



Pre-budget submission 2014

INTRODUCTION:

Respond!, Ireland's leading housing and community development charity, seeks to create a positive future for people by alleviating poverty and creating vibrant, socially integrated communities. We do this through providing access to housing, education, childcare, community development programmes, and other supports.

CONTEXT:

In our pre-Budget 2014 submission, Respond! Housing Association is calling on the Government to protect the needs of the most vulnerable in a time when inequality and poverty is widespread. Respond! advises that those surviving on low incomes have no room to absorb further cuts or tax increases. Decisions taken to provide short-term savings will have enormously negative long term consequences. In 2010 just over 200,000 children lived in households experiencing poverty¹. One third of the population - and over a quarter of those working - have less than 50 euros of disposable income left once essential bills are paid, according to a survey by the Irish League of Credit unions. A large number of Respond! families live on or below the poverty threshold. The government needs to ensure human dignity is respected and the compassionate and civilised society we purport to live in remains true to Irish people's vision of a just society for all. However current statistics are stark;

- Growing Social Housing Need (110,000 on waiting list in Republic of Ireland including people on Rent Assistance Scheme and Government rent support schemes)
- 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 (14% national average with a high youth unemployment rate, these figures are lower than reality, because this is masked by the level of emigration)
- Decreased education opportunities for low income families, early school leavers.
- Reduction in family income as a result of the contraction of the economy.
- Reduced capability for older and disabled people to live healthily and independently (13% of population of Republic of Ireland live with one or more disability)

It is in this context that Respond! is calling on the Government to consider the following recommendations:

¹ Barnardos Budget 2013 submission

SUMMARY OF RECOMMENDATIONS:

1. FINANCE

- Ensure that Ireland's indebtedness is addressed through growth rather than austerity in Budget 2014.
- No more expenditure cuts in Budget 2014, especially those affecting the vulnerable.
- Statutory Supports are needed for Approved Housing Bodies (AHBs) to raise private finance for housing provision;
- Subordinate local authority loan charges on mortgages currently in place for social housing by at least 40%;
- Continue with the Capital Advance Loan Facility (CALF) and be flexible in relation to its maximum offering, currently at 30%;
- Set a secure floor value for the proportion of market rent payable to AHBs by the exchequer under the Payment and Availability Agreement;
- The Department of the Environment, Community and Local Government needs to be more open to positive change in the PAA to secure the legal and ethos requirements of the AHBs under the Charities Act 2010;
- The raising of finance from the Housing Finance Agency, plc, for social housing purposes needs to be secured with a government underwriting;
- Clarity and ease of access for mortgage to rent scheme should be a key government priority.
- Coordination of national and regional efforts to engage with the new development proposals emanating from Europe, specifically for the European Investment Bank.

2. HOUSING

- A comprehensive National Housing Plan is vital if we are to have any clear targets and directions towards secure integrated housing and communities;
- In the meantime, Respond! believes that increased spend on the provision of Social Housing is critical due to the dearth of social housing since the economic crisis began;
- Suitably designed dwellings, or/and housing adaptation grants, to be continued without reductions for persons with a disability, and investment should be prioritised for disability services and community living.
- Approved Housing Bodies (AHB) partnerships should be encouraged to tackle housing stock regeneration through endorsing the implementation of proposals for a European Social Housing Policy;
- The budget for the provision of homeless services should be increased to end long-term homelessness by 2016 – as urged by Government;
- Homelessness among families, due to domestic violence situations, is clearly on the increase. There needs to be more funding provision towards accommodation and outreach services for organisations dedicated to assisting families in such plight;
- The Budget for Traveller accommodation should be left untouched to allow for the provision of appropriate housing options to the travelling community.

3. SOCIAL WELFARE AND SOCIAL SUPPORTS:

- Ensure that Ireland's indebtedness is addressed through growth rather than austerity in Budget 2014;
- The Government should uphold the commitment made in the Programme for Government to maintain social welfare rates at their current levels and not to impose any further limitations on access to welfare supports or other benefits;
- The Government should maintain the Fuel Allowance at its current rate and protect the most socially disadvantaged people in society from energy poverty.
- Support the introduction of water credits to ensure vulnerable low income households are protected from this extra tax.
- It is crucial that older person entitlements such as State Pensions, vital community services, Carers allowance and Fuel allowance are ring-fenced.
- Promote continued improvement within the mental health services and supports through the promised annual spend of €35 million for community mental health services.
- Urge the Government to consider the possibility of enhancing Community Childcare programmes in disadvantaged communities by placing a greater emphasis on programmes which deliver improved Child / Parent Outcomes. Specifically, we call on the Government to significantly increase the funding available under the Area Based Response to Child Poverty Programme 2013 -2016.

