

# Call for Tenders: Evaluating the Classification of Approved Housing Bodies (AHBs) in Ireland



## Introduction

This research is jointly commissioned by The Housing Alliance who are a collaboration of seven of Ireland's largest Approved Housing Bodies (AHBs): Clúid Housing, Circle Voluntary Housing, Co-operative Housing Ireland, Oaklee, Respond, The Iveagh Trust and Tuath Housing.

The Housing Alliance was formed to promote the delivery of social and affordable housing by larger AHBs, to address barriers and challenges to delivery, and to promote strong professional approaches to housing management.

Members work collaboratively on a range of issues, while also retaining their independent status. All are regulated by the Companies Registration Office, the Approved Housing Bodies Regulatory Authority and the Charities Regulator.

To deliver much-needed social housing, the Housing Alliance works in partnership with the Department of Housing, Local Government and Heritage; local authorities; the Housing Agency; a range of funding partners; and the private sector. Collectively, the Alliance is responsible for over 44,000 homes nationwide.

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.

The Government recognises that AHBs are central to meeting Ireland's social and affordable housing needs. Under Housing for All, 47,600 new social homes are to be provided between 2022-26; the government target is that AHBs will provide 40% of these – equivalent to more than 21,000 social homes. In 2023, Housing Alliance members collectively provided 5,325 new homes, representing 18.3% of the Government's overall target of 29,000 homes.

In 2018, Eurostat and Central Statistics Office (CSO) took the decision to reclassify Ireland's largest AHBs, placing them on the government balance sheet. The purpose of this research project is to evaluate what has changed in the sector in terms of financing, governance, and risk management since the decision was taken, and the extent to which the basis for that decision may have changed. Additionally, it will assess and evaluate the current and potential impacts on AHBs, both positive and negative, of remaining on balance sheet. The final report will conclude with recommendations for next steps in terms of the classification of AHBs in Ireland.

## Background

Following the recommendation of Eurostat in 2018, the Central Statistics Office (CSO) made the decision to reclassify a number of AHBs from the category of Non-Profit Institutions Serving Households (NPISH) to the local government sub-sector. This included all of the largest tier-3 AHBs.

Within the sector, this decision has been considered a potential threat to the ability of AHBs to continue delivering social and affordable housing at scale. AHB expenditure now appears on the State balance sheet meaning it falls under the remit of EU fiscal rules, specifically the EU Stability and Growth Pact.

A significant body of work has been carried out by individual AHBs, the Housing Alliance and the Irish Council for Social Housing (ICSH) on this issue. Members of the Housing Alliance and ICSH also sat on an Interdepartmental Working Group comprised of representatives from a range of government departments.

To date, the tangible impact of the reclassification of the AHB sector appears to have been minimal. During the Covid-19 pandemic, to allow for urgently required increased spending on health and social welfare, EU fiscal rules were effectively suspended under the 'general escape clause'. However, in March 2023 it was confirmed that the general escape clause would be deactivated by the end of the year.

Following this, in early 2024, EU fiscal rules have come under review. While minor tweaks have been made, the core rules will remain the same. This means

*'a risk-based and differentiated technical trajectory expressed in terms of multiannual net expenditure to member states where government debt exceeds the 60% of gross domestic*

*product (GDP) reference value or where the government deficit exceeds the 3% of GDP reference value.'*

With AHB spending on balance sheet, activity in the sector contributes towards the national debt and is counted when assessing compliance with EU fiscal rules.

Most recently, the report of the Housing Commission, published in May 2024, referenced the classification issue, stating,

*'The Government currently spends more on housing than any other European country relative to GDP (GNI\* for Ireland). This is partly due to the on-balance sheet nature of the Approved Housing Body (AHB) sector. Given vulnerabilities and spending pressures in the public finances, there will be constraints to increasing this to any greater significant extent.'*

In light of this renewed focus on how AHBs are classified in Ireland, it is important to ascertain how the sector should proceed in order to ensure AHBs can continue to deliver high-quality social and affordable housing and excellent services to tenants/residents.

## **Research Objectives**

### ***Assess Changes in the Financing, Governance, and Risk Profile of the AHB Sector Since Eurostat's Decision***

Decisions regarding the classification of organisations involves an assessment of the financing, governance, and risk profile of a sector. Much has changed for AHBs in all of these areas since 2018. A primary objective of this project is to assess these changes and their relevance to the classification of AHBs.

