

Pre Budget Submission
2022



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Priority Actions for Budget 2021

We call on the Government to consider the following recommendations for Budget 2022

Financing and building more social & affordable homes

1. Capital Investment Budget for Social Housing:

Budget 2021 needs to ensure Approved Housing Bodies (AHBs) can continue to play our part as high performing organisations delivering new homes. We recommend a defined capital budget on a multiannual basis to facilitate a sustained programme of building at lowest possible cost by Approved Housing Bodies (AHBs).

2. Cost Rental Equity Loan (CREL) Scheme:

There is a need for accelerated funding as part of the Cost Rental Equity Loan (CREL) scheme to broaden the scope of projects which can be explored. The same approach that applies to the Capital Loan Advanced Facility (CALF) scheme should apply to this CREL scheme where it is possible, to get approval for projects to be constructed and funded over more than one year.

3. Agree time period for the phasing out private sector leasing:

Private sector leasing has an inflationary effect on the cost of land and construction and it does not provide tenants with lifetime homes. It is welcome that the Government has committed to the phasing out private sector leasing in *Housing for All*. A time period for this phasing out now needs to be agreed in the short term to mitigate long term negative impacts.

4. Construction costs:

Government must address escalating costs as a priority by seeking to increase productivity, expanding resources available within the country and innovative methodologies. This includes measures to reduce costs of housing and an implementation plan to provide for the human resources required as identified in *Housing for All*. We are happy to work with the Department of Housing, Local Government and Heritage to explore these issues.

5. Mica Redress:

We already have some indication that mica may be an issue in some of the homes we provide. This will place a significant and, arguably for some, unsustainable financial burden on any AHBs with mica affected stock. Approved Housing Bodies (AHBs) should be included in any mica redress scheme.

6. Value for Money:

Government supported housing delivery programmes and tax incentives for investors should be prepared, analysed and evaluated with a view to ensuring Value for Money and that they do not inflate the cost of land and/or construction.

7. Part V:

Respond fully support the restoration of Part V to 20%, including social and affordable housing as part of *Housing for All*. We are concerned about the significant time lag until full implementation, which means the increase will not apply to a) 80,000 homes already approved for planning permission and b) land sold between 2015 and 2021. We understand that there may be legal and /or constitutional constraints which restricted the application this provision. However, we recommend that further consideration is given to these legal and/or constitutional constraints, especially for b above, with a view to introducing this measure more rapidly.

8. Reverse the classification of Approved Housing Bodies:

The commitment in the *Programme for Government* for the Government to work to reclassify Approved Housing Bodies (AHBs) off Government balance sheet was welcome. A time-bound plan is required to achieve this, with Government support, particularly from the Department of Housing, Local Government and Heritage and the Department of Finance.

Improving lives in our communities

9. Housing for Older people:

Funding to ensure the full implementation of the actions in *Housing for All* that will enable increased housing options for older people to facilitate choice and ageing in place.

10. Homelessness:

A Housing First pilot for Families should be included in the *Housing First National Implementation Plan* due for review later this year. The Dublin Region Homeless Executive (DRHE) pilot scheme to convert Local Authority and AHB owned emergency accommodation facilities to own-door permanent social housing tenancies, as committed to in *Housing for All*, should be implemented quickly.

11. Early years and School Age Care Services:

We call on the Government to fully implement the national early years' strategy, First 5. First 5 identifies new measures that will address poverty in early childhood. In particular, the introduction of a DEIS-type model for ELC settings will help to narrow the gap for disadvantaged children.

About Respond

Respond, an Approved Housing Body and service provider, has been working all around Ireland for 39 years. Our vision is that every family and individual in Ireland will have high-quality housing as part of a vibrant and caring community. Housing and decent accommodation, in the areas where people want to live, are central to improving people's lives and enhancing the health and well-being of society. Approximately 12,065 tenants live in 4,834 homes across the 26 counties that we either own or manage; of these, there are 4,580 Respond social housing tenancies.

Respond also provide a range of services for families and individuals within our communities. This includes emergency accommodation with 24/7 support for families who are homeless in six Family Homeless Services, three Day Care Services for Older People, 17 Early Childhood Care and Education, Family Support and Refugee Resettlement services. Our aim is to provide person centred services to support people to achieve their goals and reach their full potential.

Approved Housing Bodies (AHBs)

AHBs are not-for-profit organisations that have a social purpose to provide for people's housing needs by working in close co-operation with the Government, local authorities and relevant agencies. In particular, Housing Alliance members work in partnership with local authorities to support the provision of housing and, in many cases, additional supports. They provide affordable rented housing for people who cannot afford to buy or rent their own homes.

