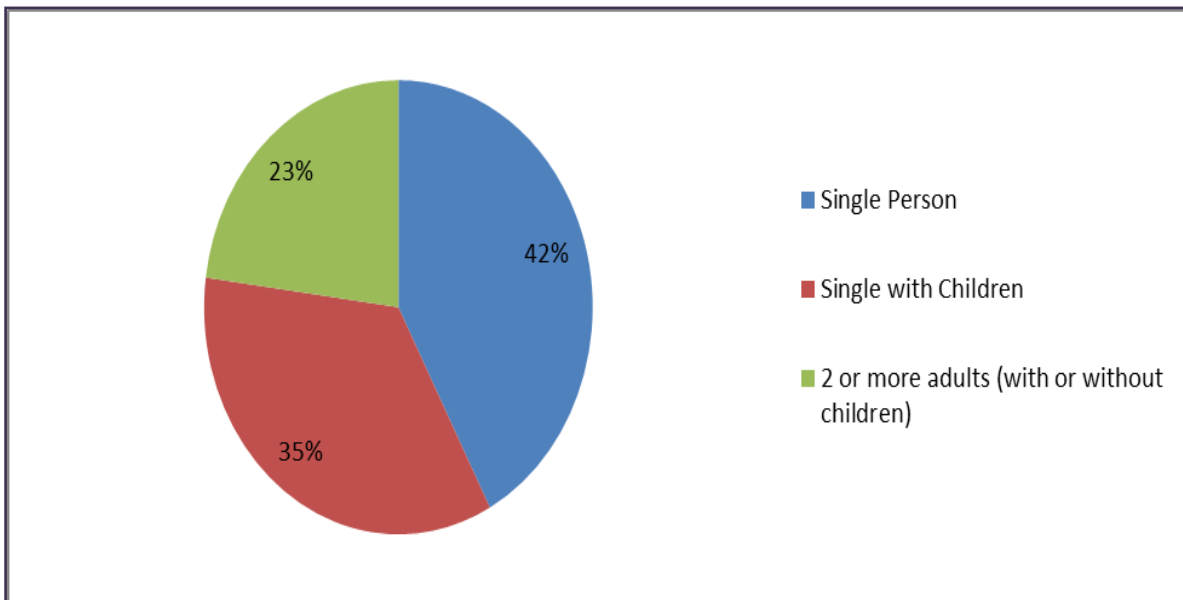
**Figure 3: Housing Need - Main Cities and Rest of Ireland (% of total)**



**Source:** Based on analysis of Summary of Housing Needs Assessment 2013, Appendix 2.

It is important to note that the profile of those in need of housing is dominated by single households (44%) and single adults with a child or children (30%). Figure 4 shows the main types of households on the waiting list in Dublin.

**Figure 4: Household Type – Dublin (% of total)**



**Source:** Based on analysis of Summary of Housing Needs Assessment 2013, Appendix 2.



The Housing Agency carried out an analysis of the results of the Housing Needs Assessment and on the basis of certain assumptions, and taking account of housing support mechanisms, including the progressive roll-out of HAP over the years ahead identified a need for an additional 35,000 properties for social housing.<sup>8</sup>

The majority of those remaining in need of social housing will transition to HAP. In addition, it is expected that on an on-going basis there will be new people who will have a long-term housing need, and therefore it is expected that by 2020 up to 75,000 will move into HAP or RAS.

In summary the Strategy is focused on three key numbers:

90,000 households on the current waiting list;

35,000 new housing units to be provided by local authorities and AHBs; and

Up to 75,000 households moving onto HAP or RAS.

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<sup>8</sup>Local Authority Traveller Accommodation Programmes provide a road map for local authority investment in Traveller accommodation for the next five years. The Social Housing Needs Assessment is used as a basis, by housing authorities, in assessing this need. As such additional new housing requirements of Travellers are reflected in calculations underpinning the targets contained in this SHS.





## Box 2 — Policy and Action on Homelessness

The Government's *Homelessness Policy Statement*, published in February 2013, outlines the aim to end involuntary long-term homelessness by the end of 2016. The Statement also emphasises a housing-led approach, which is focused on accessing permanent housing as the primary response to all forms of homelessness. The Statement acknowledges that the availability and supply of secure, affordable and adequate housing is essential in ensuring sustainable tenancies and ending long-term homelessness.

The *Implementation Plan on the State's Response to Homelessness*, published in May 2014 sets out a range of measures to secure a ring-fenced supply of accommodation to house homeless households by the end of 2016 and mobilise the necessary supports. Its implementation is being overseen by a Homelessness Policy Implementation Team drawn from the Department of the Environment, Community and Local Government, the Department of Social Protection, HSE and housing authorities, and who are reporting to the Cabinet Committee on Social Policy and Public Sector Reform on a quarterly basis. The Plan contains 80 actions that are direct, immediate and solutions based and which will contribute to the delivery of a ring-fenced supply of 2,700 units of accommodation between 2014 and the end of 2016.

The Plan estimated that at least 2,663 homeless persons were recorded in Ireland and efforts are being made since the plan's publication to obtain a clearer picture on the number of homeless households across the country. Based on data recorded on the Pathway Accommodation and Support System (PASS), a survey of lead housing authorities has confirmed that 2,574 unique individuals utilised Section 10 funded emergency accommodation nationally during the week of 21 to 27 September 2014 and 1,633 of these were recorded in the Dublin region. The number of families in emergency accommodation (i.e. a subset of this cohort) were 387 (490 adults and 828 dependents) of which 309 families (410 adults and 668 dependents) were recorded in Dublin. On a given day in September 2014, 164 families were occupying commercial hotels in the Dublin region. Dublin City Council reported in September 2014 that an average of 5 households per day are presenting as homeless and an average of 32 new families are presenting as homeless each month; therefore on average 1 of the 5 per day are families.

In light of a particular concentration of the homelessness problem in the Dublin region, a Dublin Action Plan has been developed. This was developed by Dublin City Council, as lead authority for the region, and outlines a range of immediate steps to bring the problem under control and begin the process of finding permanent solutions for those affected.



### Box 3 - National Housing Strategy for People with a Disability

The Government's *National Housing Strategy for People with a Disability* 2011-2016, published in late 2011, sets out the broad framework for the delivery of housing for people with disabilities through mainstream housing policy. The vision set out is to: facilitate access for people with disabilities, to the appropriate range of housing and related support services, delivered in an integrated and sustainable manner, which promotes equality of opportunity, individual choice and independent living.

The associated Implementation Framework identifies a range of priority actions, supported by a range of key measures, with the overarching aims of:

- supporting people with disabilities to live independently in their own homes rather than having to move into residential care settings;
- providing person centred community based housing solutions;
- ensuring mainstream assessment of individual housing needs;
- providing frameworks and protocols for effective interagency cooperation and responses; and providing a delivery, monitoring and review framework.

The *National Housing Strategy for People with a Disability* 2011-2016 forms part of a policy framework, in conjunction with the Government's mental health policy, *A Vision for Change*, the Report of the Working Group on Congregated Settings and the Value for Money Review of Disability Services, to support people with disabilities within community based living with maximum independence and choice.

It supports Government policy to move over 4,000 people with disabilities to transfer from residential institutional care (including congregated settings) to more appropriate living arrangements within local communities by 2019. It is likely that many of these people will require social housing supports and a significant number will also require tenancy supports to assist in the maintenance of tenancies. A high proportion of these people have very specific accommodation requirements. Under the *National Housing Strategy for People with a Disability* it is proposed that the transitioning process will be undertaken through a multi-agency approach, in line with individual choice, the development of person centred care plans and the availability of suitable housing options.



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## Chapter 3: The Social Housing Strategy in Outline

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### 3.1 Introduction

Trends in Ireland's tenure mix, affordability, demography and economy suggest that around one-quarter to one-third of the population will find it increasingly difficult to achieve home ownership and that, in the absence of an effective new social housing strategy, there will be increased polarisation in housing options and conditions (NESC, 2014).

In devising an overall housing policy in this context, and a new social housing strategy in particular, the goals of housing policy will be:

Affordability;  
Sustainability—economic, social and environmental; and  
Inclusion.

A precondition for success is an adequate supply of the right kind of housing at a reasonable cost. Housing supply faces a complex set of immediate bottlenecks and these are the subject of integrated Government action under *Construction 2020*. There are also medium-term challenges—in planning, land management, construction and finance—which are also the focus of Government attention. Within these broader frameworks, a dedicated strategy focused on social housing is also essential.

Government sees the provision of additional social housing as a central element of the revival of overall housing supply and will ensure that measures taken—such as changes to Part V of the Planning Acts, adjustment of planning conditions or initiatives by NAMA—are supportive of this important connection.

This increased provision of and investment in social housing support is also taking place against a backdrop of growing attention to housing and social housing policy



in the EU and UN<sup>9</sup>. It will be important, over the lifetime of the Strategy, to take appropriate cognisance of and interact with developments and policy in this area.

### 3.2 The Three Pillars of the Social Housing Strategy

The three central Pillars of this Social Housing Strategy are:

**Pillar 1: Provision of New Social Housing SUPPLY** - Provision of 35,000 new social housing units through a range of delivery mechanisms.

**Pillar 2: Providing Housing SUPPORT through the Private Rental Sector** - Supports for eligible low-income households through the private rental sector. This Pillar includes the new Housing Assistance Payment which will aim to provide housing support for up to 75,000 households; and, innovative measures that the State, as a significant funder and regulator of the rental market, can take to help ensure that future supply is more stable, affordable, secure and cost effective.

**Pillar 3: REFORM Creating More Flexible and Responsive Social Housing Supports** - This Pillar includes implementation of reforms—a new rent framework, a new tenant purchase scheme, expanded powers to counter anti-social behaviour and housing services plans - and an on-going commitment to monitor and review the Strategy to refresh and drive reform and policy development.

Effective approaches on these three Pillars are a precondition for success on a number of specific housing challenges—such as homelessness and housing for those with special needs—that are sometimes seen as separate. Dedicated work is underway in these areas. As outlined in Chapter 2 there is an *Implementation Plan on the State's Response to Homelessness* and a *National Housing Strategy for People with Disabilities 2011-2016*. Both are central to and will be supported by the Social Housing Strategy.

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<sup>9</sup> For example, Europe 2020 targets include improved access to housing as one of the key actions.



The first two Pillars of the Social Housing Strategy are inter-dependent. Increased social housing provision will moderate the need for the State to support people in the private rental sector—but will still require a reformed large rental sector with secure, high-quality occupancy in a way that is affordable to tenants. In terms of policy, within both Pillars, effective new approaches are required to fund social housing supports affordable to both tenants and the State.

### **3.3 Pillar One in Outline: New Social Housing Provision**

The first Pillar of this Strategy is increased provision of permanent social housing. This Strategy will support the acquisition, building or leasing of 35,000 new units over the period to 2020. The immediacy of the shortfall in supply requires that a significant portion of this investment needs to be made in the early stages of the 6 year period. Budget 2015 provided an important impetus in that regard. Chapter 4 discusses the mixture of public, off-Government balance sheet and private investment mechanisms that can underpin the long-term target of providing 35,000 new properties for social housing.

Driving and mobilising this investment, and shaping the evolving balance between two modes of provision, will be a central focus of the Government's active management of the Social Housing Strategy over the period to 2020. In consultation with local authorities and with AHBs annual delivery targets will be agreed for 2015 and subsequent years. These targets will be monitored carefully against delivery.

