

RESPOND!
HOUSING ASSOCIATION

PRE - BUDGET SUBMISSION TO :

B U D G E T 2 0 1 6



Building Communities...



“We wish to eliminate the obstacles to increased social housing supply”

October 2015

1.1 FOREWORD

Respond! Chief Executive Officer Ned Brennan:

"RESPOND! has a dream to support the development of a truly inclusive society which aspires to support the weakest with a fully array of supports regardless of their ability /disability which is the true test of a caring society"

Respond! Housing Association **welcomes the opportunity to make a submission for consideration to the 2016 Budget.** As an agency whose fundamental operating principle is to target and alleviate the needs of the most vulnerable sectors in our society Respond! places a significant amount of importance in making this submission to the forthcoming *Budget 2016* as it is considered that the annual budget can have a major impact on both the operations of Respond! as a charity, education and housing provider, as well as have a major impact on the lives of those whom Respond! provides services. It is considered that particular attention needs to be paid to ensuring that people on low incomes [on the periphery of social housing need] who are at risk of falling into the social welfare system, are supported.

In an improved national economic fiscal situation [in the context of a worsening housing and burgeoning social welfare system] **Respond! calls for the 2016 Budget to make more funds available to Approved Housing Bodies [AHBs] in order to allow for necessary revisions to be made to funding parameters for AHBs.** This would involve changes to the Capital Assistance Scheme [CAS], Capital Advance Leasing Facility [CALF] as well as the Payment and Availability [P&A] schemes currently in place. This, it is considered, will be detrimental to the delivery of social housing in the areas where need has been demonstrated as well as necessary to achieve ambitious social housing targets announced by Minister Alan Kelly pursuant to the Social Housing Strategy 2020.

Respond! cautions strongly against an unchanged funding system [for AHBs] which will make the delivery of social housing for families extremely difficult [and in some cases unviable] outside of Dublin and Cork. In acknowledging that high levels of social housing need exists in most of Irelands towns, Respond! recommends a more balanced and sustainable approach.

It is considered that **decisions taken to provide further short-term savings to the national exchequer will negatively affect the most vulnerable sectors in our society and have far-reaching consequences for years to come that will cost the State much more in the longer term.**

1.2 RECOMMENDATIONS:

Budget 2016 should focus on improving the quality of life for the vulnerable and those suffering hardship through the elimination of financial and planning obstacles, in order to increase social housing delivery by:

- Implementing a new "Multi Annual Development Fund" to allow Social Housing Providers to gain access to low cost finance
- Introduction of a 'procuring of funding' process for AHB's
- Elimination of market rent inconsistency as the basis for the Payment and Availability Scheme [PAA]
- An Affordable rental scheme and revisiting the abolished affordable housing scheme from Part V
- A Government Guarantee for AHB borrowings for Social Housing
- Release of AHB mortgages plus covenant for use
- Removal of VAT on social housing projects
- Approval of application of AHB's differential rent policy
- Put measures in place to increase the supply of housing [Fast Track planning process for Social Housing plus introduce area based Tax Incentives]
- Designated Local Authority Official for the Supply and Co-ordination of AHB's Activities
- Introduction of Social Housing Ombudsman
- Commitment to integration and mixed tenure

In Summary:

- **Meet the social housing demand from Ireland's marginalised groups.**
- **Tackle the root of homelessness in the quest to eradicate homelessness.**
- **Continue to develop measures to support and protect the most vulnerable members of our society.**

2.1 INTRODUCTION

RESPOND! HOUSING ASSOCIATION

Respond Housing Association is one of Ireland's leading housing charities. We seek to create a positive future for people by alleviating poverty and creating vibrant, socially integrated communities. We do this by providing access to education, childcare, community development programmes, housing and other supports. We are committed to providing good quality homes which meet residents' needs and aspirations, and strive to provide excellent support services. Respond! do not just strive to build high quality homes for those who need them — we pride ourselves on **Building Communities**. We do this through the provision of housing in supported communities and, where possible, in integrated estates.

Fundamentally:

*Respond! champions capacity building and this comes from the acknowledgement and recognition that **our job is only partially complete when we hand over the keys to our tenants**. Integral to the future development of the housing sector is the recognition that a 'bricks and mortar' approach will not have a transformative effect on society, as such, we recognize and advocate the advancement of community development, and educational and training opportunities as core components in relieving poverty.*

Since RESPOND! was founded in Waterford City in 1982 it has considerably expanded its activities right across Ireland. RESPOND! has provided some **5,500 homes** for individuals/ families in need and has over **3,800 dwellings in management** in over **160 estates**, including some 60 community buildings and 30 child-and-family centers.

Respond! Board of Directors and Staff work with the support of some **400 nominated volunteer-leaders** or 'enablers' operating at 'cluster' or cross-estate level, for the betterment of whole communities and regions. The need for our work is ever increasing and our responses require regular change and adaptation to fit the prevailing circumstances of our residents and the community at large. Currently, Respond! houses approximately 1,000 older persons within our estates and their needs evolve and develop over time. In delivering these services to people in need, support from the State is fundamental, as is ensuring that those at risk are supported fiscally to prevent even further increases in social housing need.

2.2 CONTEMPORARY CONTEXT

“Fiscal space of the order of €1.2 billion and up to €1.5 billion will be available for tax reductions and investment in public services. The final scale of the space will become clearer closer to the Budget. The partners in Government have also agreed that the agreed space will be split 50:50 between tax cuts and expenditure increases and the actual measures will be announced in Budget 2016. The tables in the Spring Economic Statement are based on a general split of €1.2 billion but I expect that by October’s Budget this will be €1.5 billion.” (Minister for Finance, 2015).

