



# Election Manifesto 2011

## **Introduction:**

Perhaps one of the most regrettable aspects of the Celtic Tiger was the absolute failure by the State to increase the level of social housing for the most vulnerable people in our society. In fact, we produced far less housing as a percentage of total construction during the boom years than we did in the thirty years previously. This is quite astonishing considering construction in Ireland peaked at over 90,000 units in 2006. While many people did benefit from the Celtic Tiger, this cannot be said of all.

- Local Authority housing waiting lists increased by more than 43% between 1999 and 2008 from 39,176 families to 56,249 families. A Local Authority Housing Needs Assessment will be conducted in 2011 but some reports estimate waiting lists to be in the region of 130,000 households<sup>1</sup>.
- During the same period, the number in receipt of rent supplement increased by more than 75% to 74,000 recipients. The number of recipients in 2010 was 96,000.
- Between 1995 and 2007, the cost of new housing in Ireland increased by 344%. The cost of average earnings during the same period increased by only 70% and the Consumer Price Index increased by 50%.
- Currently in Ireland, 14.1% of the population are living in poverty.
- More than 430,000 people are unemployed.
- More than 1,000 people are emigrating each week.
- More than 40,000 homeowners are in mortgage arrears of 90 days or more while 28,000 are in mortgage arrears of 180 days or more.

It is within this context that Respond! is launching the following document and asking that all political parties consider our proposals. For far too long political policy in this country has been to the benefit of some and the detriment of others. We hope for a fresh new approach to housing in Ireland following the election of the 31st Dáil in the coming weeks.

## **Proposals:**

1. A National Housing Policy is developed
2. Full Ministerial status is granted to the Minister for Housing and Local Services
3. A review of the Planning and Development Act 2000
4. Substantial amendments to be made to the "Social Housing Leasing Initiative"
5. Integrated housing is promoted
6. The promotion of home ownership is challenged at a national level
7. A Local Housing Fund is created
8. Rent supplement is reduced and better regulated
9. A review of the provision of homeless services in Dublin takes place
10. A new Expert Group on Mortgage Arrears and Personal Debt is formed
11. A comprehensive restructuring of Local Government, Central Government and Associated Institutions takes place

1. <http://www.independent.ie/national-news/waiting-list-expected-to-hit-130000-as-families-struggle-with-crisis-2482345.html>

### **1. A new national housing policy is developed**

Respond! is calling on the next Government to research, publish and implement a National Housing Policy. This new national housing policy should be comprehensive and consistent and bring together the many different elements required for any housing policy. These elements include:

- Private housing (rental and purchase, as well as unfinished developments)
- Social housing (rental and purchase)
- Affordable housing (rental and purchase)
- Planning, zoning and public policy
- The National Development Plan
- The National Spatial Strategy
- The Four Year Plan
- Housing related fiscal policies

Respond! is disappointed that most political parties (at the time of writing) have very little, if anything at all, in their Manifestos about the need for a root and branch appraisal of our national housing provision. Respond! believes that the lack of a national housing policy has clearly contributed to the crisis we are now in. Governments failed to control the property market through fiscal and planning measures. There was never a joined-up policy that brought together the many different areas that contribute to the provision of housing in Ireland. Respond! maintains that any national housing policy should cater to a wide range of income groups, be equitable, fair, sustainable and should be in the common good. Never again can the mistakes of the past be repeated and a National Housing Policy will be the first step to ensure this.

### **2. Full Ministerial status is granted to the Minister for Housing and Local Services**

Respond! is calling for full Ministerial status to be granted to the next Minister for Housing and Local Services. It can no longer be an area relegated Junior Ministerial responsibility. Housing is one of the four main elements of social policy along with health, education and income maintenance and should be treated accordingly. Given the effect the housing and property market has had on the country, it is vital that the next Housing Minister is sitting at the Cabinet table when critical decisions are being made.