Local authorities will continue to have a vital role in the provision of new social housing. They have a wealth of operational experience in managing social housing construction projects and meeting the needs of a large proportion of the total number of households receiving housing supports. Local authorities are positioned in the short term to quickly ramp up their social housing programme, although capacity within the housing function of some local authorities will have to be increased. While a return to local authority construction involves a significant change to the composition of social housing provision of recent years, it allows time for a transition to funding models that are more sustainable and are not overly



reliant on Exchequer capital funding. It is necessary to allow for this transition not only to support delivery in the short-term, but to ensure that the future social housing infrastructure developed is sustainable and can manage the issues associated with the new funding models. As noted, local authorities have traditional strengths in many aspects of social housing delivery, but additional local authority borrowing to fund social housing would add to the national debt in a period when there will be continuing constraints on public borrowing.

An enhanced role for AHBs will be central to the Government's vision for the provision of housing supports. There are significant advantages in the AHBs having a much expanded role, but their capacity to undertake large-scale development needs to be enhanced. A key factor in this regard is the development of a multi-annual funding programme which is elaborated further in Chapter 4.

In addition, in order to drive the totality of delivery required in the Dublin area, where pressures are most pronounced, a Dublin Social Housing Delivery Taskforce (DSHDT) is to be established and this is discussed in more detail in Section 4.3.

The strategic approach to Pillar One is therefore as follows:

To front-load a resumption of local authority and AHB housing, funded by the Exchequer and other measures, to bring about an immediate and significant increase in supply, which is aligned with the key principle of developing sustainable communities;

To work actively with the Irish Council for Social Housing (ICSH), the National Association of Building Co-operatives (NABCO), individual AHBs and others to strengthen the capacity of Ireland's housing associations; and

To create a Dublin Social Housing Delivery Taskforce (DSHDT) charged with leading the increase in sustainable supply using all available funding streams and working closely with local authorities and AHBs.

The Pillar One elements of the Strategy are set out in more detail in Chapter 4.



### 3.4 Pillar Two in Outline: Providing Housing Supports Through the Private Rental Sector

The second Pillar of this Strategy is to provide social housing supports for eligible low-income households through the private rental sector in a manner that provides secure, high-quality accommodation that is affordable to tenants and to the State.

Pillar Two of the Social Housing Strategy, has two building blocks:

**The new Housing Assistance Payment (HAP):** This scheme will have scope to provide accommodation for up to 75,000 households, many of whom are currently in receipt of Rent Supplement on a long-term basis. These households will transition to housing support in a tenancy supported by a payment from the local authority.

HAP is a recognised social housing support, which will facilitate the removal of a potential barrier to employment by allowing recipients to remain in the scheme if they gain full-time employment. It will provide for a better integrated and more streamlined service for households; facilitate better regulation of the private rented sector; and, provide greater consistency in the application of social housing policies.

Section 5.2 provides more details on HAP.

Rent Supplement will remain available to support those facing a short-term need arising from loss of employment or other contingencies.

**Innovative Measures in the Rental Sector:** This includes the scope for the State to take measures which will help to enhance the capacity of the rental sector to contribute in a sustainable way to social housing supports, including exploration of the conditions for development of a cost rental segment in Ireland's housing system.

The Pillar Two elements of the Strategy are set out in more detail in Chapter 5.



### 3.5 Pillar Three in Outline: Reform — Creating Flexible Responsive Social Housing Supports

The third Pillar of this Strategy is a progressive reform programme to create a more flexible and responsive system of social housing support. It includes a range of actions to ensure that social housing supports are responsive to people's needs as well as to improvements in their circumstances.

The reform agenda has two building blocks:

**Implementation:** This includes the implementation of a range of reforms: the introduction of a new framework for rents and other related charges for local authority housing, the introduction of a new tenant purchase scheme for existing local authority houses, expansion of the existing powers of local authorities to deal with anti-social behaviour, examination of a housing passport and wider provision of choice-based lettings and the introduction of statutory regulation of the Approved Housing Bodies.

**Monitoring, Review and Further Policy Development:** It also includes a strong commitment to monitoring, review and further policy development in a range of areas: the funding and delivery structure of all social housing, the system of assessment and allocation of social housing support to better match need, housing need and the guidance and regulation around allocation schemes and development and of cost-rental in Ireland.

The Pillar Three elements of the Strategy are set out in more detail in Chapter 6.





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## Chapter 4: Pillar 1 – Provision of New Social Housing

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### 4.1 Introduction

Pillar 1 of the Strategy targets the delivery of 35,000 new social housing units over the period to 2020. This is in line with the level of new provision which the Housing Agency has identified as being necessary, as discussed in Section 2.4.

Under Pillar 1 of this Strategy, two primary delivery channels are envisaged: local authorities and AHBs; with support from the Dublin Social Housing Delivery Taskforce which is discussed in Section 4.3 below. The maximum and effective use of all available State lands and properties for the benefit of the State will be ensured with the assistance of arrangements established under the property asset management delivery plan<sup>10</sup>.

The 35,000 units will be built, acquired or leased over the period to 2020. Strategy delivery is over two phases, the first of which is more reliant on capital-based exchequer funded construction and acquisition, and the second more on using current funding to support private capital-based off-government balance sheet construction and acquisition.

Delivery is envisaged in two phases:

**Phase 1 - Building on Budget 2015:** Target of 18,000 additional social housing units by end 2017; and,

**Phase 2 - 2018-2020:** Target of 17,000 additional social housing units by end 2020.

This chapter looks at the ways that this additional accommodation might be delivered and financed and is structured as follows:

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<sup>10</sup> The plan, called *Accommodating Change—Measuring Success*, aims to improve the planning and management of the public service property portfolio in Ireland. It was published by the OPW in July 2013.



- 4.2 Kick-Starting New Social Housing Supply – Exchequer Funding
- 4.3 Dublin Social Housing Delivery Taskforce
- 4.4 Off-Government Balance Sheet Funding
- 4.5 Utilising Existing Stock More Efficiently
- 4.6 Facilitating a Step Change in New Investment by AHBs.

## **4.2 Kick Starting New Social Housing Supply –Exchequer Funding**

The development of the Strategy is set against a background of a number of years of significant retrenchment in the housing budget, which has seen Exchequer funding fall by approximately 60% between 2008 and 2014. There has been a major shift away from resource intensive capital investment in building towards leasing and renting solutions, in order to meet as many housing needs as possible from the available resources.

Significant Exchequer funding is now being allocated to ensure that the early phases of this Strategy will deliver a significant response to the need for social housing. Given the time lag associated with construction projects, it will be necessary to acquire properties and to bring properties into use in order to increase supply. This will be achieved by refurbishment, acquisition, NAMA delivery through leasing and Part V<sup>11</sup> as well as AHBs and LAs returning vacant stock to use in the very short term. Even with the significantly increased Exchequer support provided under Budget 2015 and all efforts to source and supply properties in the short-term, new supply will be a significant challenge for social housing provision during the early years of the strategy. The additional €2.2 billion in funding announced in Budget 2015 will assist in delivering an injection of newly built units started in 2015, 2016 and 2017, and will have significant additional benefits in terms of employment, moderating rents and house prices and helping to shape market expectations.

Table 1 outlines the potential delivery of 35,000 social housing units over the life-time of the Strategy. The cost to the exchequer of building, acquiring or leasing these

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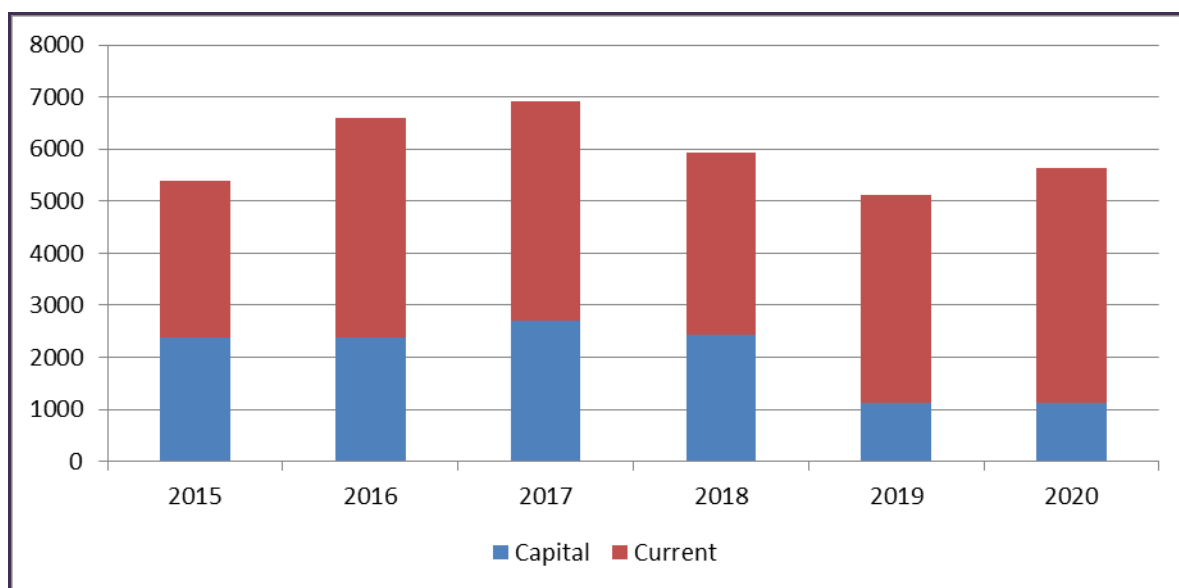
<sup>11</sup>Part V of the Planning Act 2000, as amended, is a mechanism whereby local authorities can acquire land zoned for housing development at “existing use value” rather than “development value” for the delivery of social and affordable housing. The future of Part V is elaborated further in the Planning and Supply section in Chapter 6.

35,000 units is estimated over the period to 2020 to be €3.8bn. The table is based on the three year capital provision for housing announced in Budget 2015 and the one year of agreed current provision. The remaining years of capital and current are projected on the basis of programmed growth to reach the final delivery figure of 35,000 additional social housing units. Importantly, there is a shift toward current funding to service significant off balance sheet debt that will be used to deliver additional social housing units, illustrated in Figure 5.

**Table 1: Supply of Social Housing Units (2015-2020)**

Delivery	2015	2016-2017	2018-2020
	<i>Units</i>	<i>Units</i>	<i>Units</i>
<b>Current</b>	3000	8400	12000
<b>Capital</b>	2386	5097	4690
<b>Period Total</b>	5386	13497	16690
<b>Cumulative Total</b>		18883	35,573

**Figure 5: Housing Units to be Delivered: Capital and Current 2015-2020**



Government will continue to provide on-going exchequer support through the provision of multi-annual budgets in order to deliver the remaining units required over the period to address social housing need.



<b>Action</b>	We will establish a multi-annual Housing Programme.	
	<b>Timeline</b>	Q4 2015
	<b>Responsibility</b>	<b>SHS — Finance Work Stream</b>

### 4.3 Dublin Social Housing Delivery Taskforce

The reforms under this Strategy will seek to ensure that there is immediate and significant new social housing provision using the most appropriate delivery models. This will include a new local authority-based arrangement developed, in the first instance, in Dublin to meet the scale of the delivery challenge in that region. The application of such a model to other regions can be considered in due course.

The Dublin Social Housing Delivery Taskforce (DSHDT) will be established immediately. It will focus on the delivery of Social Housing in the Dublin Area, to respond to the current supply challenge and as means of ensuring maximum value from Exchequer investment.

The DSHDT will comprise:

- CE of Dublin City Council;
- CE of South Dublin County Council;
- CE of Fingal County Council;
- CE of Dun Laoghaire Rathdown County Council;
- Assistant Secretary of Housing Division DECLG;
- CEO of the Housing Agency; and,
- CEO of the Irish Council for Social Housing.