A recent study conducted by the Irish League of Credit Unions revealed that one third of the population [and over a quarter of those working] have less than 50 euro of disposable income left per week once essential bills are paid. Furthermore, it stated that in 2010 just over 200,000 children lived in households experiencing poverty. Many Respond! families live on, or below, the poverty threshold and it is considered that the government needs to ensure these families are supported and enabled by the State in order to achieve a ‘just society for all’.

However current statistics are stark:

- 3,143 people living in emergency accommodation
- 89,872 households on the social housing waiting list
- 104,693 households in mortgage arrears
- population growth and change in household size will result in a requirement for the supply of an additional 20,000 residential units per annum up to 2018.
- 230,000 housing units lying vacant.
- Increased Social Exclusion for marginalised groups such as older persons, disabled persons, single-parents, travelling families and young people in care
- Fuel Poverty (growing cost of gas and home heating oil in majority of homes as the primary heat-source. It is becoming increasingly difficult for social tenants to absorb these escalating costs)
- Unemployment and outward migration
- Decreased education opportunities for low income families [removal of grant for post-graduate education in particular means that only those who are in the upper socio-economic groupings can progress to fourth level education in a conventional manner]
- Reduction in family income as a result of the contraction of the economy
- 13% of the population of Republic of Ireland live with one or more disability, there is now a reduced capability for older and disabled people to live healthily and independently

It is in this context that Respond! is calling on the Government to consider the recommendations contained in this submission.

According to a recently published statement by the Housing Agency, Ireland has 12% of its housing stock as social housing. This, it highlights, is in contrast to Britain which has 17% and the Netherlands which has 33%. According to the Housing Agency, this could be changed by investing the additional €1.5bn available in October's budget in social housing. This would provide an additional 15,000 social housing units — addressing the most acute end of the housing crisis and taking the pressure off the private rental and, therefore, private purchase market [The Housing Agency: July 2015].

Respond! had been advocating for a comprehensive National Housing Plan for more than a decade. Respond! therefore welcomed Minister Alan Kelly's 'Social Housing Strategy 2020' promise of a fresh approach which the Minister stated would be more responsive, streamlined and would modernise the delivery of social housing. However Respond! would question how realistic is it that the Voluntary Sector will be the main deliverer of social housing over the next five years when historically the Local Authorities sector have been the main providers of social housing over the decades. It is considered that there is much to be done if the targets mentioned are to be achieved in a timely manner. Although the renewed emphasis on homelessness, is welcomed, Respond! would urge investment in support programmes to assist vulnerable groups, including young people leaving care and mental health and wellbeing programmes to help tackle the root of homelessness in the quest to eradicate homelessness for good. In particular the recent announcement [July 31st 2015] by the Minister for the Environment Alan Kelly stating that at least 50 per cent of social housing available in Dublin and 30 per cent in Galway, Cork, Limerick and Waterford be given to people who are homeless or "vulnerable" is welcomed, considering the intrinsic difficulties associated with a target such as this, it is considered that budget 2016 take account of this Ministerial commitment.



3.0 FINANCE

Principal Aim: Eliminate the obstacles to increased social housing delivery

There are currently a number of obstacles being encountered by AHBs in the delivery of a robust social housing model. These obstacles are limiting AHB's capacity to meet the demand for general housing for single persons and families, housing for the elderly and people with disabilities, and the elimination of homelessness.

Respond! proposes the following recommendations to help with the supply of social housing required under the new Social Housing Policy 2020.

Recommendation 1:

➤ **Funding 1 –**

Respond! recommends the implementation the new "Multi Annual Development Fund" to allow Social Housing Providers to gain access to low cost finance

Currently there is an absence of certainty around the support funds available from government on a year-to-year basis, which, in turn, limits the scope for Approved Housing Bodies to prepare 5 year development plans as required.

Respond! encourages the Government to provide a facility for AHB's to access a Multi Annual Development Fund, made available through the Housing Finance Agency (HFA). This type of 'off balance sheet' funding, supplied at a low interest rate, would provide greater certainty and facilitate a more efficient and expedient development process which would promote the delivery of much needed social housing in a shorter time-frame. The low levels of delivery, since the social housing strategy was announced in particular, highlights the problems with the current system. The HFA already have access to low cost funds in collaboration with the European Investment Bank (EIB) so this would be relatively straightforward to implement.

Respond! would like to echo the call of the Irish Council for Social Housing (ICSH) in welcoming 'the direction of the strategy and the key role earmarked for housing associations in its delivery'. In particular, Respond! welcomes the intention to provide a multi annual delivery programme for the sector which is included in the plan [and due to be implemented in Q4 2015] which will enable housing associations to plan more effectively and link development programmes to available funding [See Fig. 2]. Given the timeframe for the introduction of this initiative, coincides with the timeframe for the

forthcoming budget, it is recommended that the forthcoming budget considers the parameters for implementing this fundamental part of the Social Housing Strategy.