4. Corporate Partnership with Government:

- Rescind proposals to include the AHB sector under the remit of the PRTB and engage instead with the Ombudsman to provide the necessary oversight remit for the sector;
- Waive the property tax liability for the AHB sector in relation to its social housing product.

1. FINANCE

Recommendation 1 (Austerity)

- **Ensure that Ireland's indebtedness is addressed through growth rather than austerity in Budget 2014.**

2014 is the year in which Ireland will re-enter the bond markets. This will require confidence from international investors of Ireland's economic recovery. Budget 2014 should aim to activate this confidence, not from austerity and the pursuit of further expenditure cuts but from a return of our economy to growth. Priority should be given to promoting job creation, especially through aiding Irish SME's and new start-ups. Education and re-training are vital to ensure that Ireland is a hub of highly trained citizens, something to which Respond! College aims to contribute. Job creation and investment will increase our tax take and reduce welfare payments on the government's current expenditure. Respond! calls on the government to recognise the role that community organisations like Respond! can contribute to Ireland's growth, by pursuing multi-level approaches to community growth and engagement. We urge the government to prepare a budget that prioritises growth through investment and pursue policies which will provide the resources to community organisations to continue their vital work.

- **No more expenditure cuts in Budget 2014, especially those affecting the vulnerable**

Respond! broadly supports the pre-budget submission proposals from Social Justice Ireland². That body, basing its judgement on the recent IMF review of the Europe-wide austerity policy, asserts simply that 'austerity has been exposed as having an unsound academic basis, as being a failure in practice and as morally unethical because poor and middle-income people have borne an unfair share of its consequences'. Former International Monetary Fund (IMF) Chief of Mission to Ireland, Ashoka Mody, stated there has been little growth in the Irish economy both this year and last year, adding that it was hard to believe that austerity was not part of the problem. One Irish commentator has typified the austerity policy as follows: 'We've had zombie banks and zombie politics and now we have a zombie idea, a policy based on calculations admitted to be wrong'.³

Despite government spin to the contrary, there is room for movement in regard to cutting back on austerity. Already, Tánaiste Eamon Gilmore indicated there is €500 million less required in cuts to budget 2014. Mr Gilmore also indicated there is some scope for flexibility due to the promissory note agreement deal amounting to a saving of around €1 billion a year.

Contrary to austerity, Respond! supports Social Justice Ireland's call to increase PAYE tax credits by €5 a week and also social welfare basic rates by a similar amount. These credits/increases will support lower and middle-income households in particular and bring money back into the market place, in turn uplifting local businesses and creating employment opportunities. This measure, added to an increased government capital investment programme focused on developing physical and social infrastructure, would greatly assist our economy to turn the corner in a more healthy direction.

² Social Justice Ireland Policy Briefing on Budget 2014.

³ Fintan O'Toole, Irish Times, August 13, 2013.

Recommendation 2

(Private Finance Options:)

- **Statutory Supports are needed for Approved Housing Bodies (AHBs) to raise private finance for housing provision**

Respond! is planning a capital housing acquisition/production programme of some €50million over the next three years, yielding some 400 to 500 dwellings in that period. We are in discussions with several private funding institutions which are considering offering the organisation the necessary funding for this programme. They know of Respond!'s own professional inhouse design and production team and of its capacity to engage with this level of production – Respond! has provided over 5,500 dwellings since its institution over 31 years ago and, during the period 2005-2008, Respond! had over 1,550 dwellings under construction, all designed inhouse. They are also aware that Respond! is complying with best practice governance codes, such as the new Charity Code and the recently introduced Voluntary Code from the Department of the Environment, with the attendant regulatory oversight which will be in operation in 2014 we understand⁴.

However, the standard mortgage collateral which such private investment bodies can usually depend upon is not that attractive when lending for social housing product. Respond! calls on government to provide the following measures to secure private funding:-

- **Subordinate local authority loan charges on mortgages currently in place for social housing by at least 40%.**

This measure has no cost for the State but would allow AHBs to provide an opportunity for private investors to be given a first charge over these mortgages as security against future development finance. The reader needs to be aware that the local authority mortgages are non-repayable mortgages⁵ so this measure will be no loss to the exchequer. Such loan restructuring measures are vital for securing private finance.

- **Continue with the Capital Advance Loan Facility (CALF) and be flexible in relation to its maximum offering, currently at 30%.**

The CALF facility, a solid measure taken by the Department over the last few years needs to be flexible in relation to the geographic spread of housing provision: the percentage requirement may be different in Dublin than it might be in rural Ireland. It also needs to buttress the insecurity encapsulated in the variability of the market rent formula contained in the Payment and Availability Agreement: point following-

⁴ (We do need to ask the question: who regulates the regulator? - particularly when that regulator seems to want to retain its role despite all the mistakes it has made over the last ten years).