The DSHDT will build on the work of the Housing Supply Coordination Taskforce for Dublin (Box 4) established under *Construction 2020*, and will report directly to the Social Housing Strategy Oversight Group led by the Minister for the Environment, Community and Local Government.

The role of the Taskforce will be to coordinate, implement and manage the collective purpose across the four Dublin local authorities in respect of, inter alia, overall



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policy direction in terms of size/nature of developments, the approach to Part V and developing models of collaboration with AHBs and private interests. The Taskforce will also examine the optimum arrangements to collective resourcing of the planning and design elements, the streamlining of recoupment procedures and ensuring that Exchequer funding is maximised to deliver on an effective Social Housing Programme for Dublin.

In order to meet the objectives of developing sustainable communities, individual social housing developments were developed on a relatively small in scale in recent times, in comparison to private housing developments. In the context of developing building projects under its Housing Action Programme, the DSHDT will work with AHBs and other stakeholders to establish mixed tenure developments that maintain the objectives of sustainable communities, while addressing issues of scale.

By delivering developments where social renting, private renting and affordable and cost renting options are provided side by side, DSHDT will have the potential to further promote the evolution of mixed tenure communities, increase overall supply of housing and to deliver social housing on a scale that is more reflective of the extent of social housing need.



## DSHDT Terms of Reference

### **Box 4 – Housing Supply Coordination Taskforce (Construction 2020)**

*Construction 2020 – A Strategy for a Renewed Construction Sector* committed to the establishment of a Housing Supply Coordination Taskforce for Dublin.

The Supply Task Force was convened by the Department of the Environment, Community and Local Government. The immediate focus of the Task Force was to monitor trends in the supply of viable and market-ready approved developments. In doing so it was asked to work closely with “other parties including those responsible for key infrastructure, to identify any obstacles to viable and appropriate development”.

It was also asked to look at Action 18 which commits the Dublin local authorities to supporting a “Kick Start” Initiative for prime development areas where extensive infrastructure investment has taken place.

In its first report in June 2014, the Task Force reported that:

- (1) Across the four Dublin authorities, planning permission —unconstrained from any short term infrastructure issue— is in place for the immediate development of 12,785 houses and 7,925 apartments;
- (2) A further 25,507 new homes are deemed permissible in the immediate to short term on lands zoned and available for development but currently without the benefit of a planning permission; and.
- (3) Together, the extent of permitted development and lands available for development are sufficient to meet Dublin’s needs for at least the next 6 years. This suggests that wider economic conditions and structural and financial issues within the housing and development sector are more significant constraints on an uplift in activity than the availability of lands or planning permission.

The Task Force is preparing for a further end of year report monitoring trends in the levels of planning applications and decisions. The Task Force will also advance a preliminary analysis of infrastructural delivery factors in preparing further zoned lands for housing delivery beyond the next six years.



The Dublin Social Housing Delivery Taskforce will:

- agree targets for the delivery of housing for the four Dublin local authority areas in 2015 and subsequent years, building on the work of the Supply Task Force established under Construction 2020;
- oversee and monitor the commencement of significant additional numbers of social housing units in the Dublin area from 2015 onwards, in line with targets to be outlined in the Housing Action Programme<sup>12</sup>;
- facilitate mixed tenure rental developments;
- co-ordinate and align delivery of social housing spend across the four Dublin local authorities to meet overall housing objectives for Dublin;
- assess how best to maximise the benefit of Part V provision across Dublin;
- examine the viability of utilising publicly owned sites, including those identified by the supply taskforce and those in the Land Aggregation Scheme, to ensure maximum use of State lands for social housing;
- assist in the development of - with a view to early operation in the Dublin region - new approaches to financing housing development through a range of sources including Exchequer funding, PPP models and off-Government balance sheet mechanisms; and
- consider the condition of the existing social housing stock and the most appropriate measures and associated funding necessary to maintain the assets, counteract the effects of depreciation, deal with the need for replacement stock, and sustain good living conditions for tenants.

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<sup>12</sup> Housing Action programmes are provided for under the Housing (Misc. Provisions) Act 2009 and discussed further in Section 6.3.



<b>Action</b>	We will establish the Dublin Social Housing Delivery Taskforce to take the lead role in driving increased delivery of Social Housing in the Dublin region.	
	Timeline	Q4 2014
	<b>Responsibility</b>	<b>DECLG and Four Dublin Local Authorities</b>

<b>Action</b>	The four Dublin local authorities will agree targets for the delivery of social housing in 2015 and initiate work on targets for subsequent years	
	Timeline	Q1 2015
	<b>Responsibility</b>	<b>DSHDT</b>

<b>Action</b>	We will agree, with the Project Board, a work programme based on the terms of reference set out in the Social Housing Strategy and building on the work of Construction 2020.	
	Timeline	Q1 2015
	<b>Responsibility</b>	<b>DSHDT</b>

In addition, the Project Board established by this Strategy will, in collaboration the DSHDT and the two delivery and operations work streams on will agree national targets for delivery of social housing in 2015 and in subsequent years.

<b>Action</b>	In collaboration with the DSHDT, the Local Authority Delivery and Operations Work Stream and the AHB Delivery and Operations Work Streams we will agree national targets for delivery of housing in 2015 and in subsequent years.	
	Timeline	Q1 2015
	<b>Responsibility</b>	<b>Project Board</b>

<b>Action</b>	We will agree targets with local authorities for delivery of housing in 2015 and initiate work on targets for subsequent years.	
	Timeline	Q1 2015
	<b>Responsibility</b>	<b>Local Authority Delivery and Operations Work Stream</b>

<b>Action</b>	We will agree targets with AHBs for delivery of housing in 2015 and initiate work on targets for subsequent years.	
	Timeline	Q1 2015
	<b>Responsibility</b>	<b>AHB Delivery and Operations Work Stream</b>





#### 4.4 Off-Government Balance Sheet Funding

The Social Housing Strategy provides a framework for off-balance sheet delivery of social housing units underpinned by the multi-annual capital and current housing programme. Off-balance sheet mechanisms can maximise financial opportunities and leverage other assets available to the State including land and expertise.

There is experience in Ireland in developing off-balance sheet mechanisms. In the social housing sector, significant housing units have been supplied off the Government balance sheet, particularly through the NAMA Special Purpose Vehicle (National Asset Residential Property Service—NARPS). The Government is committed to quickly building on this experience and to putting in place mechanisms which are capable of raising finance in a sustainable manner and which can be used to drive, plan and coordinate the provision of new social housing.

A working group will be established from within DECLG/DPER/DFinance and the HFA to progress the various off-balance sheet mechanisms identified below.

<b>Action</b>	We will establish a finance working group to progress off-balance sheet funding mechanisms.	
	<b>Timeline</b>	O4 2014
	<b>Responsibility</b>	SHS — Finance Work Stream <sup>13</sup>

This section outlines the main off-balance sheet mechanisms that will be progressed as part of this Strategy, and overseen by this working group.

##### Expansion of NAMA Special Purpose Vehicle

In April 2013, a NAMA Special Purpose Vehicle (SPV), the ‘National Asset Residential Property Services’ (NARPS), was established to facilitate the sale or lease of NAMA debtor or receiver residential properties for social housing purposes. The NAMA SPV can also take ownership of properties where there is an established demand – thereby enabling the direct negotiation of leases with local authorities and approved housing bodies.

<sup>13</sup> Chapter 7 describes the governance structure for this Strategy including five work-streams: finance, AHB Delivery and Operations, LA Delivery and Operations, Social Housing Reform and Private Rental.



Since the establishment of the NAMA SPV some 60% of NAMA sourced units provided for social housing have been delivered through the SPV (some 375 units – Q3 2014<sup>14</sup>). This delivery option will now be expanded to allow the SPV to fund Part V units provided through NAMA’s residential delivery programme in Dublin. This arrangement will provide for the capital funding of some 450 Part V units, with the potential for 2,250 Part V units should NAMA’s Dublin residential delivery reach its upper limit of 22,500 units over the next 5 years.

<b>Action</b>	We will expand the uses and sources of supply for the NAMA SPV to include the provision of PART V units built on NAMA assisted projects.	
	<b>Timeline</b>	Q1 2015
	<b>Responsibility</b>	SHS — Finance Work Stream

### **Public Private Partnership (PPP)**

A PPP is an arrangement between the public and private sector for the purpose of delivering infrastructure or services which were traditionally provided by the public service. In effect it is a form of procurement available to the public sector.

The standard availability-based design, build, finance and maintain (DBFM) Public Private Partnership model will be used to deliver a large-scale social housing development investment, delivering social housing units in multiple locations and procured within the same public contract. The model proposed has been used to build a number of national roads and 23 schools in Ireland and is being used to deliver primary health care centres and a programme of new and refurbished courthouses. This considerable experience will be used to ensure that the housing PPP can deliver significant scale, a competitive return for investors and value for money for the State.

The PPP proposal announced by the Minister for Public Expenditure and Reform, in Budget 2015, envisages a programme to invest €300million in social housing and is expected to comprise:

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<sup>14</sup> Q3 2014 Delivery Update, Housing Agency website <http://www.housing.ie/NAMA.aspx>



- development of up to 1,500 housing units;
- provision of services to the project over a 25 year period following construction that will include the maintenance and upkeep of the housing; and
- return of the asset after 25 years in prime condition.

<b>Action</b>	We will commence work on a public private partnership to provide 1,500 new social housing units by end of 2017	
	<b>Timeline</b>	Q1 2015
	<b>Responsibility</b>	SHS — Finance Work Stream

### Financial Vehicle

A financial vehicle will be established to facilitate the aggregation of private investment into a fund for subsequent lending as project finance.

At present AHBs in Ireland lack sufficient scale to access capital markets at competitive rates. To address this, Government announced in Budget 2015 its intention to develop a dedicated funding vehicle for the sector. This entity would specialise in channelling more affordable long term private finance to the AHBs for both the acquisition and development of social housing.

This financial vehicle will be classified outside Government ('off-balance sheet') and provides an opportunity for Government to reduce the use of its balance sheet and stimulate private sector financing for the delivery of social housing.

The Government, as part of Budget 2015, announced that €400m of public investment will be available, including the proceeds from the sale of Bord Gáis energy business, to capitalise this new vehicle and provide for at least 2,000 housing units. This investment can then leverage private sector finance which will be raised from a variety of sources which could include the EIB, ISIF, Pension Funds, Credit Unions and other financial institutions, both domestic and international. This funding will then be lent on to qualifying AHBs, giving them access to long term finance. The Government believes that this new source of funding will enable AHBs to better leverage their existing stock with the ultimate aim of delivering more



housing from scarce exchequer resources. This funding solution will be part of an incentivised programme where AHBs will commit to deliver specific housing targets and AHBs that are the most active and capable of delivering new housing supply will receive a greater proportion of this funding.

It will also be important to consider how local authorities might access this type of off-balance sheet funding, particularly if AHBs are unable to fully respond to the delivery challenge envisaged for them in this Strategy. The possibility of establishing an AHB by a local authority or among local authorities, for example in the Dublin or Greater Dublin area, will be explored. Such a dedicated housing organisation would be in a position to raise finance without adding to the General Government Deficit or Debt. Relevant international experience that can be drawn upon includes the municipal housing companies in Sweden and the arms-length management organisations in the UK.