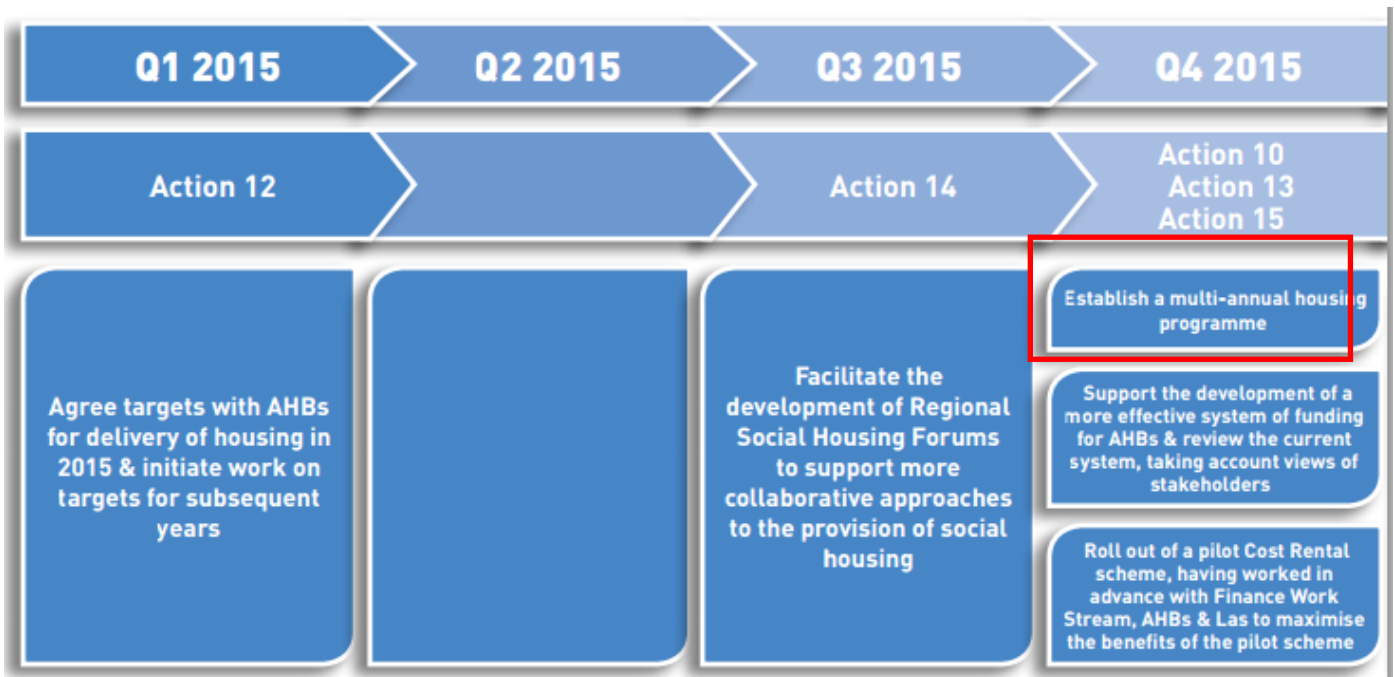


Fig 2: Timeframe for key social housing delivery imperatives [Source, ICSH Spring, 2015:6]

Recommendation 2:

➤ **Funding 2 –**

Respond! recommends the introduction of a ‘procuring of funding’ process for AHB’s

Respond! encourages the Government to provide a cash-flow facility fund during the course of construction to reduce the cash-flow demands on AHB’s. AHB’s are bound to strict timescales which are not shared by the Local Authorities and the Department of Environment which put huge pressure on cash-flow. Given the scale of development that’s being expected of the sector and the contractual conditions that are required under the Government Forms of Contract, AHB’s require a more effective funding system. Access to funding for sites and stage payments [for turnkey developments] in particular are obstacles which are faced by AHBs for which Local Authorities are not. It is considered that this represents a departure in respect of the social housing strategy and housing policy statement which places AHBs to the forefront of social housing provision in Ireland.

In this context, Respond! recommends the development of a binding protocol between all parties (including LA, DECLG and AHB’s) for the evaluation, procuring and draw-down of funds to match AHB’s contracted commitments with contractors would facilitate the more efficient delivery of social housing projects. Similar, in fact, to the recommendation already included in the Department circular VHU:2/02, as far back as 2002, where a period of 10 days was suggested from the receipt of payment by AHB’s from the date of claim.

Recommendation 3:➤ **Funding 3 -**

Respond! advocates the elimination of market rent inconsistency as the basis for the Payment and Availability Scheme (P&A) plus increase Capital Advance Leasing Facility (CALF) minimum to 40%.

Following the changes in the provision of funding for social housing purposes from a predominantly subsidised capital basis to one based on revenue there is a major discrepancy between major metropolitan areas and the remaining parts of the country. Rents within the capital can be seen to be nearly twice that of a comparable dwelling in the province.

The construction costs of similar type units are only marginally different; therefore the Payment and Availability Agreement (PAA) funding mechanism will work within the parameters of the higher rental model, while in rural areas the scheme is not viable without the funding shortfall being addressed.

One such example of market rent inconsistency (*example taken from DAFT.ie August 2015*):

Kildare (North) monthly rent for 3 bed semi-detached = €1,400

Kildare (South) monthly rent for 3 bed semi-detached = €700

Essentially, the entire model of funding for AHBs is reliant upon private sector housing demand [and the current system of undersupply] which has driven up private rental prices [and, as such, the amount payable to AHBs] resulting in a thwarted model which will not work in many areas where need exists.

It is considered that the shortfall can be addressed by two possibilities:

- 1) Provision of funding shortfall directly by the AHB's own limited funds [considered to be unsustainable]
- 2) Increase of the maximum Capital Advance Leasing Facility (CALF) allowance by the Department of Environment up from the current 30% to 40% [or to a level where there exists no shortfall], to ensure the viability of the scheme without putting undue pressure on the limited finance of the AHB's who are subject to good Governance rules and increased scrutiny from the sectors regulator.