For further information contact

Niamh Randall
Head of Advocacy and Communications
Ph: 085 8588384
E: Niamh.randall@respond.ie

1. Financing and building more social and affordable homes

The current housing crisis is, at its core, a crisis in housing affordability and it is having negative impacts on the overall housing market with wider impacts on health, transport and the economic sustainability of the country. Most significantly, it has left people living in homelessness or in housing insecurity with 8,212 people in emergency accommodation in August 2021¹ while 61,880² remain on the social housing waiting list. There were 59,821 Housing Assistance Payment (HAP) tenancies in Quarter 4 2020³. Recent research⁴ from the Irish Human Rights and Equality Commission (IHREC) and the Economic and Social Research Institute (ESRI) has identified significant disadvantages experienced by some groups in relation to the Irish housing systems. These groups include lone parents, young people, migrants, people with disabilities, Travellers and others.

State funded social and affordable housing is essential to society. Affordability will be greatly enhanced through the delivery of social and affordable homes by Local Authorities, Approved Housing Bodies (AHBs) and the Land Development Agency on a not-for-profit basis. Private sector banks, lenders, funders, developers, construction firms and professional service providers will have a key role in providing services to these groups at fair, for-profit prices that ensure value for money for the taxpayer.

Respond, as an Approved Housing Body (AHB) and service provider, welcomed the publication of *Housing for All – A New Housing Plan for Ireland* and the *National Development Plan 2021 –2030*. We are looking forward to working with the Department of Housing, Local Government and Heritage and other statutory partners to help make these plans a reality and provide more social and affordable homes for people who need them. We support the Government's determination to tackle these issues. We welcome the multi-annual Capital Investment Budget committed to under these plans. This is essential to allow for planning and maximum efficiency. Respond are pleased to be selected for participation in the Cost Rental Equity Loan (CREL) scheme. We have already been involved, with our partners, in delivering the 50 cost-rental homes on Enniskerry Road as part of the Cost Rental Pathways project, currently under construction. We welcome the multi-annual commitment to cost rental homes in *Housing for All*, beyond the initial pilot programme.

We are committed to playing our part. We currently have 1,602 homes in construction and on site. We own and manage almost 5,000 social homes across the 26 counties and we have committed to building 3,500 over the lifetime of our current strategic plan, 2019-2023. We have already built over 60% of these homes so we are well on the way to meeting our target. We are focused on finding practical solutions, delivering more homes for people that need them, maintaining comfortable homes for our existing tenants and supporting communities where people want to live.

¹ Department of Housing, Local Government and Heritage February 2021 report, published August 2021. Available online at: <https://www.gov.ie/en/publication/e28d6-homeless-report-august-2021/>

² Housing Agency (2020) Summary of Social Housing Assessments 2020. Available online at <https://www.gov.ie/en/publication/970ea-summary-of-social-housing-assessments-2020-key-findings/>

³ Department of Housing, Local Government and Heritage HAP Exchequer Spend Landlord Payments 2019 – 2020 <https://www.gov.ie/en/collection/6060e-overall-social-housing-provision/#housing-assistance-payment>

⁴ IHREC and ESRI (2021) Monitoring Adequate Housing in Ireland <https://www.ihrec.ie/app/uploads/2021/09/Monitoring-Adequate-Housing-In-Ireland-Sept-2021.pdf>

Recommendations

Capital Investment budget for social housing: We believe all stakeholders (Department of Housing, Local Government and Heritage, Local Authorities, Approved Housing Bodies and the Land Development Agency (LDA)) have important roles to play. Clarity about budgets available will avoid confusion, ensuring the focus on the expertise each stakeholder brings in terms of delivering much needed additional homes. Budget 2021 needs to ensure Approved Housing Bodies (AHBs) can continue to play our part as high performing organisations delivering new homes. We recommend a defined capital budget on a multiannual basis to facilitate a sustained programme of building at lowest possible cost by Approved Housing Bodies (AHBs).

Cost Rental Equity Loan (CREL) scheme: There is a need for accelerated funding as part of the Cost Rental Equity Loan (CREL) scheme to broaden the scope of projects which can be explored. The same approach that applies to the Capital Loan Advanced Facility (CALF) scheme should apply to the Cost Rental Equity Loan (CREL) scheme, where it is possible to get approval for projects to be constructed and funded over more than one year. In addition, a comprehensive review of the pilot Cost Rental Equity Loan (CREL) scheme is required to capture the learning and ensure a sustainable long-term model for affordable rental housing going forward. A safety net (protection) for AHBs in the long-term in the event that the market changes and cost rental homes are no longer affordable is an essential component.