⁵ Non-repayable as long as the property is being used for the purposes agreed initially with the respective local authorities. A proportion of the mortgage is amortized per annum into the accounts of the AHB over the period of the mortgage.

- **Set a secure floor value for the proportion of market rent payable to AHBs by the exchequer under the Payment and Availability Agreement.**

The Payment and Availability Agreement (PAA) is based upon the assumption that AHBs will borrow their capital production finance from private institutions at a rate, usually variable, over a twenty year period. The state agrees to pay the AHB an annual payment to reserve the housing units provided for social housing applicants for a payment of 92% of the market rental rate current in the area. The AHB does not have any guarantee that the variability of the rental rate finance will always match the variability of the mortgage finance. Nor is there any guarantee that if the respective local authorities decide in the future to finance other models of social housing provision – such as through RAS-type subsidies, or their own local authority programmes – the AHBs may not be able to fill any vacancies in their estates and thus be unable to meet private repayment schedules. These deficiencies have been pointed out to Respond! by all the investors we have spoken to. Into the bargain AHBs need to reckon with the prescription contained in the Charities Act whereby Directors cannot take on investments for the charity that contain significant unsecured risk. So, we also seek the following:-

- **The Department of the Environment needs to be more open to positive change in the PAA to secure the legal and ethos requirements of the AHBs under the Charities Act 2010.**

By and large we have found the Department to be rather inflexible in relation to these matters. It is noticeable that the Department seems to have departed from the movement evident in the state during the 80s and 90s towards a more holistic housing provision and community development policy, whereby each local authority was urged to develop its own community development policy and programmes: this now seems to be set aside, except for occasional suitable sound bites! What the Department is now speaking about is the production and management systems to do with property, with the consequent neglect of community development packages to assist in the integration of estate living and peaceable and productive enhancement facilities for low-income households.

- **The raising of finance from the Housing Finance Agency, plc, for social housing purposes needs to be secured with a government underwriting.**

The facility of the HFA to lend directly to AHBs for social housing purposes is to be welcomed. However, Respond! has serious reservations with many of the prescriptions contained in the HFA's Master Loan Agreement. Our legal advice has been shared with the HFA in this matter from the outset with little effect. In particular, the imposition of a Debenture clause (or equivalent floating charge) over all the respective AHB assets - and not simply over individual project agreements as some 'spin' would have it - would make it impossible for many charities to carry out their functions. There are many other weaknesses in the MLA to which we have alerted the Department and the HFA and we are seeking to have a meeting soon with the HFA to see can any progress be made. We wonder why the Department is not more positive about requiring the requisite changes: after all, if the Department is content that the PAA finance coupled with the differential rent income is sufficient to secure private borrowings for each project for the respective AHB why would it need to support any more security demanded by the HFA? Does it not trust its own scheme? Respond! is aware of some very estimable AHBs, with a national track record second to none, which are finding it virtually impossible to satisfy the HFA of their financial security under current terms.

We note here that despite the huge cutback in available capital funding for housing through the Department of the Environment, Community and Local Government that department seems to be in denial as to the radical shift in the balance of financial relationships with the AHB sector. From being the main investor in social housing (under CAS and the CLS etc) the department is now investing under CALF a figure between 10 – 30%. The main investment comes through the AHBs themselves through private investment funds. However, this shift in risk and funding input is not reflected in the various agreements being offered the sector by the Department: much of the legal requirements of these agreements are skewed in favour of the exchequer and the volume of risk is left with the charities.

Recommendation 3

(Mortgage to Rent Scheme)

- **Clarity and ease of access for mortgage to rent scheme should be a key government priority.**

According to recent reports, ‘1,332 people have applied for the Mortgage to Rent scheme and only 60 of these have had a successful application. Many of those who applied are still waiting to see if they will get the green light for the scheme’⁶.

The reality is that the chances of a significant number of the remaining applicants (1,272) being successful is slim, when one considers the scale of the financial outlay for AHBs and the current restrictions in terms of access to funding etc. - potentially 1,272 applicants @ €100,000 average per house = €127Million which is well beyond the abilities of the AHB sector currently. This is no different from the spin being put on the 1,500 houses that NAMA are making available for social housing to AHBs, even at €75,000 per/unit would equate to €112.5M.

Hence the need for some radical thinking in terms of secured bank funding to move these initiatives along. There were 95,000 households in mortgage arrears in 2012⁷, many of whom are still awaiting engagement with their financial institutions. Respond! believes that the government must make it a priority to ensure that the process is expedited more speedily to alleviate the fears and concerns for numerous Irish citizens due to these lengthy delays.

Currently, Respond! is engaged with some 9 applications for the Mortgage to Rent Scheme: our representative reports that it is a pitiful slow operation with the Banks calling all the shots, despite the Central Bank’s Code of Conduct. We are not that confident that Government is fully committed to this MRS solution (sic) for all those affected, save for a few headline cases. We struggle on.