Increasing the maximum Capital Advance Leasing Facility (CALF) allowance by the Department of Environment up from the current 30% to 40% is considered to be extremely feasible, robust and viable as it is, in basic terms, simply a loan repayable in full, with interest, after a 30 year timeframe. However, budgetary measures will be needed to allow for this to be introduced.

Other shortcomings of the PAA, which need to be addressed, include; the volatility of dependency on market rent as a basis, the terms of the security it affords to funders, non-government guarantee, non-payment for void periods and management company service charge costs.

Recommendation 4:

➤ **Funding 4 –**

Respond! advocates the introduction of an affordable renting scheme and revisit the elimination of the affordable housing element of the Part V provision of the Planning Act

At a national level, the private rented sector now accounts for a fifth of all households in Ireland. In urban centres, and Cork in particular the private rental sector is even more significant with almost one in three households or 29% of people living in privately rental accommodation. At a national level, we are seeing a fall in the number of rental properties available in the country and this is driving average rents up to 2007 levels [See Figs. 3 and 4].

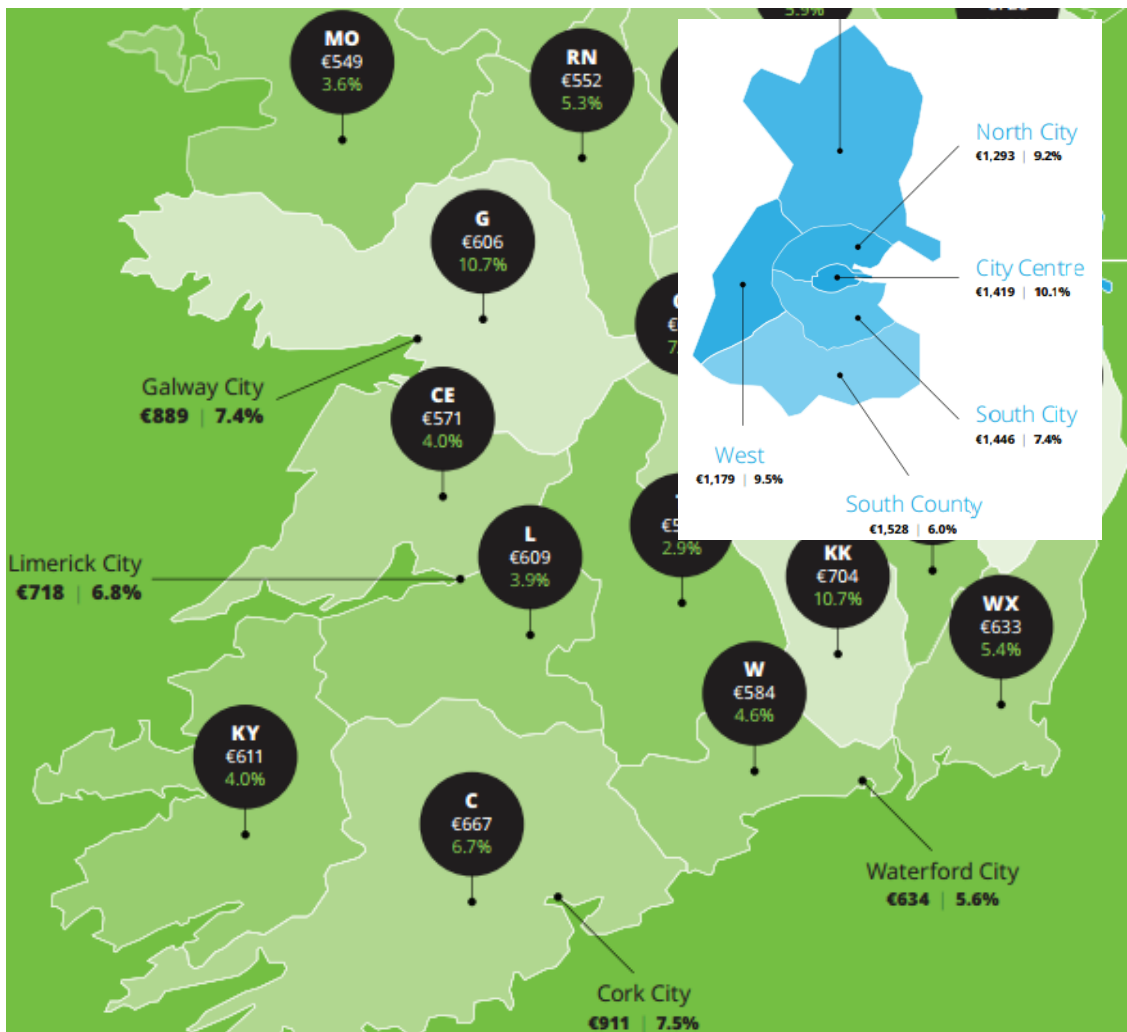


Fig 3: Average monthly cost of renting and year on year % change [Source: Daft.ie]