### **3. A review of the Planning and Development Act 2000**

Respond! is calling on the next Government to implement an amended Planning and Development Act 2000 so that it can finally deliver on its objective “to provide in the interests of the common good...proper planning and sustainable development including the provision of housing.”<sup>2</sup> Respond! believes the act should be modified in order to ensure the following:

- Integrated communities are created which cater for a variety of needs, incomes and stages in the lifecycle model.
- Mechanisms are put in place that finally control the cost of land (and consequently the cost of housing). Respond! believes the key recommendations of the Kenny Report that landowners should be paid current agricultural market price plus 25% for their land should be implemented, along with other recommendations which prevent landowners receiving “windfall profits just because the Local Authorities zoned their agricultural fields for development and serviced with sewerage, roads and water”<sup>3</sup>
- Compliance with the National Spatial Strategy, the National Development Plan and the National Housing Policy

2. Planning and Development Act, 2000

3. Report of the Committee on the Price of Building Land; Government of Ireland, 1974

Unfortunately it is quite obvious that the Planning and Development Act 2000 failed in its original objective and proof of this is the 2,846 unfinished developments throughout the country. These unfinished developments are a blight on the landscape and in many cases a health and safety risk to the community. The Planning and Development Act 2000, because of poor leadership and management, also failed to increase substantially the provision of social and affordable housing under Part V. This is in spite of record levels of housing construction in the years following the implementation of the Act.

#### **4. Substantial amendments to be made to the “Social Housing Leasing Initiative”**

Respond! believes the Social Housing Leasing Initiative (SHLI) needs to be altered in order to facilitate Approved Housing Bodies (AHBs) to provide social housing for those on Local Authority housing waiting lists. Respond! is recommending the following:

- A 20-30% capital injection from the State in return for an equity stake in any housing purchased under SHLI
- A floor value of market leasing payment is set
- Differential rent is linked to a standard national norm
- 3 applicants per vacancy is allowed
- More time is granted to AHBs to relet vacated units. The proposed time periods for the filling of voids are not realistic and often will not be achievable
- Transfers by residents to housing accessed through Rent Supplement is disallowed unless special circumstances pertain to the request to transfer;
- The provision and leasing of social housing is regulated so that AHBs are not unreasonably left vulnerable to alternative competitive social housing lettings;
- Extra finance is available to AHBs should standard residential property amenities be listed for radical improvement by State or European Union (EU) regulations (for example, if the EU at any time sought a zero carbon-rated improvement in built dwellings)

#### **5. Integrated Housing is promoted**

Respond! believes the State should promote integrated housing in order to prevent the creation of segregated estates or “ghettos”, as has happened in the past. Respond! maintains that:

- Social housing should be promoted as housing of first choice, rather than an option of last resort. Social housing should be a viable, long-term, securely managed and well resourced source of accommodation. This can be achieved through a variety of different measures including:
  - (i) An amendment to the scheme of letting priorities and practices so that social housing estates do not become inhabited by a mainly low-income or a single-class cohort of residents
  - (ii) Financing of Community Development Programmes for the first five year’s of an estate’s occupation as part of the initial capital costing
  - (iii) A requirement that all managers of integrated estates produce an agreed plan of social community care and management

#### **6. The promotion of home ownership is challenged at a national level**

Respond! believes that renting (both private and social) should be promoted as an option of equal choice. Renting should be encouraged through direct and indirect fiscal measures. Consecutive Governments promoted home ownership for many years through direct and indirect fiscal measures. Social housing was (and still is) viewed as the last option of housing type with an apparent stigma associated to it that was never tackled at a national level. According to Census 2006<sup>4</sup>, home ownership in Ireland is particularly high with almost 75% of private dwellings in the state being owner-occupied. In fact, the Government continued to promote home ownership as the tenure of first choice in the recent Budget through the withdrawal of rent relief from those renting in the private sector and the significant reduction in stamp duty in order to revitalise the property market. We need more inclusive and sustainable holistic thinking in housing policies.