This financial vehicle could also provide the foundation for a more developed Social Housing Body, in the medium-to-long term. The challenge would be to ensure greater freedom from day-to-day government control and direction but more significantly it would have to be capable of breaking even and having sufficient income to fund borrowing. This would require that rents charged would be aligned with the cost of provision and in practice; this will require both mixed tenure development and payments by local authorities to meet the short fall between costs and differential rents.

<b>Action</b>	We will commence work on a financial vehicle to raise funding for the social housing sector which will be operational by Q2 2016	
	<b>Timeline</b>	Q2 2015
	<b>Responsibility</b>	SHS — Finance Work Stream

#### 4.5 Utilising Existing Stock More Efficiently

Apart from the building and acquisition of new units, it is also critically important that the existing stock of social housing is used efficiently. There is a need to invest in the stock to ensure good living conditions for tenants and to maintain publicly-funded assets. In recent years, local authorities have focused on improvements to the



energy efficiency of the existing social housing stock which has also had a beneficial impact on reducing fuel poverty.

The National Regeneration Programme continues to be an important part of the social housing response of the Government in targeting some of the country's most disadvantaged communities and is recognised in the Programme for Government. An ambitious programme of regeneration projects is underway in Dublin City, Cork City, Limerick City and smaller scale projects at Tralee, Sligo and Dundalk. In 2014, a total of €70m was provided to support those regeneration projects, which aim to rebuild the communities by addressing not just the physical environment, but also by investing in the social and economic regeneration of the areas.

Significant inroads have been made in tackling some of the major issues that have affected these areas through the programme, founded on a multi-agency approach to the social and economic challenges that are present, the building of strong links with the communities, and supports for existing and new community facilities and services. DECLG and other Departments/ Agencies will continue to work in this holistic way to revitalise these communities.

The speed with which vacant units (sometimes called 'voids') are brought back into use is very important in maintaining the availability of social housing to those who need it. In 2014 a €30m national programme is in place through which the local authorities target priority vacant social housing units with a view to early re-tenanting. Funding has been available up to a maximum of €30,000 per dwelling. Future funding of vacant stock will be linked to local authorities implementing on-going maintenance programmes to ensure that the issue of vacant properties is addressed in conjunction with planned and on-going maintenance.

<b>Action</b>	We will provide a multi-annual planned programme of LA stock refurbishment.	
	<b>Timeline</b>	Q1 2015
	<b>Responsibility</b>	<b>SHS — LA Delivery and Operations Work Stream</b>



<b>Action</b>	We will link future funding to the measured performance of local authorities on their ability to return vacant units to use and to put in place on-going maintenance programmes.	
	<b>Timeline</b>	Q4 2015
	<b>Responsibility</b>	<b>SHS — LA Delivery and Operations Work Stream</b>

## Housing Adaptation Grant Schemes for Older People and People with a Disability

In addition to the provision of social housing units and the improvement and upkeep of social housing stock, the Social Housing Strategy also recognises the value of providing targeted support towards some non-social housing situations.

Providing this kind of support can enable people with particular needs, e.g. elderly people or people with a disability, to remain in their own home where they might otherwise require social housing or institutional care. In this regard, funding is provided under the Housing Adaptation Grant Schemes for Older People and People with a Disability. This suite of grants provides significant social benefit in terms of facilitating the continued independent occupancy of their own homes by older people and people with a disability. The three separate grants available under the scheme are: the Housing Adaptation Grant for People with a Disability (up to €30,000), Housing Aid for Older People (up to €8,000) and the Mobility Aids Grant (up to €6,000). Since the introduction of these schemes in 2007, some €317 million in Exchequer funding has been provided, covering some 58,000 grants. Funding is 80% exchequer provided together with 20% from the relevant local authority.

Adjustments made to the schemes following a 2013 review spread the benefits of the schemes more widely and better ensured fairness and value for money in their implementation. It is anticipated that 7,800 grants will be paid in 2014, compared to just over 7,000 in 2013.

<b>Action</b>	We will build on the target of 7,800 housing adaptation grants in 2014 to provide targeted support to enable people with particular needs, who might otherwise require social housing, to remain in private housing (e.g. elderly). We will aim to sustain this support in subsequent years where there is continued social value.	
	<b>Timeline</b>	Q4 2015
	<b>Responsibility</b>	<b>SHS — LA Delivery and Operations Work Stream</b>



Finally, initial experience with the *National Housing Strategy for People with Disability* suggests that concerns about costs of adaptation or the impact of adaptations on the property is limiting delivery, particularly in relation to leased and social housing units for people with a disability. This may require the development of a funding stream for such adaptations.

<b>Action</b>	We will examine the development of a funding stream for adaptations to houses for those in leased and social housing units.	
	<b>Timeline</b>	Q3 2015 onwards
	<b>Responsibility</b>	<b>SHS —Social Housing Reform</b>

#### **4.6 Facilitating a Step-Change in New Investment by Approved Housing Bodies**

There are currently over 500 AHBs in Ireland, most of which are very small scale and do not have development plans. This means that much of the stock is not being used to leverage investment.

An enhanced role for Approved Housing bodies (AHBs) in the provision of new supply will be central to the Government's vision for the provision of social housing supports. New financial mechanisms for AHBs (CALF and P&A Agreements) were introduced in 2011 to facilitate borrowing for the supply of new homes. However, in overall terms they have not, to date, delivered significant numbers of homes. One of the underlying issues is that traditionally the sector has relied on 100 % State grants, whereas the CALF and P&A financing system has to date lacked the kind of multi-annual funding commitment necessary to underpin the level of investment needed.

The move to more revenue-funded social housing delivery options has challenged the sector. However, use of loan finance from both commercial lending institutions and the Housing Finance Agency, has the potential to develop a stronger, more sustainably funded voluntary and cooperative housing sector, playing a much more active role in the supply of social housing without reliance on full capital funding from the Exchequer.



The voluntary and co-operative housing sector has delivered approximately 27,000 units of social housing over a 30 year period. To achieve a significant increase in the scale and pace of delivery, under the new financing arrangements, will continue to be challenging for the sector and will involve it managing significantly more risk. The sector reports that it leveraged €30m of investment on the back of €5m public funding in 2013. While important, this indicates the scale at which the sector is currently operating. The introduction of regulation will assist and support the sector in terms of its capacity to attract investment. The Department will continue to support and work closely with those bodies developing social housing on the basis of non-public loan finance.

The sector has stated that it believes that it can deliver 5,000 new properties over three years<sup>15</sup>. The challenge now is for the AHB sector to build organisational and financial structures and systems which will quickly support a step-change in delivery. There are a number of ways in which AHBs' role in the provision of new housing can be enhanced, for example the overall housing stock of AHBs is a very important component in leveraging access to future private finance.

This Strategy includes a number of changes and actions that will help to promote the optimum configuration of what is a very diverse sector; and encourage the formation of the large scale providers that the sector needs if it is to fulfil the enhanced role in social housing supply envisaged for it.

The Strategy will introduce five key changes in relation to AHBs:

**First**, a multi-annual housing expenditure programme will be introduced for use by AHBs. This will allow them to have more advanced development programmes, based on identified housing need, and to work with other funders to secure matching funding.

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<sup>15</sup> Irish Council for Social Housing, *Enabling the delivery of Social Housing in Ireland*, September 2014.





<b>Action</b>	We will establish a multi-annual Housing Programme (as noted in Section 4.2).	
	<b>Timeline</b>	Q4 2015
	<b>Responsibility</b>	<b>SHS — Finance Work Stream</b>

**Second**, funding will be prioritised for AHBs that pledge to develop or add a certain proportion to their stock each year, or carry out a set number of starts over a three or five year period or contribute to meeting key policy commitments in areas such as housing for people with disabilities, deinstitutionalisation or homelessness. At present, the allocation of funding for the AHB sector is based on individual projects, which are prioritised by local authorities based on local need. The absence of a national programme for AHBs with clear multi-annual targets for delivery means there is no system of rewarding or prioritising funding to AHBs that are trying to deliver units at the scale required. It is proposed to address the absence of such a system through a more strategic approach to investment in the AHB sector.

Approved Housing Bodies will also be encouraged to provide housing on a cost rental basis as well as social renting, in the first instance as part of the pilot on cost-rental. This approach, which will further promote the evolution of mixed tenure communities and increase overall supply of housing, is elaborated in Section 5.3.

<b>Action</b>	Funding will be prioritised for AHBs based on criteria to be agreed with the sector during Q3 2015.	
	<b>Timeline</b>	Q1 2016
	<b>Responsibility</b>	<b>SHS — AHB Delivery and Operations Work Stream</b>

**Third**, a more streamlined funding process will be created through the DECLG. This will be designed to ensure that AHBs are incentivised to seek finance from non-Government sources. In order for AHBs to access loan finance either from commercial financial institutions or the HFA, they need to have healthy balance sheets and many lenders will also have requirements regarding gearing levels as will the Regulator. Gearing looks at the level of an AHB's debt related to its equity capital. Therefore the more stock they have which has been fully funded the greater the ability they will have to access finance. The current funding regime for the Capital Assistance Scheme (CAS) means that CAS grants are available to a wide and diverse group of AHBs. Targeting a larger proportion of the overall funding at AHBs



who are developing loan finance mechanisms would assist in improving the capacity of these AHBs to develop in a more sustainable manner. This would assist with building the capacity of the sector and in rationalising the sector and encouraging AHBs to consider collaborations and mergers.

<b>Action</b>	To support the development of a more effective system of funding for AHBs we will review the current system, taking account the views of various stakeholders.	
	<b>Timeline</b>	Q4 2015
	<b>Responsibility</b>	<b>SHS — AHB Delivery and Operations Work Stream</b>

**Fourth**, the promotion of collaboration at local and regional level between local authorities and AHBs will be prioritised as a vehicle for strengthening cooperation between social housing providers.

<b>Action</b>	We will facilitate the development of Regional Social Housing Forums to support more collaborative approaches to the provision of social housing.	
	<b>Timeline</b>	Q3 2015
	<b>Responsibility</b>	<b>SHS — AHB Delivery and Operations Work Stream</b>

**Fifth**, work will advance on regulation of the sector. Enhanced regulation is an essential requirement to underpin the expanding and enhanced role of AHBs. It will provide assurance to tenants, Government and potential investors that the AHB sector is stable and well managed, serving to safeguard public investment in the sector as well as encouraging private investment.

Regulation is a key requirement of financial institutions considering investing into the sector as they will need assurance that robust oversight systems are in place, that the sector is being well managed and is financially viable, and that there are mechanisms for intervention if problems arise.

Within the AHB sector itself, regulation will be supportive of other actions that will encourage long term strategic thinking and facilitate collaboration, alliances and



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mergers within the sector. It will also help AHBs to manage risk and to focus on achieving best outcomes for tenants.

Action on the regulation of AHBs is discussed in Chapter 6, covering Pillar 3.



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## Chapter 5: Pillar 2 – Providing Housing Supports Through the Private Rental Sector

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### 5.1 Introduction

Pillar 1 of this Strategy involves delivery of social housing to be achieved primarily through new investment by local authorities and housing associations.

Pillar 2 focuses on the delivery of housing supports provided through the private rental sector. The overall tenure mix of housing is changing, with rental increasing strongly as a share of the total, especially in Dublin and other cities. Supply pressures and consequential rising rents increase demands on Exchequer funding for those tenants supported through RAS, HAP and Rent Supplement.

Over the last decade a number of leasing schemes have been introduced. The Rental Accommodation Scheme (RAS) initiated in 2004 provided a more flexible graduated system of social housing supports. The scheme had two key objectives: the elimination of dependence on rent supplement by persons assessed as being qualified for and in need of social housing support, and the enhancement of the position of local authorities to respond to housing need. While the scheme in itself has been successful—with some 48,000 households transferring from rent supplement to RAS and other social housing supports between 2005 and 2013— as a supply based scheme it has not been able to keep pace of the increasing number of households in receipt of rent supplement.