Recommendation 4

(European Investment Option)

- **Coordination of national and regional efforts to engage with the new development proposals emanating from Europe, specifically from the European Investment Bank.**

⁶ Irish Independent Report, August 12, 2013

⁷ EU Report on Social Housing in the EU 13th April 2013

Greater efforts need to be engaged in to bring some interested AHBs into discussions with respective local and regional authorities and with government in regard to significant redevelopment and regeneration programmes which Europe is now keen to finance. This finance, we understand, is also secured finance for the approved associations involved. Respond! has the capacity, through its own inhouse design team, to provide an economic facility to the authorities in identifying such redevelopment prospects and providing the responsive design and community development and education which Europe is now demanding as requisite components of any such programmes. However, our sector needs to be more actively engaged with in relation to such proposals. Surely, if Respond! can be considered worthy of inviting private investment into its immediate plans, and seeking to secure it by the best means possible, Respond! can also be relied upon to engage maturely with investment developments secured from Europe.

2. HOUSING:

Recommendation 5

(Lack of Social Housing)

- **A comprehensive National Housing Plan is vital if we are to have any clear targets and directions towards secure Integrated Housing and Communities.**

Respond! has been calling for such a National Plan for more than a decade: regretfully, a decade during which the absence of such a plan has proven to be disastrous for our economy and especially for households crying out for decent and secure housing provision. Our government, despite some excellent initiatives such as the Planning and Development Act 2000, has been paralysed since then and is still suffering from thought paralysis today. In our National Housing Conference last year, to mark our 30th Birthday, we chose the main theme as 'The Need for a National Housing Plan'. The overwhelming response from those attending was very firmly affirmative. Had such a plan been in place during the last ten years we could not have made the mess of housing which we did: an unsecured splurge on private housing and very little finance on social housing, to name but one unfortunate contrast.

Without a National Plan we are likely to make similar mistakes currently and in the immediate future. For example, what thought-through policies are being invoked to place an increasing onus for the delivery of social housing on the AHB sector, governed by the charity parameters of the Charity Act, and a decreasing onus on local authorities in regard to their housing remits? The status, processes and implications of these directions have not been fully attested to. There is now more need for a National Housing Plan than ever. Our government is like a mad juggler just whipping the top to keep the spin going!

- **In the meantime, Respond! Housing Association believes that increased spend on the provision of Social Housing is critical due to the dearth of social housing since the economic crisis began.**

Respond! views access to affordable housing as not just a human right but, through its provision in a social housing context, also the means to promote job creation, economic stimulation and a pathway back to employment. Funding for Social Housing budget has been reduced by 54% since 2008⁸. There are now approximately 110,000 on waiting lists for social housing in Ireland. There is a recognised correlation between housing needs and low income and currently a frightening percentage of families living on low incomes with 16% of Ireland's population now at risk of poverty⁹. The Government needs to take immediate action to ensure an adequate social housing stock to the scale required to eliminate local authority waiting lists. Increased capital expenditure for the social housing sector not only secures fundamental rights to a home but also supplies a much needed stimulus to a sector which has left many citizens unemployed.

Respond!'s target private investment of some €50 million over the next three years, as set out under the Finance section herein, is a strong commitment to social and integrated housing in the State. We have already worked closely with NAMA in buying up and concluding construction on 57 dwellings in Tullow,

⁸ Disability Federation of Ireland Pre-Budget Submission 2014

⁹ Social Justice Ireland June 2013 Policy Briefing

Co. Carlow, and there is another such acquisition in prospect presently of 19 dwellings in Kill, Co. Waterford. Currently, we are studying the feasibility of acquiring more ghost estates, provided they are located in areas of need and compliant with proper standards of planning and construction.

From the foregoing it is clear that Respond! is anxious to assist in the raising of private finance for the provision of integrated and social housing in the state. However, in the absence of a clear national plan for housing, it is arguable that there is enough social housing in the state already! Much of it is by way of subsidised private rented accommodation. However, other than the ever increasing costs of such subsidies to the state, there has not been any extraordinary noticeable demand from housing applicants for housing within the local authority or the AHB sectors. It is arguably possible to support the continuation of such housing accommodation for low-income families within settings which are usually more integrated than the average social housing estate, provided the costs of subsidy to private landlords were contained, the property maintained to regulation standards and an acceptable level of tenure continuation guaranteed for tenants. Indeed, in such a context Respond! would be happy to assist in the management and maintenance of such rental accommodation, inclusive of its main community development remit, if the state were open to including Respond! in discussion on such options. However, in these matters Respond!, and others, are usually presented with an already formed agenda which we are invited to take or leave.