Agree time period for the phasing out private sector leasing: It is a long and strongly held view of Respond that private sector leasing is not value for money and we welcome the report from the Department of Public Expenditure and Reform that upholds this view⁵. Private sector leasing has an inflationary effect on the cost of land and construction and does not provide tenants with lifetime homes. It is welcome that the Government has committed to the phasing out private sector leasing in *Housing for All*. A time period for this phasing out now needs to be agreed in the short term to mitigate long term negative impacts.

Construction costs: Respond has concerns that the escalating costs of building new homes could become a major threat for delivery on the scale proposed within available resources. Our in-house multi-disciplinary development team includes architects, quantity surveyors, planners, technicians and more, who carefully and proactively manage each construction project. Government must address escalating costs as a priority by seeking to increase productivity, expanding resources available within the country and innovative methodologies. This includes measures to reduce costs of housing and an implementation plan to provide for the human resources required as identified in *Housing for All*. We are happy to work with the Department of Housing, Local Government and Heritage to explore these issues.

Mica Redress: As a national social housing provider, we have a strong presence in the West and North West of Ireland with a number of homes in Donegal, Sligo, Mayo and Clare, working alongside other national and local Approved Housing Bodies (AHB) housing providers. The mica issue is affecting many homes and estates across these North and North West counties, and the impact on owners and occupiers of such homes is significant. We already have some indication that mica may be an issue in some of the homes we provide. This will place significant and, arguably for some, unsustainable financial burden on any AHBs with mica affected stock. Approved Housing Bodies (AHBs) should be included in any future mica redress scheme.

⁵ Department of Public Expenditure and Reform (2018) "Spending Review Current and Capital Expenditure on Social Housing Delivery Mechanisms." Available online at <https://assets.gov.ie/7306/1c928b26874e4433b3d11c1172702528.pdf>

Value for Money: Tax incentives for investment funds, combined with generous leasing schemes, result in increases in the cost of land and distort the housing market to the disadvantage of affordability, social housing and first time buyers (ultimately also impacting on the Exchequer). Government supported housing delivery programmes and tax incentives for investors should be prepared, analysed and evaluated with a view to ensuring Value for Money and that they do not inflate the cost of land and/or construction.

Part V: Respond fully support the restoration of Part V from 10% social housing to 20% social and affordable housing as part of *Housing for All*. Part V is an effective way of ensuring some of the gains from growing private housing supply go towards those at the lower end of the income distribution⁶. We are concerned about the significant time lag until full implementation, which means the increase will not apply to a) 80,000 homes already approved for planning permission and b) land sold between 2015 and 2021. We understand that there may be legal and/or constitutional constraints which restricted the application this provision. However, we recommend that further consideration is given to these legal and/or constitutional constraints, especially for b above, with a view to introducing this measure more rapidly.

Reverse the classification of Approved Housing Bodies: The commitment in the *Programme for Government* to achieve the reclassification of Approved Housing Bodies (AHBs) off Government balance sheet was welcome. *Housing for All* does not set out the Government approach to achieving this goal. A time-bound plan is required to achieve reclassification, with Government support, particularly from the Department of Housing, Local Government and Heritage and the Department of Finance.

2. Improving lives in our communities

Housing does not exist in isolation but as part of a community impacted by the wider socio-economic context. Poverty, inequality and disadvantage significantly affects some areas, estates and communities around the country. Respond provide Family Homeless Services to help address housing disadvantage and exclusion. It is vital that new housing developments, so badly needed, also have vital community infrastructure such as those that Respond provide – Early Years and School Age Care services, Day Care Centres for Older People, Refugee Resettlement Services and Family Support. We work to promote social inclusion, integration and self-sufficiency. Local services such as these can be the glue that creates and binds a community together.

Housing for older people

Respond has always had a particular focus on the housing and other support needs of older people within Irish society. As well as our housing work, we are also the providers of three Daycare Services for Older People. The housing and support needs of older people are often different to the housing needs of the general population. They may be seeking smaller accommodation, sometimes without stairs due to mobility issues. They often welcome the opportunity to be in a complex where they can meet with other older people.