In that context, the model of sourcing social housing supports through the private rented market has been further developed with the introduction of the Social Housing Leasing Initiative (included as part of Pillar 1) and the new Housing Assistance Payment. The introduction of the Housing Assistance Payment is the most recent iteration of this model bringing all social housing services provided by the State under the stewardship of local authorities.

Pillar 2 of the social housing strategy, has two building blocks:

**The new Housing Assistance Payment (HAP):** This scheme will have scope to provide accommodation for up to 75,000 households, many of whom are



currently in receipt of Rent Supplement on a long-term basis. These households will transition to housing support in a tenancy supported by a payment from the local authority. Rent Supplement will remain available to support those facing a short-term need arising from loss of employment or other contingencies; and

**Innovative Measures in the Rental Sector:** This includes the scope for the State to take measures which will enhance the capacity of the sector to contribute in a sustainable way to social housing supports including the exploration of the conditions for development of a cost rental segment in Ireland's housing system.

Both building blocks share a focus on the quality of rental accommodation and the need for secure affordable occupancy. This chapter sets out the approach to putting each of these building blocks in place.

## **5.2 The Housing Assistance Payment: Secure, Work-friendly Tenancy in Quality Accommodation**

The HAP scheme will provide for the transfer of responsibility for recipients of Rent Supplement with a long-term housing need from the Department of Social Protection to local authorities and provides a new approach for responding to households with a social housing need.

The HAP scheme brings together all the social housing services provided by the State, with local authorities being responsible for all households with an established housing need, including those whose needs are currently being met through long-term rent supplement. Table 2 outlines the number of households that are expected to be accommodated directly under HAP and RAS between 2015-2020 (and the associated cost in 2015). Figure 6 illustrates the number of additional households that are expected to be accommodated by HAP and RAS in each year of the Strategy. Delivery is envisaged in two phases:



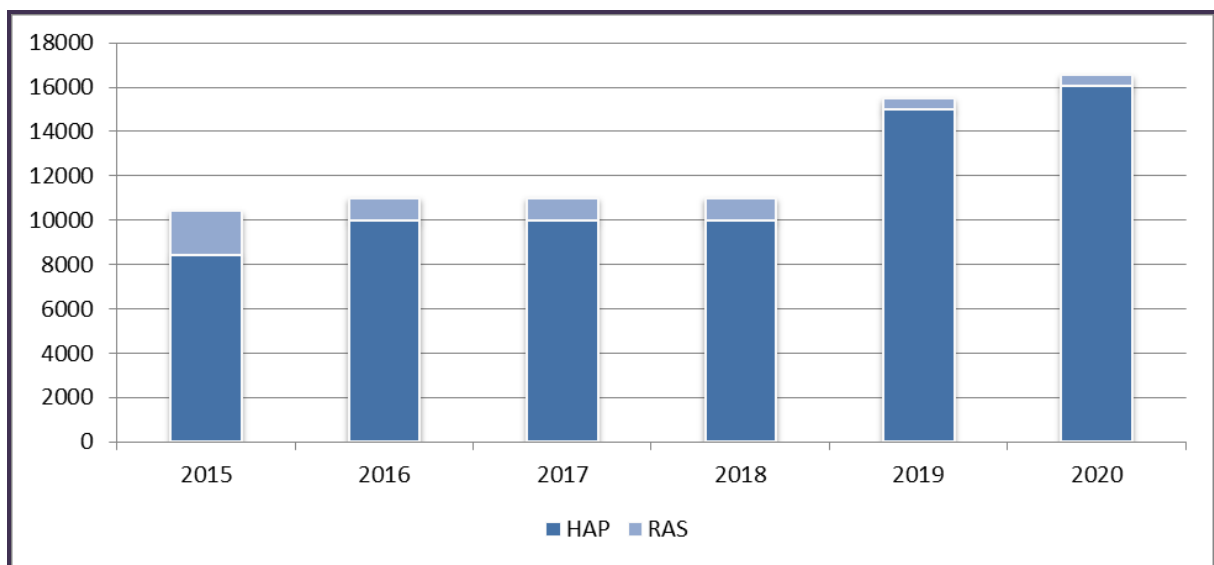
**Phase 1 - Building on Budget 2015:** Target 32,000 HAP/RAS units by end 2017; and,

**Phase 2 - 2018-2020:** Target of 43,000 HAP/RAS units by end 2020.

*Table 2: Additional HAP and RAS Units (2015 – 2020)*

<i>Delivery</i>	<i>2015</i>	<i>2016-2017</i>	<i>2018-2020</i>
	<i>Units</i>	<i>Units</i>	<i>Units</i>
<b>HAP</b>	8400	20000	41040
<b>RAS</b>	2000	2000	2000
<b>Period Total</b>	10400	22000	43040
<b>Cumulative Total</b>		32,400	75,440

**Figure 6:** Additional HAP and RAS Units 2015-2020



HAP will facilitate the removal of a potential barrier to employment by allowing HAP recipients to remain in the scheme if they gain full-time employment, with a progressive differential rent adjusting for increases in income. Rent Supplement will continue to be paid by the Department of Social Protection to those who are already in the private rented sector but who, because of a short term change in their circumstances, such as loss of income through unemployment, require a short-term income support to pay their rent. These applicants would not generally require an assessment of housing need and the expectation would be that a return to



employment would obviate the need for long-term support. Thus Rent Supplement would return to being a short-term income support, as originally intended.

In addition, to the removal of existing barriers to employment, HAP has a number of other key objectives including:

- to provide a better integrated and more streamlined service for households seeking support from the State and to give local authorities greater flexibility to provide assistance to those in need of social housing support;
- to facilitate better regulation of the private rented sector, leading to improved standards of accommodation, better enforcement levels of registration with the Private Residential Tenancies Board and strengthened processes for ensuring tax compliance by landlords; and
- to provide greater consistency in the application of social housing policies in relation to needs, allocations, rents and tenure and paths to home ownership across the supported rented housing market.

HAP will be a recognised social housing support, however, HAP recipients who wish to do so will still be able to access other social housing supports through a transfer system, whereby they can apply to transfer from HAP to other social housing supports such as local authority housing or housing provided by an AHB. In addition, time spent in receipt of HAP will be taken into account by a local authority if a household applies for incremental purchase at any stage.

As noted there are currently 50,000 people in long-term receipt of Rent Supplement that will move to HAP. In addition, over the life of the SHS it is expected that further 25,000 people will have similar long-term accommodation needs.



<b>Action</b>	We will ensure that all eligible households that require HAP will transition to the new scheme between 2015 and 2020.	
	<b>Timeline</b>	2015 onwards
	<b>Responsibility</b>	<b>HAP Oversight Group<sup>16</sup></b>

Under the HAP scheme, eligible households source their own accommodation (subject to agreed limits) within the private rented market and the length of the tenancy will be agreed between the HAP recipient and the private landlord. The local authority pay the rent to the landlord on the tenant's behalf and the tenant pays a rental contribution to the local authority based on the differential rent scheme for the relevant local authority. HAP will also contribute better oversight of the private rental sector.

There is a need to examine how greater stability might be created for tenants. The State as a major funder and regulator of the sector will explore with landlord representative groups the potential that fixed term tenancy agreements offer in terms of stability and security.

<b>Action</b>	We will examine fixed term leasing agreements with property owners as a means of providing greater certainty for tenants and landlords and longer term certainty for the State.	
	<b>Timeline</b>	Q3 2015
	<b>Responsibility</b>	<b>SHS — Private Rental Work Stream</b>

Finally, the targets associated with HAP are challenging, particularly in context of rising private sector rents. The resources used in HAP could also be used as means of funding new provision, particularly in the context of off-balance sheet mechanisms.

<sup>16</sup> A HAP Oversight Group was established as part of the Housing Assistance Payment: Implementation Strategy, published in January 2014,





<b>Action</b>	We will examine how resources within the existing HAP and Leasing budgets could be used to support new off-balance sheet provision of social, affordable and cost rental accommodation.	
	<b>Timeline</b>	Q1 2016
	<b>Responsibility</b>	SHS — Finance Work Stream

### 5.3 Innovative Measures in the Rental Sector

Despite being described as the ‘private’ rental sector, the State is a significant funder of activity in the sector, with over one half of all rents received by private landlords coming from RS, RAS or other schemes at an annual cost to the Exchequer of over €500m. This can be used to grow the sector in a more sustainable and cost effective manner.

Under this Strategy, the State will take measures which will enhance the capacity of the sector to contribute in a sustainable way to social housing supports. This will help to ensure that Ireland, like many other European countries, has a much more stable and secure source of high-quality accommodation which is affordable and which does not constitute an undue burden on the State.

An important part of this Strategy, straddling both Pillar 1 and Pillar 2, involves the exploration of the conditions for development of a cost rental segment in Ireland’s housing system. Box 5 summarises cost rental and why it matters now to Ireland.

As set out in international housing research and articulated in NESC’s recent report on Irish social housing ‘cost rental’ and cost-based or affordable rent regimes play an important role in providing housing to low and middle income groups in many countries<sup>17</sup>. As well as providing the direct benefit of affordable long-term tenancies to such households - and as such helping to reduce the demand for social housing - this approach plays an important role in moderating the cyclical nature of the overall housing system, rent crises and associated stresses.

A major advantage is that cost rental avoids the kind of exposure to rising market rents that has greatly driven up the cost to the Exchequer of Rent Supplement and

<sup>17</sup> NESC (2014). *Social Housing at the Crossroads: Possibilities for Investment, Provision and Cost Rental*. NESC Report, 138, June 2014.



other supports for low income tenants in private rented accommodation. While these Exchequer savings are important, some of the greatest advantages of cost rental accrue when the approach has been pursued for a sustained period. Then the existence of paid-off, or partly paid-off, rental properties in the not-for-profit sector (housing association or a public housing body) provide the opportunity to pool the rents from older low cost properties and new higher-cost units. A further advantage - achieved when the cost rental segment reaches a sufficient share of the overall rental sector - is a moderation of market rents.

#### **Box 5 –Cost Rental and Why it Matters Now in Ireland**

The basic idea of cost rental is that a housing provider raises the finance to provide accommodation and charges rents that are sufficient to cover both capital costs and on-going maintenance and management. The alternative, profit-rental, is where a landlord charges the maximum obtainable rent. These market rents tend to rise with the increasing value of property.

In normal circumstances cost-based rents will increase slower than market rents in the same way that an individual's mortgage payments will generally increase at a slower rate than market rents.

Cost rental is common in many European countries<sup>18</sup> and has a profound and stabilising impact on the housing system in a country. It often involves pooling the historic costs of individual dwellings across a large housing stock, using the low costs of older properties to subsidise modest rents in more expensive recent properties and underpin investment in new provision.

There are a number of reasons why exploration of ways to develop a growing cost rental segment is particularly relevant in Ireland now:

Existing State housing supports to tenants in the private rental sector expose the Exchequer to uncertain - and, in current conditions - increasing market rents;

The increasing role of the AHBs in the overall system of housing provision and their need for sustainable models of both capital funding and on-going income;

<sup>18</sup> For example Austria, the Netherlands, France, Sweden and Switzerland. See Kemeny, J., Kersloot, J. & Thalmann, P. (2005), *Non-profit Housing Influencing, Leading and Dominating the Unitary Rental Market: Three Case Studies*, *Housing Studies*, 20(6): 855-872; and CECODHAS (2013) *Study on Financing of Social Housing in Six European Countries, Final Report*, Brussels: CECODHAS European Social Housing Observatory.