Recommendation 6

(Disability)

- **Suitably designed dwellings, or/and housing adaptation grants, to be continued without reductions for persons with a disability, and investment should be prioritised for disability services and community living.**

Respond! urges the Government to recognise the challenges faced by people with disabilities who are trying to live healthy and independent lives: to cease cuts that undermine community based approaches to services for people with disability; to end the erosion of funds needed for basic housing requirements, and to prioritise community services and supports necessary for the continued health and wellbeing of a very vulnerable section of our society.

The persistent cuts of mainstream and disability specific supports that effect the most basic requirement of housing needs is not acceptable (i.e. The total figure for the Capital Assistance Scheme (CAS) and the Capital Advance Leasing Facility (CALF) is €55.5m, down by €20.2m from the 2012 figure of a combined €70.7m for both schemes¹⁰, and the housing adaptation Grant Scheme cut by 42% since 2010¹¹). We therefore recommend that the Government reverse these cuts completely while we welcome the recently announced €10m allocation for disability housing for 2013.

¹⁰ ICSH Statistics Spring 2013

¹¹ Disability Federation of Ireland Pre-Budget Submission 2014

Recommendation 7

(Regeneration and EU Housing Policy and Homelessness)

- **Approved Housing Bodies (AHB) partnerships should be encouraged to tackle housing stock regeneration through endorsing the implementation of proposals for a European Social Housing Policy.**

Respond! is happy to assist in the regeneration and modernisation programmes that may be necessary for many estates throughout the country. Through our own inhouse technical staff, Respond! has already participated in the energy improvement programmes being supported from Europe. Respond! also welcomes the government plan to invest €50m over the next three years. Such funding provides not just environmental and energy efficiency benefits but generates much needed job creation, promotes inclusion and increases community engagement. Respond! recommends further funding be released to tackle this urgent problem.

Respond! believes that a European social housing policy could provide critical assistance to EU member states in the delivery of adequate housing at affordable prices. Although all governments have a duty to provide housing to their citizens as a basic human right, the level of homelessness and sub-standard housing in Europe is on the rise. In 2010 it was reported that 6% of EU citizens were homeless while 18% lived in overcrowded or sub-standard housing¹². It is clear therefore that a common EU housing policy which fosters a multi-governance approach to the provision of social housing will fundamentally transform people's lives by reducing homelessness, poverty and social inequality.

- **The budget for the provision of homeless services should be increased to end long-term homelessness by 2016 - as urged by Government.**

Respond! considers that the State too hastily adopted a Housing First led initiative which was largely untested within an Irish (or UK) experience. This led to the closure of many first instance accommodation units by the AHB sector and also the closure of an excellent second phase resettlement facility Respond! provided in High Park, Dublin, where we had an independent accommodation settlement success rate for residents of over 90% within one year of their entry to the complex: all of this for just over €1ml pa for some 45 residents. The State option of Housing First has had many calamities, not least some homeless deaths during last Winter on the streets of Dublin, as well as a huge increase in the numbers sleeping rough across the country generally. Respond! agrees that the final outcome of all homelessness policies must be the early placement in and support of homeless persons in independent accommodation. However, the action of government smacked of a half-studied short term economic solution rather than a more holistic analysis of the workable statutory and services responses to homelessness. It is worthy of note that the vast majority of Housing Associations in the UK, nearest to us in terms of culture and homeless need, have eschewed any significant commitment to Housing First. Indeed, their Housing Minister has increased funding for properly constituted staircase options to meet their needs. Likewise, Respond! considers that transitional housing is still required and needs to be funded and developed for individuals and families, for whom a Housing First based approach is not timely or viable due to circumstance.

¹² Figures released by the Central Bank in 2013

- **Homelessness among families, due to domestic violence situations, is clearly on the increase. There needs to be more funding provision towards accommodation and outreach services for organisations dedicated to assist families in such plight.**

The true measure of a government, particularly one composed of parties which gave written undertakings before their election to continue assistance of the most vulnerable in the State is the abject disregard for the needs of women and children in dysfunctional and violent families. Respond! has set up a Refuge, Cuan Álainn, in its estate in Springfield, Tallaght¹³, which can cater for nine such families: at our own cost of some €300,000 per annum. Not one cent have we received from any statutory source for this service, and, while the waiting list for the service is ever increasing, we will not be able to self-finance it beyond 2014. The referendum for child-care and protection is one thing, actual care of real children and families in need is an altogether other reality: the former will have smacked of hypocrisy unless the latter is implemented.

Recommendation 8:

(Traveller Housing)

- **The Budget for traveller accommodation should be left untouched to allow for the provision of appropriate housing options to the travelling community.**

Members of the travelling community are currently the most disadvantaged and marginalised groups in Ireland today. Respond! requests better funding provision plus a concerted effort from government at all levels to develop a more proactive approach for the development of Traveller accommodation. Respond! claims, reasonably, to have constituted the most forward looking housing development for travellers in the State, in our integrated estate in Ardrew, Athy. There, six traveller families live side by side with private owner-occupiers, and social housing tenants and all are represented on the estate Residents Association and have daily access to the pre-school and after-school services in the shared community building.

