



Priority Actions for Budget 2023

September 2022

About Respond

Respond, an Approved Housing Body and service provider, has been working all around Ireland for 40 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.

14,144 tenants live in 6,443 homes across the 26 counties that we either own or manage; of these, there are 5,536 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.

High Park | Grace Park Road | Drumcondra | Dublin 9 | D09 N2N7

 @RespondHousing

www.respond.ie

Contact:

info@respond.ie | 01 808 7700

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We call on Government to consider the following recommendations for Budget 2023



A sustainable supply of social and cost rental homes

01

Enhancements and Improvements to Capital Advanced Leasing Facility (CALF) funding

The current review of the structure and operation of Capital Advanced Leasing Facility (CALF), has been accelerated to report in Q3 2022, which is very welcome. The review will take account of the more recent viability issues that have arisen due to inflationary pressures and should consider the following:

- Introduction of some grant based funding to complement CALF loan finance.
- Extending the length of the loan term; reducing the CALF interest rate and; increasing the Payment and Availability (P&A) agreement rate up to 95%.

These will help address the viability issues in social housing delivery and would be similar to previous models that were in place in Ireland in the past.

02

Refine the Cost Rental Equity Loan (CREL) scheme to improve viability

Cost Rental Equity Loan (CREL) funded schemes require varying levels of equity from Approved Housing Body's own reserves. This is not a viable and replicable model for the increased delivery of future cost rental homes. Ways the viability of the scheme could be improved include:

- Converting CREL funding from a loan to grant and/or a combination of both would alleviate the pressure on gearing ratios and minimise future debt repayment obligations. Ultimately, this will allow Approved Housing Bodies to facilitate viability of larger schemes and deliver more social and affordable homes.
- The funding model should be flexible to facilitate future increases in costs including interest rates between the time of initial application and the completion of the scheme.

03

Tailored funding to increase housing supply in non-urban areas

The current model of funding requires tailoring to facilitate housing delivery in non-urban areas and support sustainable developments and communities. We recommend:

- Additional grant funding to complement any shortfall in viability arising from debt funding through CALF and Payment and Availability (P&A) funding and/or;
- An increase in the agreed level of P&A agreement applied, to meet the Debt Service Cover Ratio, so that schemes return a positive cash flow.

04

Facilitate land supply and acquisition for Approved Housing Bodies

- Create a separate funding mechanism for site acquisition by Approved Housing Bodies. This could be done by extending the Croí Cónaithe fund to Approved Housing Bodies developing social and cost rental homes.
- Public and State lands could be made available to Approved Housing Bodies for the delivery of social and affordable homes. This will help speed up housing delivery and keep costs of construction down.



Maintaining quality homes and services

05

Increase the funding for deep retrofitting of social and affordable homes

Increase the percentage of grant available to Approved Housing Bodies and social housing tenants up to 100%, similar to that provided to Local Authorities, to target those homes and households most in need of these retrofitting works.

07

Review the funding model for Capital Loan and Subsidy Scheme (CLSS) properties

- Replace the model of funding for CLSS properties with a sustainable financial model that covers the actual costs of managing and maintaining homes over their lifetime. Increase the Management and Maintenance Subsidy by at least €1,000 p/a up to the expiry of the loan term and/or;
- Provide for a Payment and Availability (P&A) agreement, such as that in place for properties funded under the CALF scheme mentioned above.

06

Mica and defects redress Schemes

We welcome the inclusion of AHBs in the redress scheme to be introduced under the *Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Bill 2022*. This scheme should be:

- Introduced without delay and should fully cover all costs incurred in remedying mica and construction defects. Claims should not be time limited.
- Developed in partnership with Approved Housing Bodies to ensure it is easy to access and administer, and addresses all relevant issues.

08

Differential rents

- Whilst we agree the timing for completion of the *Housing for All* action 5.1, 'to reform the Differential Scheme' might be best delayed, it is a significant issue that requires a considered review. We ask that such a review is not delayed further.
- Approved Housing Bodies should be included in this review process, given the significant impacts of any future rent system on the long term sustainability of the properties and the overall viability of the AHB sector.



Investing in communities and pursuing social justice

09

Housing First Pilot for Families

- Allocate funding to pilot Housing First for Families who have additional support needs to reduce the time spent in emergency accommodation.
- Ensure families can access any required wraparound supports to maintain their new home.

10

Supporting families, children and young people in homeless services

Provide the additional financial resources to ensure all children and teenagers living in Family Homeless Services have equal access to the services of a Child and Youth Development Worker.

11

Assessing needs of children with additional needs

- Ensure financial provision for all 'Assessments of Need' take place within acceptable timescales.
- The supports children require must be put in place immediately following assessment. It would be welcome to see commitments to timelines and targets for delivering on this.

12

Funding for improved access to Early Learning and School Age Care (ELSAC)

- Increase core funding, taking into account both inflation and any agreed sector pay scales.
- A refocus on the National Childcare Scheme (NCS) is required that encompasses both universal and targeted subsidies and a national communications plan to promote the NCS to all parents.
- Extend the Access and Inclusion Model (AIM), beyond the ECCE scheme so that children who require additional supports can access them as early as possible.

13

Cost of living

Given the cost of living crisis is disproportionality impacting low income families and those already living in poverty it is essential that Budget 2023 includes some measures to address this for immediate implementation including:

- Increase core social welfare rates ahead of projected inflation to protect households on low incomes and those on fixed incomes against the rising cost of living.
- Provide additional resources for households that are furthest behind i.e. disabled people and their families, one parent families, children, and older people living alone.
- Ensure low-income households can meet unexpected expenses by improving the adequacy of and accessibility to the Additional Needs Payment Scheme. Resources should also be invested in frontline services to reduce wait times for application and processing.
- Ensure the Fuel Allowance is set at an adequate level. We support the St Vincent DePaul in their call for Fuel Allowance to be paid for 32 weeks and to increase the weekly amount by €15 (in line with home energy inflation) to a weekly amount of €48.
- Improve the targeting of supports for people at risk of energy poverty. Currently, households in work and on low pay receive no support for energy costs. Budget 2023 should extend the Fuel Allowance to recipients of the Working Family Payment (WFP).