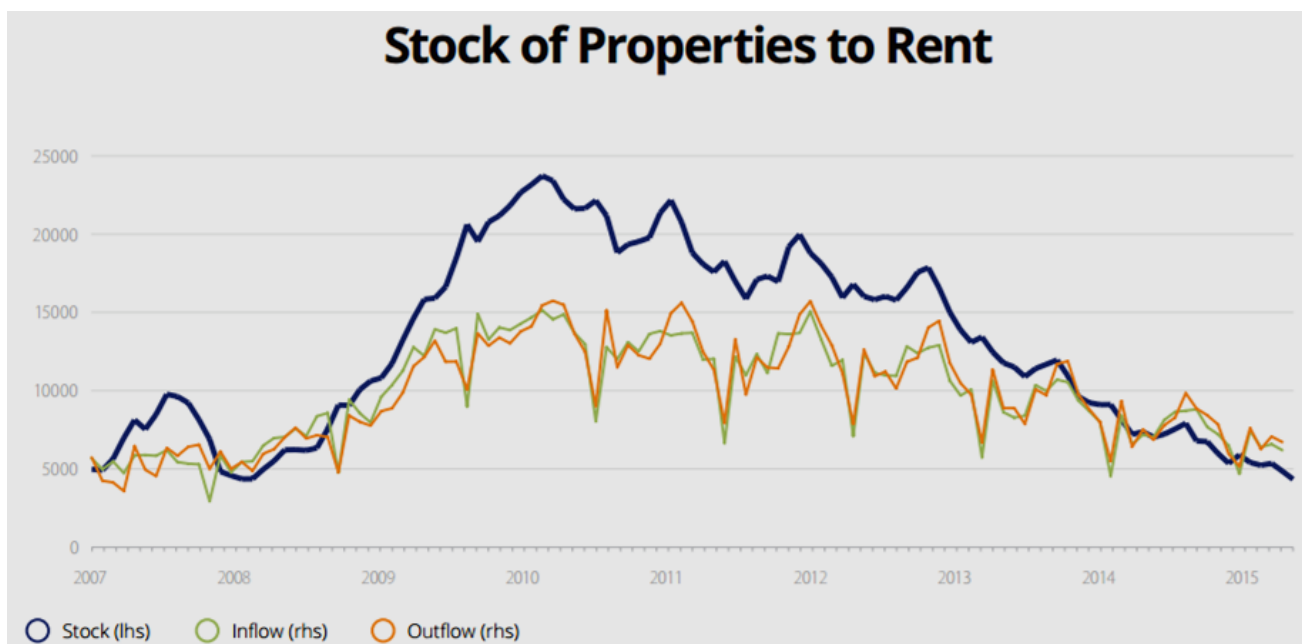


Fig 4: Stock of properties to rent at a national level by year [2007-2015] Source: Daft.ie

The borrowing of large proportions of money in order to facilitate homeownership is now recognised as one of the key failures of the housing, planning and banking sectors over the last number of years. As employment, population and incomes rose, demand for property rose as a consequence of Ireland's over emphasis on homeownership. Therefore, the decreased emphasis on home ownership is welcomed however; it is felt, in the absence of regulation controlling rental rates, that the consequent impact on the private rental sector will force private rents particularly in urban areas to rise at an even further rate. This is already at advanced stage in Dublin, the early signs of which we are also seeing in Cork. Recent evidence suggests that the current situation, particularly in urban areas outside of Dublin, is likely to worsen. While much of the inflation in relation to rental prices has occurred in the Dublin region particularly in the last year [2014] which saw prices increase by 24% - the highest price inflation in the world [Source: Real Estate Alliance, 2015]. Experts' consider that Dublin is likely to experience moderate stabilisation of rental rates in the coming year while it is predicted that the four urban areas outside Dublin, and in particular Cork are likely to experience further rental rate inflation.

In a recent article in the Irish Times [Friday January 2nd 2015], chief economist in Sherry Fitzgerald, M Finnegan, stated that the recent proposals by the Central Bank could have 'disastrous' effects of the private rental sector. The complete abolition of the affordable housing part of the Part V provision in the context of current market conditions is considered to be extremely short-sighted and will prevent many in the professional sectors from accessing the property market and put undue additional pressure on an already burgeoning private rental market. This, in the absence of rent controls, or affordable renting provisions will severely affect the most vulnerable groups of society in a negative way and cost the State more money in the long term.

Recommendation 5:➤ **Funding 5 –**

A Government Guarantee for AHB borrowings for Social Housing would alleviate private institutions concerns regarding repayment of loans.

Respond! urges the forthcoming budget to consider the above recommendation as it would represent a significant support for AHBs in terms of their ability to access finance. A major positive would be the backing of Government for AHB's loans for the purposes of social housing. It is considered that there is no reason for one not to be in place as, in essence, a guarantee would simply formalise the process that would happen if an AHB was to face foreclosure. If an AHB was to foreclose, the management and ownership [as well as leasing agreements, and all other legal particulars] of these units would be, in the first instance, be taken over by the relevant Local Authority who would also take over the loan outstanding and own the asset at the end. The Local Authority would then, offer the properties to another AHB and facilitate and allocate the management of the properties to another AHB. The financial integrity or capacity of Local Authorities is not scrutinised even in situations where they are in severe financial trouble. Whilst Respond! is not seeking for a lower level of oversight, it is asking for a guarantee to be put in place to give borrowers and lending institutions a guarantee. Given the radical changes for the provision of Social Housing by AHB's from a 100% capital funding scenario to one which is revenue based, the involvement of private finance institutions is now required. There has been no significant previous history of borrowing by the AHB sector of this nature and there has been a steep learning curve for all. A government guarantee needs to be introduced in the immediate-short term to allow key social housing delivery projects to go ahead, without which, many may not. It is considered that such a guarantee would enable AHBs to gain easier access to funding from lending institutions by reducing the perceived risks associates with lending to AHBs [which are considered to be unfounded, as previously outlined].

Recommendation 6:➤ **Funding 6 -**

Release of AHB mortgages plus covenant for use.