We have offered our design, planning and construction services to Government and to many local authorities. While the latter have initialled agreed to make use of our services virtually all have backed off the consequent political and social implications once opposition became apparent locally. A comprehensive nationally-backed and legally-binding planning system has to be put in place to meet the needs of the many traveller families whose children have little chance of being afforded the kinds of services and facilities available to the children of the settled community. Such a planning system will have to engage with the travellers themselves and the settled community in a fashion which demands responsibility from all sectors.

¹³ There are other family refuges in Respond! estates; in Moyross, and in Ennis.

3. SOCIAL WELFARE & SOCIAL SUPPORTS

Recommendation 9:

(Indebtedness and Social Welfare Supports)

- **Ensure that Ireland's indebtedness is addressed through growth rather than austerity in Budget 2014.**

As indicated previously, Respond! broadly supports the pre-budget submission proposals from Social Justice Ireland. Accordingly, we will not repeat all the many excellent proposals which have been set out in their submission: except for the following few.

2014 is the year in which Ireland will re-enter the bond markets. This will require confidence from international investors of Ireland's economic recovery. Budget 2014 should aim to activate this confidence, not from austerity and the pursuit of further expenditure cuts but from a return of our economy to growth. Priority should be given to promoting job creation, especially through aiding Irish SME's and new start-ups. Education and re-training are vital to ensure that Ireland is a hub of highly trained citizens, something which Respond! College aims to contribute. Job creation and investment will increase our tax take and reduce welfare payments on the government's current expenditure. Austerity has just acted counter productively. Respond! calls on the government to recognise the role that community organisations like Respond! can contribute to Ireland's growth, by pursuing multi-level approaches to community growth and engagement. We urge the government to prepare a budget that prioritises growth through investment and pursue policies which will provide the resources to community organisations to continue their vital work.

(Social welfare)

- **Respond! believes the Government should uphold the commitment made in the Programme for Government to maintain social welfare rates at their current levels and not to impose any further limitations on access to welfare supports or other benefits**

In order to deliver on the commitment to protect the most vulnerable, social welfare rates need to be maintained at current levels. Ending the one parent payment when the youngest child reaches seven years of age is not acceptable in a time when welfare dependency is at an all-time high.

41% of households are headed by a person outside the labour market (i.e. older person, people who are ill, have a serious disability or are in a caring role) and are totally dependent on social welfare¹⁴.

Respond! believes there should be no further reductions in the income supports for vulnerable people who are dependent on these benefits

(Fuel Poverty)

- **The Government should maintain the Fuel Allowance at its current rate and protect the most socially disadvantaged people in society from energy poverty.**

One of the single biggest issues raised by our tenants on a daily basis is the crippling costs of energy in Ireland. It is well documented that Older People are one of the main groups who are most at risk of

¹⁴ Social Justice Ireland June 2013 Policy Briefing

energy poverty while those with a chronic illness or disability are considered particularly vulnerable. The cost of home heating oil has increased by 25.2% since 2008; gas has increased (25.9%), electricity (32.5%) and solid fuels (11%)¹⁵. The definition of fuel poverty under the Governments Warmer Homes Strategy 2011, is if a person is spending more than 10% of their disposable income on energy services for their home. In 2009 20.5% of people spent more than 10% on fuel. Respond! believes a comprehensive statistical survey need to be performed to ascertain exactly how many people in Ireland are at risk of fuel poverty in light of the prolonged recession and rising fuel prices. Respond! asks that the lowest income households and those most at risk of energy poverty can avail of the lowest energy prices and tariffs. The Carbon Tax is a regressive tax that effects the most vulnerable. Respond also recommends that the proceeds from the Carbon tax should be directly used to ensure that homes are modernised to ensure energy efficiencies in a bid to help eliminate fuel poverty in Ireland. A typical 3 bed semi-detached housed with a BER rating of G, in 2010, would pay €3,100 in fuel, whereas the same house with a BER rating of A1 would only be paying €150¹⁶. This demonstrates that more energy efficient homes can help alleviate fuel poverty.

(Water Tax credits)

- **Support the introduction of water credits to ensure vulnerable low income households are protected from this extra tax burden.**

The introduction of water credits has been suggested by TASC as an efficient method to safeguard low income households. Access to good clean good quality water is a basic human right, it is crucial therefore that those on low income who cannot afford to pay for their water requirement should be protected. With the introduction of water credits the people living on the verge of poverty would have their water paid for by the Department of Social Protection. The introduction of water credits would be another step to help protect the most disadvantaged families in our society.