The importance of creating more mixed income, socially integrated, developments in housing provided by AHBs, public bodies and private investors;  
As a means of helping the transition towards a model of social housing provision which is increasingly based on off-balance sheet debt finance; and  
The changing tenure mix in which a greater share of households seek to create their homes in rented accommodation.

The cost rental approach can be adopted by providers of all kinds - AHBs, local authorities and private investors - though some of the details would vary. Consequently, there is an important connection between this aspect of the Strategy and the proposals in Chapter 4, for the enhanced provision of social housing through housing associations, who like the Dublin Social Housing Delivery Taskforce (DSHDT), will also be encouraged to create more mixed income developments in urban areas of high demand. Such developments would include a mixture of units, with a mixture of different types of tenants, paying different forms of rent, including differential rent and cost-based rents.

To begin this process of building the cost rental segment, Government will work actively with the AHBs, local authorities and other providers. The purpose is to address the increasing cost of market rents to tenants and the State and to explore capital and current funding arrangements that could support an increase in the overall supply of social and cost rental housing. While some of the steps and conditions necessary to move to cost rental are relatively straightforward, others will need to be explored in more detail. In the first instance a pilot project provides an important testing ground for this initiative.

<b>Action</b>	We will roll out a pilot Cost Rental Scheme, having worked in advance with the Finance Works stream, AHBs and local authorities to identify the steps and conditions to be addressed in order to maximise the benefit of the pilot scheme.	
	<b>Timeline</b>	Q4 2015
	<b>Responsibility</b>	<b>SHS — AHB Delivery and Operations Work Stream</b>

As noted the development of an affordable and cost rental sector will help ease growth in demand for social housing. In addition, in collaboration with the Department of Finance and the Central Bank, further consideration will be given to



the scope to devise effective means of managing the transition of encumbered Buy-to-Let Properties. While this is, firstly, a banking and finance issue, the way in which encumbered buy-to-let mortgages are handled can potentially have an important role in reducing the upward pressure on rents and the tenure position of low-income or Rent Supplement tenants. An effective strategy in this regard could result in a saving to the State vis-a-vis the cost of building new social housing. While, in many cases it would not add to new social housing supply it may in many cases have the effect of reducing demand for social housing. The Local Authority Mortgage-to-Rent scheme has been used in this way to both increase publically-owned stock and to prevent homelessness.

Finally, *Construction 2020* includes a commitment to develop a national policy towards professionalising the private rental sector, to include issues such as investment, standards and regulation. Since *Construction 2020* was published in May of this year, the Private Residential Tenancies Board (PRTB) has commissioned two major reports on the sector which will be important inputs into the development of the national policy. Accordingly, the Government will consider carefully, this work in relation to the wider private rental sector including, the recently published DKM report on rent stability in the private rented sector and the companion report on the future of the sector; and, the forthcoming NESC report (due to be completed in early 2015) on the future development of the private rental sector and its role in providing affordable and secure accommodation.

<b>Action</b>	Working with stakeholders, we will continue work on the development of a national policy aimed at increasing investment in, and supporting the supply of good quality, secure and affordable rental accommodation.	
	Timeline	O4 2015 and ongoing
	<b>Responsibility</b>	<b>SHS — Private Rental Work Stream</b>



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## Chapter 6: Pillar 3 – Reform: Creating Flexible and Responsive Social Housing Supports

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### 6.1 Introduction

The third Pillar of this Strategy is a reform agenda which will create a more flexible and responsive system of social housing support. It includes a range of actions to ensure that social housing supports are responsive to people's current needs, as well as to improvements in their circumstances.

The Pillar 3 reform agenda has two building blocks. The first is focused on implementing identified reforms in a number of areas. The second is an on-going commitment to monitor and review progress in these and other areas.

### 6.2 Implementing Reforms

This Strategy provides for the implementation of a number of key reforms that will make social housing supports more responsive and flexible. Many of these reforms impact in fundamental ways on local authorities, a sector in which significant change is currently taking place both generally and in relation to social housing (Box 6).

#### **New Framework for Rents**

The DECLG will continue to support reform and innovation including through the transfer of long term Rent Supplement recipients to the local authority led HAP scheme and the development of a more unified rents scheme. Section 31 of the Housing (Miscellaneous Provisions) Act 2009, as amended, provides for a national framework for rents and related charges for local authority housing and other forms of social housing, including the new Housing Assistance Payments Scheme.

Under the new framework, the elected members of each local authority will determine the council's rents policy, which must comply with regulations made by the Minister. The framework will come into operation following a transitional period and will harmonise significantly the amounts of social housing rents charged across the country.



<b>Action</b>	We will make the necessary statutory instruments to commence the process of introducing the new framework for rents and related charges for local authority housing.	
	<b>Timeline</b>	Q1 2015
	<b>Responsibility</b>	<b>SHS — Social Housing Reform Work Stream</b>

### **Box 6 – Changing Role of Local Authorities in Social Housing**

Substantial structural, functional and funding changes have occurred in Irish local government arising from the Government’s *Putting People First: Action Programme for Effective Local Government* published in 2012.

Overall, the number of local authorities has been reduced to 31 and new legislative measures to strengthen governance and oversight will have positive impacts on accountability, policy development and citizen engagement. The introduction of the Local Property Tax has helped put in place a sustainable, local source of funding for local authorities, supporting better connections between locally based revenue and associated expenditure decisions.

A particularly important change, from the perspective of social housing policy, is local government’s evolving role in community and local development and as a coordinator and leader of agencies working at the local level. Many of the challenges facing communities in receipt of social housing services are multi-dimensional and therefore require solutions from various organs of State and other institutions working together, in unison. A local leadership role positions local authorities very well to address such challenges.

This Strategy envisages the role of local authorities evolving over its lifetime. As well as continuing to be a key social housing provider themselves, they will develop a more coordinating and partnership based role in which they will enable delivery by other providers. In this sense they will have a key strategic role in the delivery of housing and housing services in their area, resonating well with the broader trajectory of local government reform, as well as a direct delivery role in some instances. In addition, using a shared services approach across local authorities offers an important means of improving the delivery of social housing supports and reducing costs. It will therefore be used, where feasible, to support the reform programme outlined in this Strategy.



The introduction of the Housing Assistance Payment will also provide a significant new responsibility for local authorities. Under this scheme, local authorities will become responsible for the payment of housing support to in excess of 50,000 households currently in receipt of Rent Supplement.

### Tenant Purchase Scheme

The Housing (Miscellaneous Provisions) Act 2014 underpins a new tenant purchase scheme for existing local authority houses. The scheme is designed to promote sustainable communities and enable the State to share in profits made from house re-sales in a reasonable period after purchase by tenants at a discount. The new scheme will be introduced in the coming months.

<b>Action</b>	Part 3 of the Housing (Miscellaneous Provisions) Act 2014 underpins a new tenant purchase scheme for existing local authority houses. We will make the necessary statutory instruments to introduce the new scheme.	
	Timeline	Q2 2015
	<b>Responsibility</b>	<b>SHS — Social Housing Reform Work Stream</b>

### Anti-Social Behaviour

The Housing (Miscellaneous Provisions) Act 2014 provides for a new procedure for the repossession of local authority dwellings, that includes a court hearing of the merits of the proposed repossession in disputed cases. The Act also strengthens the statutory power of a tenant, tenant purchaser, local authority or approved housing body to apply to the District Court for an order excluding a person engaged in anti-social behaviour from a particular dwelling, area or estate. The enactments concerned will be brought into operation in the coming months.

<b>Action</b>	We will strengthen local authorities' ability to effectively manage their housing stock to the benefit of all their tenants by expanding existing powers to counter Anti-Social Behaviour and to deal fairly with repossession of dwellings by commencing major provisions under Part 2 of the Housing (Miscellaneous Provisions) Act 2014.	
	Timeline	Q1 2015
	<b>Responsibility</b>	<b>SHS — Social Housing Reform Work Stream</b>



## Choice based Lettings and the Housing passport

With better coordination of data there is the opportunity to allow people have a greater degree of choice. A **Choice-Based-Letting Scheme (CBL)**—as operated in South Dublin County Council—allocation process can provide for a more coordinated approach to meeting housing need. Choice-Based Letting is a method that can be used for the allocation of social housing designed to offer more choice and involvement for applicant households in selecting a new home. It is generally regarded as having been successful in improving transparency in the allocation of social housing and contributing to a better and more sustainable community mix. Under CBL available properties are advertised primarily through a web based system, along with details of what kind of tenant the property would be eligible for. Eligible households are then invited to make a “bid” on the property, and those with the highest priority are offered the homes.

Experience with this process has found that it results in greater efficiency in allocation of stock by offering more choice for households, better matching of housing demand with supply, fewer transfer requests and reductions in the number of vacant properties and vacancy periods. The next phase of work needs to identify how CBL can be extended to other regions and the benefits and challenges associated with doing so.

In this context, the provision of a “**housing passport**” system can facilitate greater movement of individuals in receipt of housing support or assessed as having an identified housing need. The housing passport will enable those with a housing need assessed in one local authority to be housed in or transferred to another local authority’s functional area. Such flexibility of housing support could allow access to employment opportunities, as provided for under the HAP scheme.

<b>Action</b>	We will progress the Choice-Based-Letting allocation process to other local authorities.	
	<b>Timeline</b>	Q2 2016
	<b>Responsibility</b>	<b>SHS — Social Housing Reform Work Stream</b>





<b>Action</b>	We will examine an individual Housing “passport” as a means of allowing those with a housing need assessed in one local authority to be housed in or transferred to another local authority’s functional area.	
	<b>Timeline</b>	Q2 2016
	<b>Responsibility</b>	<b>SHS — Social Housing Reform Work Stream</b>

### Statutory Regulation of AHBs

Chapter 4 sets out how enhanced regulation is essential to underpin an expanding role for AHBs. Pending the establishment of a statutory Regulator, the Housing Agency has been given responsibility, on an interim basis, for regulating AHBs on a voluntary, non-statutory basis and has established a Regulation Office to support this work, reporting to an interim Regulatory Committee. This work is based on a Voluntary Regulation Code: *Building for the Future - A Voluntary Regulation Code For Approved Housing Bodies in Ireland*, published in July 2013. This will be replaced with a new statutory system of regulation to underpin the regulation of AHBs to be brought forward in late 2015, with the new regulatory system being in place by mid-2016.

<b>Action</b>	We will establish a statutory based Regulator of the Approved Housing Body sector.	
	<b>Timeline</b>	Q2 2016
	<b>Responsibility</b>	<b>SHS — AHB Delivery and Operations Work Stream</b>

### Planning and Supply

This Strategy is committed to increasing the supply of new social housing. Reform to the planning process has a significant influence on supply. *Construction 2020* included an Action requiring the completion of the review of Part V of the Planning and Development Acts which, inter alia, deals with affordable housing and with social housing gain from private development. The Part V Review–Report by the Housing Agency, has now been completed with the benefit of an extensive consultation process and has informed the development of the forthcoming Planning Bill. This Bill is a key priority for Government and work on its early enactment is on-going. In addition to reforms to the Part V provisions, the Bill will provide mechanisms such as a vacant site levy to encourage the development of land zoned for housing allied to a “use it or lose it” mechanism. The latter would involve the



introduction of development schedules as part of the planning application process for larger housing schemes allied to a facility whereby planning authorities could reduce the duration of permissions for housing developments in cases where insufficient progress was being made in the delivery of permitted housing and housing strategy and core strategy targets would be missed. It is also intended that developers will be allowed to avail of reduced development contributions for existing planning permissions that have yet to be activated.