## **7. A Local Housing Fund is created**

The Department of the Environment, Heritage and Local Government and Local Authorities should create a Local Housing Fund from the collection of the new site value tax (as outlined in the Four Year Plan) from 2012 onwards. This new tax is initially being introduced as an interim fixed “household charge” of €100 per annum but in 2013 it will be value-based and estimated to average €200 per household. In addition, all revenue collected from the Non Principal Private Residence tax should also be retained in this Local Housing Fund. The aim of the Local Housing Fund would be to provide a definite income stream that can be used for the provision of social housing by Local Authorities and Approved Housing Bodies. It is estimated that the site value tax will yield €530 million in a full year. In 2009, the Non Principal Private Residence raised nearly €67m, with a further €63m raised in 2010.

## **8. Rent supplement is reduced and better regulated**

Respond! believes rent supplement should be reformed. In recent years, there has been a reduced emphasis on the direct public provision of social housing, while at the same time an increase in the use of the private market meeting social housing needs. Respond! believes there is an opportunity to reduce the cost of the scheme through the direct negotiation of rents with private landlords and the savings could be more effectively used to support a reformed Social Housing Leasing Initiative.

Rent supplement was introduced as a short-term support to assist those who experience a sudden change in circumstances but the scheme has failed in this primary objective. Currently, almost 50% of the 96,100 recipients have been on the scheme for more than 1 year and almost 20,000 have been on the scheme for 2 years or more. Almost 6% have now been on the scheme for 5 years or more. The cost of the scheme for 2010 is estimated to be in the region of €520 million, with an average weekly payment of €104. The number of people relying on rent supplement has increased rapidly in recent years and for many it has now become a long-term, permanent housing solution. Respond! believes that the State, through Local Authorities, should directly negotiate with landlords, as it does through the Rental Accommodation Scheme (RAS offers long-term housing to eligible applicants for an agreed term and the Local Authority pays the rent directly to the landlord). Respond! believes those in receipt of rent supplement should be provided with the opportunity to live in good quality, secure, well managed and well-maintained accommodation and this is not always available within the private sector.

## **9. A review of the provision of homeless services in Dublin takes place**

Respond! does not support the withdrawal of transitional housing services for those who are homeless in the Dublin area. Through the new “Pathway to Home”, the aim to end homelessness in Dublin by 2010 has not been achieved. Respond! still believes there is a role for transitional (second stage) housing in Dublin as we have been providing good quality transitional accommodation in Conrath House, Drumcondra since 2004, with a settlement record of 90%. Conrath House is a safe, clean and supportive environment for residents who avail of the service following a difficult period in their lives. The aim of the centre is to provide a stepping stone from emergency / temporary accommodation to independent living and permanent housing. Respond! believes this type of intensive, rehabilitative, onsite support is critical for many who have experienced homelessness and may not yet be equipped to cope with living independently.

## **10. A new Expert Group on Mortgage Arrears and Personal Debt is formed**

An Expert Group on Mortgage Arrears and Personal Debt presented a final report to the Minister for Housing in November 2010. However, Respond! believes the Group did not adequately deal with the issues of negative equity, debt forgiveness, debt restructuring or repossessions and is calling for a new Advisory Group to be formed that contains a better representation of banking, legal, housing and consumer sectors. Respond! calls for the new Advisory Group to consider such measures as short selling, non-recourse lending and reform of debt settlement procedures in Ireland. It is vital that the next Government considers this proposal as mortgage arrears will continue to rise with increasing mortgage interest rates and decreasing incomes.

## **11. A comprehensive restructuring of Local Government, Central Government and Associated Institutions takes place**

A radical overhaul of the political system is required. For many years Respond! maintained that it was within the potential of the organisation to deliver twice as many housing units per annum if the planning and approval processes of the Statutory Sector were improved. Essential changes in Local Government, Central Government and Associated Institutions are required. These changes should include the reduction in political representatives, nationally and locally, and the co-ordination of planning and development services to deliver a more professional, responsive and efficient service.

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