(Older Persons)

- **It is crucial that older person entitlements such as State Pensions, vital community services, Carers allowance and Fuel allowance are ring-fenced.**

The first objective under the third goal of the National Positive Ageing Strategy is to “provide income and other supports to enable people as they age to enjoy an acceptable standard of living”¹⁷. According to the European Commission (2012) “the first pillar of any pension policy is the State Pension and this must be maintained as the bulwark against poverty in later life; accounting for 60% of the income of 65-74 year olds to 75% of those 75 years and older”. It is essential therefore that the State Pension is maintained at its current level.

It is also of paramount importance that the Government increases spending on vital community services for Older People including Home Help hours, Home Care Packages, Day Care and Meals on Wheels to relieve any greater pressure on Acute Hospitals and the Nursing Homes Support Scheme which is already

¹⁵ Age Action Pre-Budget 2014 submission

¹⁶ Warmer Homes – A Strategy for Affordable Energy in Ireland

¹⁷ European Commission (2012) Pension Adequacy in the European Union 2010-2050

heavily oversubscribed. Respond! is urging the Government to increase spending on the aforementioned services thus preserving the dignity of many Older People who want to grow old with dignity in their own homes.

It is important that Carers Allowance, Half Rate Carers Allowance and the Respite Grant which are crucial supports to people caring for an older person or a person with specific needs and requirements maintained in their full value. As stated previously Respond! believes that the Government should maintain the Fuel Allowance at its current rate and protect this vulnerable group from energy poverty.

(Mental Health)

- **Promote continued improvement within the mental health services and supports through the promised annual spend of €35 million for community mental health services.**

Respond! promotes continued improvement in mental health services and supports and family member collaboration. The government's mental health policy, *A Vision for Change*, published in 2006, was to be implemented by 2016. This document was aimed at changing the medicalised hospital-based services to modern, multidisciplinary, recovery-focused and community-based mental health services. The programme for government made a commitment to invest €35 million annually in community mental health services and it is essential that this commitment is honoured.

Respond! has invested significantly in its own research, named *Better Being*. This research showed that up to 30% of mothers and 21% of their children on our social housing estates suffer from significant mental health difficulties. We are undertaking community intervention programmes to respond to this startling finding and we have sought government assistance from three ministers to support our initiatives: to no avail. We have also offered to undertake parallel studies on some local authority estates and received approval in principle from Dublin City Council and Cork City Council Directors of Housing and the Manager of Laois Co. Council. No support yet is forthcoming from Government. Such a study would be essential in a response to mental ill-health in low-income communities as well as offering a significant perspective on how anti-social behaviour might be more thoroughly understood in these communities.

(Childcare)

- **Urge the Government to consider the possibility of enhancing Community Childcare programmes in disadvantaged communities by placing a greater emphasis on programmes which deliver improved Child / Parent Outcomes. Specifically, we would call on the Government to significantly increase the funding available under the Area Based Response to Child Poverty Programme 2013 -2016.**

Respond! feels it would be a great shame if the current discussions around funding and delivery of early education, neglected to consider the possibility of enhancing Community Childcare services aimed at improved outcomes being delivered. Powerful evidence suggests positive and engaged parents have a major influence on their child's overall achievements¹⁸. Children learn rapidly from their early days and their experiences in their early years alongside direct involvement from their parent/s lays down the strong foundation for their future development.

¹⁸ Joyce L. Epstein (2011) *School, Family, and Community Partnerships*

Respond! believes that this recently announced programme affords the sector the opportunity to deliver better and enhanced outcomes from services users. Respond!'s experience of delivering childcare in disadvantaged communities¹⁹ across the country has identified a real need to strengthen the parent/child relationship. We are confident that an inter-agency approach to the delivery of pre-school services, which increases the capacity of the parent and by extension, strengthens the bond between parent and child will have long lasting benefits to families and within the Community.

Respond! therefore welcomes the recent announcement by the Department of Children and Youth Affairs to launch the new Area Based Response to Child Poverty Programme 2013 – 2016, which focuses on prevention and early intervention pre-school childcare, and is aimed at increased parental support and involvement.

¹⁹ Respond! has significant experience in the constitution and delivery of child-care services across our estates. We have 26 centres which cater for pre-schooling and after-schooling, and in our FETAC education programmes we also deliver child-care certificates to qualified workers both within our own estates and generally.

4. CORPORATE PARTNERSHIP WITH GOVERNMENT

Since its foundation in 1982 Respond! has worked in willing partnership with many of the departments and agencies of the State. We recognise that it is only through the joint interaction and cooperation between the organs of State and the voluntary and community sector that the people whom we both purport to serve can be adequately provided for.