The proposed measures are designed to act as deterrents to the hoarding of scarce serviced and zoned development land, which can displace development to less suitable locations and to deter hoarding of planning permissions. The measures are also intended to support a more active market for development land and effective implementation of local authority development plans and their Core Strategies.

The changes will ensure that 10% of scheme housing is reserved for purchase and/or lease arrangements for social housing purposes by local authorities and approved housing bodies. It is estimated that the changes proposed could yield approximately 1,500 homes for social purposes per annum on the basis of 25,000 homes being completed annually and taking account of issues such as one-off or small housing developments that are not subject to Part V.

### **6.3 Monitoring, Review and Further policy Development**

The Strategy attaches considerable significance to on-going monitoring and review which will refresh and drive reform and policy development during the lifetime of the Strategy.

#### **Review of SHS in 2017**

This Strategy is an ambitious programme of work developed during a period of enormous change in the Irish housing market and the economy generally. It is critically important that the Strategy is reviewed early in its lifetime. This will allow an examination of the overall progress of the Strategy in relation to overarching vision and objectives.



<b>Action</b>	We will carry out a review of the Social Housing Strategy to assess its overall progress.	
	<b>Timeline</b>	Q1 2017
	<b>Responsibility</b>	<b>Project Board</b>

### Review of Funding and Delivery Structures

The DECLG will oversee the development of a sustainable funding and policy environment where social housing supply can be sourced through building, acquisition and use of the private rented market, drawing on a range of privately sourced and publicly supported funding mechanisms.

As set out in Chapter 4, the DECLG will review the current system of funding for AHBs. However, it will also undertake a wider review of the funding and delivery structures of all social housing programmes to ensure that they are supportive of the objectives of this Social Housing Strategy.

<b>Action</b>	We will carry out an internal review of the funding and delivery structures of all Social Housing Programmes in the context of better meeting the objectives of the Social Housing Strategy.	
	<b>Timeline</b>	Q4 2015
	<b>Responsibility</b>	<b>SHS — Social Housing Reform Work Stream</b>

### Assessment and Allocation of Social Housing Support

This Strategy is committed to a vision that every household in Ireland will have access to secure, good quality housing suited to their needs at an affordable price in a sustainable community.

To realise this vision, housing support cannot be seen as a permanent support for everyone; there must be mechanisms by which people can and do transition from higher to lower levels of support or vice versa as their circumstances improve or dis-improve.

The DECLG will give consideration to the principles underpinning the existing system of provision and the way housing support is assessed, allocated and reviewed. This will include a review of the guidance and regulations concerning



housing allocation and the scope for a standardised approach across local authorities. This latter aspect of the work, which will be completed in 2015, will ensure that housing is allocated for all vulnerable households, including homeless households, people with a disability and children leaving State care, in accordance with the appropriate priority in the housing allocation schemes of housing authorities.

<b>Action</b>	We will examine the system of assessment and allocation of social housing support, including the guidance and regulations on housing allocation schemes and the scope for standardisation across housing authorities, to better match need with supports and make recommendations in this regard.	
	Timeline	Q2 2015
	<b>Responsibility</b>	<b>SHS – Social Housing Reform Work Stream</b>

As discussed in Chapter 2, addressing the needs of homeless households will continue to be a particular priority. The *Implementation Plan on the State's Response to Homelessness (2014)* sets out a range of measures to end involuntary long-term homelessness and the need to sleep rough by end of 2016. Its implementation is being overseen by a Homelessness Policy Implementation Team drawn from the Department of the Environment, Community and Local Government, the Department of Social Protection, HSE and housing authorities, and who are reporting to the Cabinet Committee on Social Policy and Public Sector Reform on a quarterly basis.

In addition, meeting the housing needs of people with a disability is also a particular priority for the Social Housing Strategy. As part of the *National Housing Strategy for People with a Disability*, housing authorities were required to establish Housing and Disability Steering Groups (HDSGs) in each county / city council area to facilitate integrated and timely responses to the housing needs of people with disabilities by end Q3 2014. By early 2015, they will develop specific 5 year strategies to meet the identified housing needs of people with physical, intellectual, mental health and sensory disabilities, locally. These strategies will be informed by the detailed analysis of the assessments of housing need and broader formalised consultation with relevant statutory agencies, service users groups and disability organisations. These strategies will form an integral part of local authority Housing Services Plans



and will promote and support the delivery of accommodation for people with disabilities using all appropriate housing supply mechanisms.

As outlined in the *National Housing Strategy for People with a Disability* it is proposed that the transitioning process for those under the deinstitutionalisation programme will be undertaken through a multi-agency approach, in line with individual choice, the development of person centred care plans and the availability of suitable housing options.

<b>Action</b>	We will carry out detailed analysis of the housing list as it currently stands and develop a clearer understanding of the projected housing need, for people with disabilities, including those in institutional care.	
	Timeline	Q1 2016
	<b>Responsibility</b>	<b>SHS – Social Housing Reform Works Stream</b>

In line with the development of specific disability housing strategies, and informed by guidance issued by DECLG as discussed above, housing authorities will consider reserving certain proportions of units to meet specific identified need within each disability strategy and also ensure that a certain proportion of the units provided under Pillar 1 of this Strategy will be accessible for people with disabilities. This proportion may be different per local authority area due to the current and projected need.

### **Assessing Housing Need**

A key ingredient in the success of this strategy will be an enhanced use of data to drive and target delivery of social housing supports. Under *Construction 2020*, a National Framework for Housing Supply is to be established to ensure the supply of housing is matched with projected demand. To support this, the identification of need will be improved on a local, regional, and national basis by the Housing Agency in coordination with local authorities.

The undertaking of the Housing Needs Assessment on an annual basis will assist in providing a more strategic picture of the dynamics of the numbers applying for social housing support and emerging trends. This approach will ensure that vulnerable groups in particular are accurately reflected within the assessment



process, particularly in light of their additional support requirements. It will also ensure that the changing formulation of households and the increasing number of older people and people with special needs living independently in our communities is reflected in the Housing Needs Assessment. A key issue is to ensure that housing needs can be broken down into sub-groups, so that social housing delivered matches more closely the profile of those in need.

<b>Action</b>	We will increase the regularity of the Housing Needs Assessment by undertaking it on annual basis, from 2016 onwards.	
	<b>Timeline</b>	Q1 2016
	<b>Responsibility</b>	<b>SHS — Social Housing Reform Work Stream</b>

### **Housing Services Plans and Action Programmes**

To support the development of a more strategic and targeted approach to meeting the need for housing, the outcomes from the Housing Needs Assessment will be used to inform the delivery of social housing on a multi-annual basis through the making by the elected members of local authorities of Housing Services Plans, to better address individual categories of need. These Plans, which are provided for under the Housing (Miscellaneous Provisions) Act 2009, will outline proposals to meet, as appropriate, the immediate and longer term housing needs of households at local level and contain annual output targets and proposed delivery mechanisms. The Plans in this regard will include the role of and delivery by the AHB sector in their area. They will be underpinned by appropriate funding and multi-annual housing action programmes made by the chief executive of each local authority.

<b>Action</b>	DECLG will commence legislation required for the development of Housing Services Plans and Action Programmes by Local Authorities, and will provide related guidance to ensure that the outcomes of Housing Need Assessment are better aligned with individual categories of need.	
	<b>Timeline</b>	Q3 2015
	<b>Responsibility</b>	<b>SHS — Local Authority Delivery and Operations Work Stream</b>



## Supporting the Development of Cost Rental

In the medium-term, work will take place in Pillar 3 to review the pilot programme on cost rental and consider the arrangements needed to support its development and a steady and enduring increase in the supply of social and cost rental housing. The results of the pilot on cost rental will be critical in this regard. However, moving beyond a pilot to the development of a viable cost rental sector will require institutional support and consideration of wider policy issues in relation to rent and active land management.

<b>Action</b>	We will review in collaboration with the Finance Work stream the cost-rental pilot programme and identify the arrangements— institutional and policy — required to support the development of the cost rental approach.	
	<b>Timeline</b>	Q4 2016
	<b>Responsibility</b>	<b>SHS — AHB Delivery and Operations Work Stream</b>

## Harnessing the Capacity of the Housing Agency

The Housing and Sustainable Communities Agency (Housing Agency) was established in 2010 to work with and support the Department of the Environment, Community and Local Government, local authorities and AHBs in the delivery of housing and housing supports. The Agency’s functions include shared and centralised services; research and information services; technical and planning services; procurement services; social and economic regeneration; and resolving unfinished estates.

Given the significant level of ambition set out in this Strategy, it will be vital to harness the capacity of the Housing Agency to contribute to the range of delivery actions involved. This will be kept under regular review through the annual Service Level Agreement between DECLG and the Housing Agency.

<b>Action</b>	The Housing Agency service level agreement will be reviewed.	
	<b>Timeline</b>	Q1 2015
	<b>Responsibility</b>	<b>SHS — Social Housing Reform Work Stream</b>



## Chapter 7: Governance and Delivery of Actions

### 7.1 Introduction

This chapter provides an overview of the governance structure which will ensure that the actions in this Strategy are overseen and delivered.

### 7.2 Governance

The Governance structure for the Strategy will ensure that actions outlined are delivered. It will coordinate work across a range of stakeholders within the Department of the Environment, Community and Local Government, other Government departments, agencies and wider stakeholders in the public, private and voluntary and community sectors.

Figure 7 provides an overview of the governance structure. Table 3 provides an overview of the roles of each of the components.

**Figure 7:** Social Housing Strategy 2015-2020: Governance and Delivery







**Table 3: SHS Governance: Overview of the Main Components**

<b>Component</b>	<b>Membership</b>	<b>Roles and Responsibilities</b>
<b>Oversight Group</b>	<p><b>Chair: Minister</b></p> <p><b>Deputy Chair: Minister of State</b></p> <p>Secretary General – DECLG;</p> <p>Assistant Secretaries -</p> <p>DPER/DFinance and DSP;</p> <p>Chair of Project Board;</p> <p>DSHDT;</p> <p>NESC Director;</p> <p>Representative Community and Voluntary Pillar;</p> <p>Chair of CCMA; and</p> <p>CEO of ICSH.</p>	<p>The High Level Oversight Group is responsible for overall delivery of the Strategy.</p> <p>It will regularly monitor and review overall progress of the Strategy.</p>
<b>Project Board</b>	<p><b>Chair: Assistant Secretary DECLG (Housing)</b></p> <p>Principal Officer – DPER and DFinance;</p> <p>Managers work streams – Principal Officers;</p> <p>CEO Housing Agency;</p> <p>CEO - Housing Finance Agency;</p> <p>OPW;</p> <p>Chair CCMA Housing Committee; and</p> <p>ICSH Representative.</p>	<p>The Project Board will ensure that all stakeholders are aware of their respective responsibilities in the Social Housing Strategy.</p> <p>It will ensure that targets and actions outlined in the Strategy are achieved and that risks are managed.</p> <p>The Project Board will report directly to the high level Oversight Group.</p>



**Table 2 (continued): SHS Governance: Overview of Main Components**

<b>Component</b>	<b>Membership</b>	<b>Roles and Responsibilities</b>
<p><b>Dublin Social Housing Delivery Taskforce DSHDT</b></p>	<p>CE of South Dublin County Council;            CE of Dublin City Council;            CE of Fingal County Council;            CE of Dun Laoghaire Rathdown County Council;            Assistant Secretary of Housing Division DECLG;            CEO of the Housing Agency; and            CEO of the Irish Council for Social Housing (ICSH).</p>	<p>Oversee delivery of significant additional numbers of social housing units in the Dublin area from 2015 onwards.</p> <p>It will maximise financial opportunities and leverage other assets available to the State, including land and expertise, to deliver significant social housing output in Dublin.</p> <p>The DSDHT will report directly to the high level Oversight Group.</p>
<p><b>Work Streams</b></p>	<p><b>Work stream 1</b> – Finance.  <b>Work stream 2</b> – AHB Delivery and Operations.  <b>Work stream 3</b> – LA Delivery and Operations.  <b>Work stream 4</b> – Social Housing Reform.  <b>Work stream 5</b> – Private Rental.</p>	<p>Work stream managers will ensure the successful completion of the objectives.</p> <p>They will coordinate the activities of internal and external stakeholders in delivering against their work-stream objectives.</p>



## 7.2 Delivery of Social Housing Strategy Actions

### Project Board

The Project Board will oversee the delivery of the actions and targets in this Strategy and take appropriate action when required to ensure that timelines are met.