The population of people over 65 years of age is set to increase. According to CSO data in 2016, the population aged 65 years and over increased by 19.1% between 2011 and 2016 to 102,174. The need to provide a range of housing options for this cohort has become increasingly important. The 2020 *Programme for Government* provided a welcome commitment to age-friendly housing for older people and to providing an appropriate mix of housing design types, including universally designed units, accommodation for older people and people with disabilities. This includes

⁶ National Economic and Social Council, (2011). "Approaches to Land Management, Value, and Betterment" *Housing in Ireland: Background Paper 7*. Available online at: http://files.nesc.ie/nesc_background_papers/NESC_112_bg_7.pdf

commitments to task local authorities to work with Approved Housing Bodies, co-operatives, private developers and Age Friendly Ireland on the development/redevelopment of older person housing. This is further reinforced in *Housing for All* where we welcome commitments to provide real options and choice for older people and prevent early admissions to nursing homes including the provision of purpose built homes by AHBs.

Recommendations

Housing for older people: Funding to ensure the full Implementation of the actions in *Housing for All* that will enable increased housing options for older people to facilitate choice and ageing in place.

Homelessness

Homelessness is not randomly distributed across the population; it is most likely to affect those on low incomes and living in poverty and those in vulnerable populations. People who have disabilities are twice as likely to be homeless⁷ and those from the Traveller community are nine times as likely as the general population⁸. Research undertaken in Ireland indicates that homelessness has profound impacts on the basic needs, social and emotional development, and school life of children. The effects of homelessness on children include feelings of low self-esteem and isolation leading to self-harm, to exhaustion and developmental delays and illness^{9,10}. There are no figures currently available for the number of children born into homelessness in Ireland.

Lone parents have a disproportionate experience of homelessness in Ireland, while they constitute around a quarter of all families in Ireland, they represent 60% families who are homeless¹¹ with the majority of these households headed by a female. This is further complicated for women when they are pregnant with health concerns for both mother and child. In addition, there can be difficulty accessing healthcare and prenatal programs, which can result in potential prenatal complications going unnoticed¹².

⁷ Central Statistics Office, (2016) Census 2016 Results: Profile 5 – Homeless Persons in Ireland. Available online at:

<https://www.cso.ie/en/csolatestnews/pressreleases/2017pressreleases/pressstatementcensus2016resultsprofile5-homelesspersonsinireland/>

⁸ Grotti, R., Russell, H., Fahey, É., Maître, B., (2018) Discrimination and Inequality in Housing in Ireland (IHREC and ESRI,). Available online at: <https://www.ihrec.ie/app/uploads/2018/06/Discrimination-and-Inequality-in-Housing-in-Ireland.pdf>

⁹ McKenna, G., Scanlon G., (2019) Home Works: A Study on the Educational Needs of Children Experiencing Homelessness and Living in Emergency Accommodation p. 46. Available online at https://www.childrensrights.ie/sites/default/files/submissions_reports/files/Home%20Works%20Study%20on%20the%20Educational%20Needs%20of%20Children%20Experiencing%20Homelessness%20-%20Full%20Report.pdf

¹⁰ Irish Human Rights and Equality Commission, (2019) “Comments on Ireland’s 14th National Report on the Implementation of the European Social Charter”. Available online at: <https://www.ihrec.ie/documents/comments-irelands-14th-national-report-implementation-european-social-charter/>

¹¹ St Vincent Depaul (2019) Working, Parenting and Struggling? An analysis of the employment and living conditions of one parent families in Ireland. Available online at <https://www.svp.ie/getattachment/6cd5834e-a8cf-48bf-b14c-82227aa5bc61/Working,-Parenting-and-Struggling-Full-Report.aspx>

¹² Homeless Hub. Homelessness, reproductive health & pregnancy. Available online at: <https://www.homelesshub.ca/blog/homelessness-reproductive-health-pregnancy>

The solution to homelessness is access to secure and affordable homes with support for those who need it so commitments to ramping up supply are key in this context. A review of international evidence suggests that prevention services work best when they are universally accessible and part of a broader homeless strategy that involves rapid rehousing services and a strong supply of housing¹³.

As a service provider, Respond welcomes the commitments on homelessness in *Housing for All*, including the commitment to work towards ending homelessness by 2030 in line with the Lisbon Declaration, which the Irish Government signed earlier this year. The expansion of Housing First and the commitment to publishing an updated *Housing First National Implementation Plan* is welcome. We know Housing First works and Respond is an active supporter of the programme. Enhanced tenancy sustainment supports for families in long-term homelessness, who are continuing to access emergency accommodation, and increased healthcare supports for those experiencing homelessness are positive commitments. However, we are concerned about the continued reliance on Housing Assistance Payment (HAP). Respond provide emergency accommodation with 24/7 wraparound support for families experiencing homelessness in six services, five in Dublin and one in Limerick. Our experience and learning from providing these services is that own door accommodation is the preferable option to support autonomy, independence and family functioning.