In particular in relation to the Department of the Environment, Respond! recalls here that over many of these last 30 years we have had excellent working relationships with the officials, and many of the ministers, in that department. However, we detect a less than harmonious relationship in recent times due to our opposition to what we considered to be unfair demands being made by Government on our sector, which may redound negatively also on our residents. We set out some of the contentious issues in the following:-

Recommendation 10:

(Private) Residential Tenancy Board:

- **Rescind proposals to include the AHB sector under the remit of the PRTB and engage instead with the Ombudsman to provide the necessary oversight remit for the sector.**

The Residential Tenancies Bill/Act (RTA) currently before the Oireachtas brings the AHB sector in under the (Private) Residential Tenancy Board. While Respond! supports services of oversight to the advantage of all tenants we consider that the vehicle for such oversight should not be a body set up for private tenancies in the main, but rather one which is already in existence – and open to increased authority – namely, the Ombudsman. The Ombudsman is currently the body charged with handling complaints in respect of local authority social housing: it is more appropriate for this body to include the AHB sector in its remit. (We attach a more comprehensive examination of this proposal in the Appendix.) The following table shows up the cost of registration of tenancies proposed for our sector under the PRTB;

	Approved Housing Bodies	Local Authority Sector	Private Rented Sector	Totals
No. of Rented Houses	24,453 (5%)	130,810 (28%)	319,649 (67%)	474,912 (100%)
Average Rent p/week per unit:	€ 48.83	€ 51.75	€ 180.00	
Cost Registration with PRTB:	€ 1,100,385	No registration	€ 28,768,410	€29,868,795
Cost of Annual Re-registrations	€ 220,077	No registration	Say at 10% Vacancies €2,876,850	€3,096,927 pa
Cost of Local Property Tax	€2,200,770	€11,772,900 gross €2,354,580 nett	€28,768,410 gross * nett €0	
Tax Recoupable?	From Differential Rent: Unsure re legality:	80% recouped as above + differential rent	Recoupable from rent increases	

Reports have shown that the PRTB is not fit for purpose and is too convoluted and expensive in its operations. Our neighbour, the UK Housing Sector, has just one Social Housing Ombudsman whose powers have been recently enlarged (Localism Act) to deal with all social housing, at a fraction of the cost and of the bureaucracy inherent in the PRTB set up. Last year Respond! had discussions with the Ombudsman and were encouraged that she would have no objections to including the AHB sector under her remit if so charged by law.

Respond! has set up its own inhouse complaints procedure (a copy is available on request) and is launching its Independent Complaints Panel at the end of August, 2013. The panel is composed of the following personnel:

The independent Appeal Panel consists of the following:

- Sarah-Jane Hillery - Practicing Barrister at Law
- Lorraine Lally - Practicing Barrister at Law
- Donal Connolly - Retired County Manager, Waterford County Council.
- Ruairi De Burca - Practicing Solicitor
- Matthew Merrigan - Retired civil servant
Previously worked in the State Office of the Ombudsman

It needs to be noted that local authorities are not obliged to register with the PRTB even though they have social housing remits almost identical to those of the AHBs. However, if a local authority leases some of its social housing to an AHB for management purposes, even for as short a period as say five years, immediately the AHB comes in under the remit of the PRTB. Not only will the AHB be obliged to pay for the registration of these units with the PRTB but it will also have to undertake to ensure that they are up to the standards demanded under the RTA – at the cost of the AHB! This is unjustly discriminatory.

Recommendation 11:

Finance Act 2013:

- **Waive the property tax liability for the AHB sector in relation to its social housing product:**

The Table above shows the financial impact the annual property tax will have on our sector: a sum of €2.2 million pa (on top of the initial registration cost with the PRTB of €1.1ml, and subsequent annual cost of some €220,000 pa thereafter). Local authorities are also obliged to pay property tax but in their case they collect the tax and can retain some 80% of it for local government purposes. AHBs do not have any recoupment option but to charge the extra costs onto our tenants which we consider to be highly discriminatory.

CONCLUSION:

Respond! is making this submission at a very difficult time for citizens in Ireland. We acknowledge that there are difficult choices ahead for Government to chart the move ahead from austerity to investment and growth. A €2.5 billion fiscal adjustment is what is required under the austerity target, however this volume of austerity, on top of what has already been invoked over the last five years, will further erode funding for services for the most vulnerable. The weakest and most marginalised of Irish society have suffered disproportionately. We urge the government to build a pathway in 2014 which will lead to growth and investment. In particular, we counsel the review of social and integrated housing in such a fashion that it is discussed and planned within a remit towards a Comprehensive National Housing Plan. Respond! is open and willing to play its full part in such a process.

Respond! will be available to give any further information or answer any queries which may be required on foot of this submission. We thank you for the opportunity of presenting it to you.

Patrick Cogan, ofm

August 19, 2013.

(CEO, Respond!)