<b>Action 1</b>	In collaboration with the Dublin Social Housing Delivery Taskforce, the Local Authority Delivery and Operations Work Stream and the AHB Delivery and Operations Work Streams we will agree national targets for delivery of social housing in 2015 and in subsequent years.	
	Timeline	Q1 2015

<b>Action 2</b>	We will carry out a review of the Social Housing Strategy to assess its overall progress.	
	Timeline	Q1 2017



## Dublin Social Housing Delivery Taskforce

The DSHDT will oversee delivery of significant additional numbers of social housing units in the Dublin area from 2015 onwards. It will maximise financial opportunities and leverage other assets available to the State, including land and expertise, to deliver significant social housing output in Dublin.

<b>Action</b> 3	We will establish the DSHDT to take the lead role in driving increased delivery of social housing in the Dublin region.	
	Timeline	Q4 2014

<b>Action</b> 4	The four Dublin local authorities will agree targets for the delivery of social housing in 2015 and initiate work on targets for subsequent years.	
	Timeline	Q1 2015

<b>Action</b> 5	We will agree, with the Project Board, a work programme based on the terms of reference set out in the Social Housing Strategy and building on the work of Construction 2020.	
	Timeline	Q1 2015



## Work Stream 1 – Finance

This group will be led by the Department of the Environment, Community and Local Government and will include members from Department of Public Expenditure and Reform, Department of Finance, National Asset Management Agency, the Housing Finance Agency, the Housing Agency and the DSHDT. It will develop its own terms of reference and work programme based on the following list of actions:

<b>Action 6</b>	We will establish a finance working group to progress off-balance sheet funding mechanisms.	
	Timeline	Q4 2014

<b>Action 7</b>	We will expand the uses and sources of supply for the NAMA SPV to include the provision of PART V units built on NAMA assisted projects.	
	Timeline	Q1 2015

<b>Action 8</b>	We will commence work on a public private partnership to provide 1,500 new social housing units by end of 2017	
	Timeline	Q1 2015

<b>Action 9</b>	We will commence work on a financial vehicle to raise funding for the social housing sector which will be operational by Q2 2016	
	Timeline	Q2 2015

<b>Action 10</b>	We will establish a multi-annual Housing Programme.	
	Timeline	Q4 2015

<b>Action 11</b>	We will examine how resources within the existing HAP and Leasing budgets could be used to support new off-balance sheet provision of social, affordable and cost rental accommodation.	
	Timeline	Q1 2016



## Work Stream 2 – AHB Delivery and Operations

This group will be led by the Department of the Environment, Community and Local Government and will include members from the Irish Council for Social Housing, NABCO, Housing Agency, local authorities and National Economic and Social Council. It will develop its own terms of reference and work programme based on the following list of actions:

<b>Action 12</b>	We will agree targets with AHBs for delivery of housing in 2015 and initiate work on targets for subsequent years.	
	Timeline	Q1 2015

<b>Action 13</b>	To support the development of a more effective system of funding for AHBs we will review the current system, taking account the views of various stakeholders.	
	Timeline	Q4 2015

<b>Action 14</b>	We will facilitate the development of Regional Social Housing Forums to support more collaborative approaches to the provision of social housing.	
	Timeline	Q3 2015

<b>Action 15</b>	We will roll out a pilot Cost Rental scheme, having worked in advance with the Finance Work stream, AHBs and local authorities to identify the steps and conditions to be addressed in order to maximise the benefit of the pilot scheme.	
	Timeline	Q4 2015

<b>Action 16</b>	Funding will be prioritised for AHBs based on criteria to be agreed with the sector during Q3 2015.	
	Timeline	Q1 2016

<b>Action 17</b>	We will establish a statutory based Regulator of the Approved Housing Body sector.	
	Timeline	Q2 2016

<b>Action 18</b>	We will review, in collaboration with the Finance Work stream, the cost-rental pilot programme and identify the arrangements— institutional and policy— required to support the development of the cost rental approach.	
	Timeline	Q4 2016



### Work Stream 3 – LA Delivery and Operations

This group will be led by the Department of the Environment, Community and Local Government and will include members from local authorities and the Housing Agency. This work stream will support the Project Board in its work on Action 1 which will agree targets for each local authority's delivery of housing in 2015 and in subsequent years. It will develop its own terms of reference and work programme based on the following list of actions:

<b>Action 19</b>	We will agree targets with local authorities for delivery of housing in 2015 and initiate work on targets for subsequent years.	
	Timeline	Q1 2015

<b>Action 20</b>	DECLG will commence legislation required for the development of Housing Services Plans and Action Programmes by Local Authorities, and will provide related guidance to ensure that the outcomes of Housing Need Assessment are better aligned with individual categories of need.	
	Timeline	Q3 2015

<b>Action 21</b>	We will build on the target of 7,800 housing adaptation grants in 2014 to provide targeted support to enable people with particular needs, who might otherwise require social housing, to remain in private housing (e.g. elderly). We will aim to sustain this support in subsequent years where there is continued social value.	
	Timeline	Q4 2015

<b>Action 22</b>	We will provide a multi-annual planned programme of LA stock refurbishment.	
	Timeline	Q1 2015

<b>Action 23</b>	We will link future funding to the measured performance of local authorities on their ability to return vacant units to use and to put in place on-going maintenance programmes.	
	Timeline	Q4 2015



## Work Stream 4 – Social Housing Reform

This group will be led by the Department of the Environment, Community and Local Government and will include members from the Housing Agency, local authorities and the National Economic and Social Council. It will develop its own terms of reference and work programme based on the following list of actions:

<b>Action 24</b>	We will make the necessary statutory instruments to commence the process of introducing the new framework for rents and related charges for local authority housing.	
	Timeline	Q1 2015

<b>Action 25</b>	We will strengthen local authorities' ability to effectively manage their housing stock to the benefit of all their tenants by expanding existing powers to counter Anti-Social Behaviour and to deal fairly with repossession of dwellings by commencing major provisions under Part 2 of the Housing (Miscellaneous Provisions) Act 2014.	
	Timeline	Q1 2015

<b>Action 26</b>	The Housing Agency service level agreement will be reviewed.	
	Timeline	Q1 2015

<b>Action 27</b>	Part 3 of the Housing (Miscellaneous Provisions) Act 2014 underpins a new tenant purchase scheme for existing local authority houses. We will make the necessary statutory instruments to introduce the new scheme.	
	Timeline	Q2 2015

<b>Action 28</b>	We will consider the development of a funding stream for adaptations to houses for those in leased and social housing units.	
	Timeline	Q3 2015

<b>Action 29</b>	We will carry out an internal review of the funding and delivery structures of all Social Housing Programmes in the context of better meeting the objectives of the Social Housing Strategy.	
	Timeline	Q4 2015





<b>Action 30</b>	We will examine the system of assessment and allocation of social housing support, including the guidance and regulations on housing allocation schemes and the scope for standardisation across housing authorities, to better match need with supports and make recommendations in this regard.
Timeline	Q2 2015

<b>Action 31</b>	We will carry out detailed analysis of the housing list as it currently stands and develop a clearer understanding of the projected housing need, for people with disabilities, including those in institutional care.
Timeline	Q2 2016

<b>Action 32</b>	We will progress the Choice-Based-Letting allocation process to other local authorities.
Timeline	Q2 2016

<b>Action 33</b>	We will examine an individual Housing “passport” as a means of allowing those with a housing need assessed in one local authority to be housed in or transferred to another local authority’s functional area.
Timeline	Q2 2016

<b>Action 34</b>	We will increase the regularity of the Housing Needs Assessment by undertaking it on annual basis, from 2016 onwards.
Timeline	Q1 2016



## Work Stream 5 – Private Rental

This group will be led by Department of the Environment, Community and Local Government and will include members from Department of Public Expenditure and Reform, Department of Finance, local authorities, National Economic and Social Council and the PRTB. It will develop its own terms of reference and work programme based on the list of actions below.

A HAP Oversight Group was established as part of the *Housing Assistance Payment: Implementation Strategy*, published in January 2014. The manager of the private rental work stream will also be a member of the HAP Project Board.

<b>Action 35</b>	Working with stakeholders, we will continue work on the development of a national policy aimed at increasing investment in, and supporting the supply of good quality, secure and affordable rental accommodation.	
	Timeline	O4 2015 and ongoing

<b>Action 36</b>	We will examine fixed term leasing agreements with property owners as a means of providing greater certainty for tenants and landlords and longer term certainty for the State.	
	Timeline	Q3 2015

<b>Action 37</b>	We will ensure that all eligible households that require HAP will transition to the new scheme between 2015 and 2020.	
	Timeline	2015 onwards



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## Appendix 1: Consultation Process

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A public consultation process was undertaken by the Housing Agency in order to inform the development of the Social Housing Strategy, and to set out a vision for the sector. Initial contributions were sought by early June 2014 in order to inform the early development of the Strategy and more detailed submissions were accepted until the end of July 2014 in order to inform the final draft of the Strategy.

The Department of the Environment, Community and Local Government and the Housing Agency also held meetings with key stakeholders. These included meeting with the:

1. County and City Managers Association (CCMA); 2. Irish Council of Social Housing (ICSH) and National Association of Building Co-operatives (NABCO) and; 3. Community and Voluntary Pillar.

The following bodies responded to the call for submissions and their input has informed the development of the Strategy.

1. ALONE
2. Carberry Housing Association
3. Chartered Institute of Housing
4. Citizens Information Board
5. Clúid Housing Association
6. Cork Branch of Impact.
7. Cork County Council
8. Cork Social Housing Forum
9. County and City Managers Association
10. Disability Federation of Ireland
11. Dun Laoghaire Rathdown County Council
12. Focus Ireland
13. Housing Summit Report
14. Irish Council for Social Housing
15. Irish Wheelchair Association
16. Mr. Des Gunning
17. Mr. Joe Finnerty – School of Applied Social Studies, University College Cork
18. Mr. John F Blumie



19. Mr. Patrick Dowling
20. Mr. Sean Gallagher
21. National Association of Building Co-operatives (NABCO)
22. National Disability Authority
23. National Federation of Voluntary Bodies
24. National Women's Council of Ireland
25. Nowlan Social Housing Finance Forum
26. Oaklee Housing Trust
27. Private Residential Tenancies Board
28. Property Industry Ireland
29. Simon Communities Ireland
30. Society of Chartered Surveyors of Ireland
31. South Dublin County Council
32. St. Vincent de Paul
33. The Peter Mc Verry Trust
34. TÚATH Housing Association