Recommendations:

Housing First: A Housing First pilot for Families should be included in the (updated) *Housing First National Implementation Plan*, which is due for review later this year.

Pilot to convert emergency accommodation for families to own door accommodation: The Dublin Region Homeless Executive (DRHE) pilot scheme to convert Local Authority and AHB owned emergency accommodation facilities to own-door permanent social housing tenancies, as committed to in *Housing for All*, should be implemented quickly.

Early Years and School Age Care Services

The provision of high quality and affordable early childhood care and education in community settings is critical to sustainable communities. A child's right to early education should not be based on the economic status of their parents. The 2020 ESRI report *Child Poverty in Ireland and the Pandemic Recession*¹⁴ clearly highlights that children coming from households where parents are unemployed, or inactive, are at significantly higher risk of poverty or deprivation. The National Childcare Scheme (NCS) represents a significant shift in Government childcare policy, from a child centred approach to a work activation model, where unemployed parent(s) are entitled to fewer or no subsidised hours of childcare for their children compared to children of working parents or parents engaged in education or training.

¹³ Pleace, N. (2018) *Preventing Homelessness: A Review of the International Evidence* available online at <https://www.simon.ie/Portals/1/EasyDNNNewsDocuments/223/Preventing%20Homelessness%20-%20A%20Review%20of%20International%20Evidence.pdf>

¹⁴ Economic and Social Research Institute (2020) <https://www.esri.ie/publications/child-poverty-in-ireland-and-the-pandemic-recession>

Recommendations

First 5: We call on the Government to meet their commitment in the national early years' strategy, First 5. First 5 identifies new measures that will address poverty in early childhood. These include expanded access to free and subsidised Early Learning and Care, extension to the Warmth and Well-Being and Warmer Homes Schemes, Community Cooking Programmes and the introduction of a meals programme to some ELC settings.

DEIS type model for ELC settings: In particular the introduction of a DEIS-type model for ELC settings will help to narrow the gap for disadvantaged children.

Early Intervention and Family Support

In Respond, we are committed to developing diverse communities empowering individuals, families and communities to reach their full potential and we provide Family Support and Refugee Resettlement Services working in communities around the country.

Increasingly, evidence supports an understanding that some people face severe multiple disadvantages all at the same time with poverty featuring as the significant background factor. The more extreme the severe and multiple disadvantage is the greater the role poverty plays¹⁵.

The impact of austerity and the reduction in funding for the Community and Voluntary sector with the onset of the economic crisis has been well documented.^{16 17} The effect of these cuts and the reduction in support and community services have been significant with communities suffering multiple disadvantage and cohorts of people, especially young people, being left behind¹⁸.

It is clear individual organisations dealing with the impact of these changes on a daily basis cannot solve these issues alone. A whole system approach is needed to address severe and multiple disadvantage in communities all round Ireland, with sustained collaboration and coordination at all levels. The people and communities impacted need to be involved in any and all such processes¹⁹. Early intervention and prevention is key. Research in Scotland, *Hard Edges Scotland*, documents the numerous 'missed opportunities' for preventative interventions²⁰.

It is welcome to see commitments on strengthening early intervention and family support services in the *Programme for Government*, working with families who are experiencing difficulties and may be struggling. This includes investment in community and voluntary family support services and youth work recognising their value in preventing harm and in responding to the needs of vulnerable families.

Recommendations

Early intervention and family support: Community based early intervention and family support services must be resourced to improve the quality of life for all in our communities.

¹⁵ Fitzpatrick et al (2019) *Hard Edges Scotland*. Available online at:

<https://lankellychase.org.uk/resources/publications/hard-edges-scotland/>

¹⁶ Hearne, R (2015) *The Silent Destruction of Community Growth*. Available online at:

<https://www.irishexaminer.com/viewpoints/analysis/the-silent-destruction-of-community-growth-345068.html>

¹⁷ Harvey, B (2014) *Sate Funding and dissent presentation at NUIM conference Local resistance, global crisis*, 13th June 2014. Available online at:

<https://www.maynoothuniversity.ie/sites/default/files/assets/document/Brian%20Harvey.pdf>

¹⁸ Ruane, L (2019) 'We need to change society radically from the ground up'. Available online at:

<https://www.thejournal.ie/readme/opinion-lynn-ruane-argues-that-strong-communities-are-crucial-to-strong-democracies-4484364-Feb2019/>

¹⁹ Fitzpatrick et al (2019) *ibid*

²⁰ Fitzpatrick et al (2019) *ibid*