Historically, the initial funding scheme for social housing was under a Grant Based Scheme from Local Authorities. The CAS (homeless, elderly, special needs) and CLSS (family housing) Schemes in partnership with the DOELG replaced this former funding model. The CAS/CLSS model required a mortgage to be placed on the property by the relevant Local Authority in consideration of 100% funding. The requirement to make an interest repayment in the normal sense was waived annually subject to the AHB covenanting to use the property for eligible social housing tenancies. This meant that the value of the amount outstanding to the LA declined annually.

In essence, AHBs now hold a number of properties that have an increasing annual equity value but which are mortgaged under the CAS/CLSS Schemes. The fact that CLSS funding is no longer available and CAS funding is considerably reduced, there exists a key challenge in the Social Housing sector which requires novel thinking on new ways to deliver funding for much needed housing projects.

Respond! and AHBs, in continuing partnership with LAs, the DOELG and the Housing Agency must urgently consider new and innovative ways of utilising their assets and financial capacity; including using the equity that they hold in existing properties and making same available for funding by way of loans from both the HFA and private finance providers.

This process of equity release requires a practical and flexible mechanism whereby the Local Authorities agree in conjunction with the DOELG to work with AHBs in removing all barriers to private sector funding including the release of certain properties from the existing CAS/CLSS mortgages thus enabling AHBs to use those properties to raise the capital required for new property acquisitions and developments.

In the absence of adequate direct funding provision, equity release is fundamental in meeting the governments ambitious housing targets and demands and deserves Government support and assistance.

Recommendation 7:

➤ **Finance 7 -**

Removal of VAT on social housing projects to reduce the financial burden on AHB's.

The charging of VAT to AHB's is essentially circular as the State then provides Rental Support to repay these amounts. This wastes both administrative time and distorts the true cost to the Government. A reduced cost of construction of social housing could alleviate or eliminate the "equity gap" identified by AHB's and banks as an impediment to construction. This could additionally incentivise developers/AHB to form private/social partnerships for the delivery of social housing.

Tom Parlon of the Construction Industry Federation (CIF) recently suggested a cut in VAT rates would help the construction industry. According to a CIF estimation - a reduction from 13.5% [VAT rate] to 9% could benefit the exchequer as it might actually self-finance, if the building industry had a 14% increase in building output [as a result],

Recommendation 8:➤ **Finance 8 -**

AHB's should be permitted to apply their own differential rent policy for schemes funded under the PAA.

In the absence of the promised National policy for differential rent for Local Authorities, Respond! would recommend that a National AHB differential rent policy be developed. There is currently no link between the rental income charged by Local Authorities to tenants and the actual cost of managing and maintaining their properties. Under the current circumstances, the rents received by Local Authorities are generally insufficient to cover these costs, and funding over and above the receivable rental incomes is required from other sources, such as Local Authorities non-rental income sources. It is essential that AHBs are permitted to charge a standardised economic rent for the management and maintenance of their properties for schemes funded under the PAA, as there is no alternative source of funding available to them.

Recommendation 9:➤ **Planning**

Put measures in place to increase the supply of housing [Fast Track planning process for Social Housing [part 8, section 10 masterplans] and introduce area based Tax Incentives]

In order to achieve the ambitious social housing targets set by the Minister in the November last year it is considered that measures [over and above the normal statutory planning process] are now necessary. The stagnation of development and low numbers house completions, in particular in the four second tier cities [outside of Dublin] are of particular concern when examined. While it may be premature to evaluate each Local Authority on their success or failure at this point, it is considered fair to make some reference to how, after 5 years, Local Authorities are doing in achieving growth and, most importantly, the locational nature of where this growth is being allocated.

House Completions 2011-2014: All Second Tier Cities	
Total Cork City	768
Total Galway City	274
Total Limerick City	269
Total Waterford City	266
Total All Second Tier Cities	1,577
Total Ireland	38,285
Dublin City	2,480
Second tier cities as a % of National Total 4.10%	

House completions in all of the second tier cities combined as a proportion of the total number of houses completed from 2011-2014 was 4.1%. These 'national gateways' were responsible for delivering only 1/25th of all growth nationally which represents a significant departure from the high level aspirations of the National Spatial Strategy [NSS] and provides a significant justification for intervention to occur by the national exchequer.

Respond! considers that, in the context of the failure to achieve key housing targets in our urban areas, that regeneration is now needed in the form of carefully considered **tax incentives for multi-unit [25+] residential developments**. We urgently need to increase supply to the market, which, means the need for incentives to be introduced for developers, in the form of targeted area-based tax incentives for developers/building owners [for rental occupation] or sale. These could be rolled out in relation to the key opportunity sites identified in the development plan, derelict and vacant sites. It is considered that the Living City Initiative is not a robust enough fiscal measure to encourage more people to live in our cities and that a diverse city in socio-economic terms is crucially important. Hopefully the Living in the City Initiative will result in some positive developments but it is considered that it will not deliver the type and scale of residential development schemes that are needed and that were initially anticipated through Budget 2015. Respond! urges Budget 2016 to rectify this situation and put in place much needed incentives for developers, particularly when the banking sector is increasingly risk adverse and slow to lend money outside of the Dublin market.

All of the above issues are key challenges currently facing AHBs in Ireland and Respond! considers it to be unrealistic to assume that normal market conditions will succeed in providing houses in urban areas outside Dublin where they are badly needed in both a private and social context. It is considered that unless the government takes a proactive approach housing targets will not be achieved, sufficient levels of new housing will not be released to the market, private rental values will continue to increase which will only serve to further exacerbate the social rental sector and cost the State more in the medium to long term. Budget intervention in relation to this matter is imperative.

Recommendation 10:

➤ **Project Planning –**

To maintain clear lines of communication Respond! requests regular circulation of contact details of the designated Local Authority Official for the Supply and Co-ordination of AHB's Activities

Having regard to the important role assigned to AHB's under '*Social Housing Strategy 2020: Support, Supply and Reform*' in the delivery of Social Housing; County Council CEO's should be mandated to appoint a senior official (minimum administration officer grade) to foster and support the AHB sector in the relevant Local Authority area. This officer should have direct responsibility for:

- Implementation of agreed AHB Programmes
- Maximising the contribution of the sector in housing deliveries
- Co-ordinating in-house activities to ensure seamless housing deliveries
- Establish a County Forum AHB's and ensure the forum meet on a regular basis

Recommendation 11:

➤ **Social Housing Ombudsman:**

Respond! proposes the introduction of a social housing Ombudsman as an appropriate tenant appeal structure for the voluntary sector.

Respond! fully supports the enhancement of tenant rights contained in the Residential Tenancies Bill 2012 however argue that it is totally inappropriate that the voluntary sector tenancies should come under the remit of the Private Residential Tenancies Board (PRTB) as the sector's tenants share the same characteristics of the Local Authority sector who are not being included in its remit. The appropriate jurisdiction of the Office of Ombudsman, where currently Local Authority tenants can have their complaints examined, is a far more appropriate appeal structure for the voluntary sector. The PRTB structure which was established to vindicate the rights of tenants in the private rental sector completely lacks any familiarity or experience of the social housing sector which Respond! believe renders it an unsuitable structure for vindicating the rights of social housing tenants.

Recommendation 12:

➤ **Commitment to integration and mixed tenure**

Respond! continue to urge Government to resist the backward movement to segregated housing.

The building of integrated communities has been an important part of our work over the last decade. Respond! is strongly committed to moving away from the single tenure model of social housing delivery to the European norm of integrated living. Citizens should not be pigeonholed as a result of their socio economic position, but rather should be valued and supported to contribute to a diverse and integrated community. Respond! believes the recent dilution of the provisions of Part V, reduced from 20% to 10%, is a retrograde step in achieving the goal of integrated, vibrant communities. Previously, under Part V of the Planning and Development Act, developers had to set aside 20% of a residential scheme for social *and* affordable housing, which local authorities could buy at a discount [or, post 2002, the councils could accept a payment if they didn't want the units]. In October 2014 Minister for the Environment Alan Kelly said developers would no longer be able to "buy their way out" of social housing obligations and that the Urban Regeneration and Housing Bill 2015 was intended to stop city and county councils accepting cash from developers in lieu of social housing in any new development.

However, under the terms of the Bill, that requirement can now be fulfilled through "long-term leasing" instead of through the sale of units. Developers will therefore not have to transfer ownership of any

apartments or houses to Local Authorities for social housing under this new planning legislation which has recently passed through the Dáil. In addition, the Bill provides for the provision of these units **off site** in cases where the developer can demonstrate that a greater social housing need exists elsewhere. The off-site units can then be provided anywhere within the functional area of the Local Authority. This is considered to be extremely unsatisfactory and represents a significant departure from the integrated housing model we have been promised.

When these factors are coupled with the almost exclusive reliance by government on the new Payment and Availability Agreement model, which supports mainly segregated housing Respond! has major concerns as to Government commitment to integrated communities.

4.0 ADDITIONAL COMMENTS:

We also need to resource Communities in critical areas

At its core Respond! has an anti-poverty, anti-exclusion focus which requires funding to be part of the housing finance model to enable community groups like ourselves to focus on Community Development and Community Education.

It is considered that there is a need for budget 2016 to focus on reducing poverty. Consistently, the last number of budgets have contributed to driving larger numbers of people deeper into poverty. In the context of signs of current and future economic growth it is recommended that a significant proportion of the fiscal space in this year's budget be used to reverse this situation, empower communities and provide education.

The Government's social impact assessment [examination of the main welfare and tax measures for 2015] revealed that the poorest 20% of the population gained least in Budget 2015, worryingly also the same category were considered to have lost most in 2014. Between 2008 and 2013 deprivation rates, meaning the inability to afford two of a list of very basic needs, more than doubled from 13.7% to 30.5%, with higher rates among lone parents (63%) and the unemployed (55%).

The societal, health, physical and educational impacts of one budgetary provision can be enormous. Each and every decision needs to be carefully thought out and fully considered assessment as to the possible impacts on society [positive and negative] including the long term potential cost to the state. The budgetary process needs to be depoliticised and reframed with the ultimate aim of having a transformative effect on our communities, our elderly and our society.

Respond! continue to advocate for funding for homeless and families fleeing domestic violence.

According to annual statistic published by SafeIreland in Oct 2014. Services around the country are stretched to provide support to more than 8,000 women and close to 3,500 children suffering from domestic abuse situations

Suaimhneas was established by Respond! in 2001 as a response to the growing number of homeless women and children in the Limerick Region who were left with no alternative than being housed in unsuitable bed and breakfast accommodation. Since Suamhneas opened its doors 347 families have been accommodated to date (July 2015)

In January 2012 Respond! opened Cuan Álainn Women and Children's refuge, based in Tallaght, catering for women and their children fleeing from domestic violence, in response to an identified need for the service in the area.

Cuan Álainn is low supported housing and can provide refuge for nine families at any one time. The summary of admission history includes referrals from the HSE, County Council, Gardaí, local hostels, housing and homeless agencies and other child welfare organisations.

Since its opening Respond! has funded Cuan Álainn Women and Children's Refuge for the last 3 years from its own resources costing the charity almost 1 million euro over the last three years. Unfortunately, this is something Respond! cannot continue to do into the future without State support. In consideration of the fact that the finance Minister stated in the 2015 budget that 1.5 billion euro of fiscal space would exist for the 2016 budget, **funding for the Cuan Álainn Women and Children's Refuge could be provided for three years by allocating just .066% of the total budget for this critically important service.**

Respond! continue to advocate for the delivery of housing and support services for the Traveller Community:

At this time Respond! is actively engaged in the area of the provision of culturally appropriate housing to the Traveller Community in partnership with Local Authorities.

Respond! recommends that the provision of Traveller accommodation should be provided by the N.G.O sector with groups such as Respond! who specialises and has a dedicated interest in the area.

Respond! has the experience and the resources to manage any new Traveller build or retrofit from conception to completion. This includes the consultancy with Travellers and Traveller groups, design, build and management of new Housing once complete. Respond! also have education and training options available through our college and education departments to facilitate empowerment.

We would recommend the following housing option for Travellers:

- Small Group Schemes
- Standard housing were applicable with supports available

Travellers are one of the most marginalised groups in Irish society and in some cases the accommodation provided is well below standard guidelines for social housing. While funding of €4 million was provided for the management and maintenance of Traveller halting sites plus fund social workers on related duties for 2015, this was nowhere near enough to deal with the issue. Respond! recommends that a figure of €15 million per annum should be ring-fenced for the next 3 years, which is the remaining timeframe of the Local Authorities Traveller Accommodation Programme 2014 – 2018

Respond! advocate for increased investment in measures which tackles the root of homelessness.

The escalating homelessness is primarily a consequence of the failure to provide decent jobs and affordable housing to people living on low incomes. If we wish to promote solutions to homelessness, it is Ireland's market led housing model that needs to be challenged. The extent of the current housing crisis is simply beyond the capacities of one sector alone to provide a response.

The Housing Agency's 'National Statement of Housing Supply and Demand' provides the most up-to-date overview of Ireland's housing system, highlighting in horrific detail a system in crisis. It is a tale of mortgage arrears, repossessions, homelessness and housing distress – a most acute and unpleasant condition. In 2014 there were 104,693 households in mortgage arrears; 3,143 people living in emergency accommodation; and 89,872 households on the social housing waiting list, it is likely all of these figures increased over 2015. An unfettered housing market has spectacularly failed Irish society. Children have begun their school year, and their future lives, in hotels, B&B accommodation, or even sleeping in cars, while their parents are attempting to cope with parental responsibilities under the unspeakable insecurity of homelessness. The economic, health, and social indicators of people who become homeless diminish rapidly. Examining present and projected poverty and affordability rates, it is simply impossible that large portions of the population will attain satisfactory housing through the private housing market. The need for a national housing plan that incorporates the social housing sector is now more important than ever.

Increase funding and mutual support between Community Organisations is also vital. This type of joined-up thinking is essential to provide the supply of necessary support services as well as homes. Poverty creates a great vulnerability to becoming homeless and people's individual situations can trigger that vulnerability. Our job in our community development capacity is to decrease that vulnerability. We must find fora to integrate our services for low income families.

Respond! would also seek a review of the "housing first" model as the best option for supporting homeless individuals. Housing First has some severe critics, who doubt the strength and also validity and trustworthiness of this evidence based approach. Part of this criticism centres on the idea that Housing First is a package that is being very effectively 'marketed' in a politically palatable form, using a combination of carefully selected evidence and, also, selective targeting on specific groups of homeless people to deliver what appear to be spectacularly positive outcomes (Kertesz et al, 2009; Rosenheck, 2010; Stanhope and Dunn, 2011; Edens et al, 2011; Groton, 2013).

In order for the housing first model to succeed it needs to be fully funded, both in regards to housing and the support services required. Respond! would seriously question the ability of this approach to work when dealing with individuals with complex needs who have been homeless for a long period of time. Respond! considers the needs of this group would be better met through more traditional approaches including the 'treatment first' or the 'staircase' housing models.

5.0 CONCLUDING REMARKS

Government are now in a position to eliminate the obstacles that are hindering increased social housing supply. Respond! Housing Association is committed to being a key player and partner in this delivery and particularly welcomes the enhanced role for AHBs in the context of the social housing strategy. Respond! feels that the forthcoming budget needs to pay particular attention to supporting an affordable social rental model plus increased focus on measures to improve the funding mechanism and planning controls to facilitate the increased social housing delivery required.

The reality is that hundreds of thousands of families are struggling to keep a roof over their heads and the effects of this cannot be underestimated. The recession has had more than just financial impacts and, in a time of some positive change there exists an opportunity to reverse the detrimental effect that this has had on the physical and mental health, family relationships and lives of those affected most. Of course, there will be a cost to helping families and homeowners in difficulty but the longer-term cost of failing to act will be greater.

Respond! would like to echo the recent recommendations and comments meant by the Chief Commissioner of the Irish Human Rights and Equality Commission Emily Logan in relation to the forthcoming budget which stated:

"The stark choices taken by the Government over the last seven years fall far short of basic standards in international law...The impact of a seven-year austerity drive has been enormous and the burden of the crisis and of dominant policy responses to it has fallen disproportionately on those least able to bear its impacts," she said. "We know that people with disabilities have a higher cost of living, and a much higher rate of unemployment, almost trebling from 8% to 22% during the recession." [Irish Independent, June 4th 2015].

Respond! urge the Government to take account of this observation and strongly advocate a budget that develops measures to support and protect the most vulnerable members of our society.



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