### ***Assess Future Trends in Financing, Governance, and Risk Profile of the AHB Sector Since Eurostat's Decision***

Looking at planned and projected activity in the sector, the project should address continued change in the coming years.

### ***Evaluate the continued Accuracy of Classification of Irish AHBs***

Assess the appropriateness of the current classification of AHBs in light of changes in the sector since 2018 and the projected direction of the sector. As part of this process, the researcher should engage with AHB representatives, Eurostat, the CSO, the Housing Commission, the Department of Housing, the Department of Finance, the Department of Public Expenditure and Reform, and any other relevant stakeholders.

### ***Comparison with the Classification of Comparable Irish and European Organisations***

Identify comparable Irish and international organisations which are on/off State balance sheets. Evaluate the principles and consistency of their classification compared to that of Irish AHBs.

## ***Assessment of Current and Future Impact of Classification on AHBs***

Analyse the current and future benefits and drawbacks of AHBs remaining on the State balance sheet considering financial, operational, and regulatory perspectives.

## ***Recommendations***

Provide strategic recommendations for Irish AHBs and policymakers regarding the classification of the sector. Consider the potential alternative classifications available to the sector, the benefits and drawbacks of each, and develop a roadmap for the sector to achieve the most appropriate classification.

## **Expected Outcomes**

### ***Clarity on Changes in the AHB Sector Since Eurostat's Decision and Analysis of Projected Direction of the Sector***

Detailed, evidence based understanding of relevant changes in the financing, governance, and risk profile of AHBs since 2018. Additionally, analysis should be provided on the projected direction of the sector in these areas in the coming years.

### ***Assessment of Criteria Accuracy***

Evaluation of how accurately Eurostat's classification criteria currently applies and is likely to apply based on AHB's projected delivery and funding requirement to the largest Irish AHBs.

### ***Consistency of Classification Amongst Comparable Organisations***

Evidence based analysis of the consistency in applying classification criteria across comparable Irish and European organisations.

### ***Impact Analysis***

Comprehensive analysis of the current and future benefits and drawbacks of AHBs remaining on the government balance sheet.

### ***Strategic Recommendations***

Actionable recommendations for policymakers and AHBs highlighting the actions which may be required to achieve the more appropriate classification for the sector based on the research findings.

### ***Publishable Final Report***

A final research report of publishable quality.

## **Proposal Requirements**

The proposal should demonstrate a clear understanding of the overall research topic and the research questions.

All applications submitted must address:

- Information on the principal researcher (contact and background information, current curriculum vitae, evidence of previous relevant research experience) and any co-researchers, if applicable.
- Abstract of the proposed research project.
- Demonstrate an understanding of the research topic and the role of Eurostat and the CSO in the classification of AHBs.
- Overall approach to methodologies
- Proposed budget
- Brief list of additional supports for this proposal, if any (grants, awards, etc.)
- Contact details for two relevant referees.
- Details of any actual, perceived or potential conflicts of interest.

## Evaluation criteria

Evaluation criteria will include:

- The extent to which the proposal addresses the objective set out above
- The extent to which the proposal adds to existing research/knowledge
- The clarity of the research proposal
- The applicant's understanding of the research topic
- The strength of the methodological model and proposed analysis
- The relevant experience and research record of the applicant(s)
- The ability/resources of the applicant to complete the project within deadlines

Applications will be assessed by the Research Advisory Group consisting of representatives from participating Alliance members and colleagues from the Irish Council for Social Housing (ICSH).

Successful applicants will be required to:

- Provide regular progress reports (3-6 pages) and attendance at review meetings with the Research Advisory Group as required.
- Supply a current tax clearance certificate. The commissioning organisations reserve the right to seek additional information and/or interview tenderers in connection with its assessment of their tenders. It is anticipated that a number of tenderers will be shortlisted for interview.

The lead contact person and other key members of the research team should be available to attend the interview. The commissioning organisations will not be held liable for any costs incurred by tenderers in relation to the tender submission or the assessment/interview process.

The commissioning organisations reserve the right not to award the contract in the event that no tender is found to be suitable.

## Eligibility

Applications are invited from independent researchers, post-graduate researchers at institutions of higher education, housing organisations, accountants, economists, and anyone with relevant educational and professional experience. The tender is open to both Irish and other European applicants.

## Budget

The budget available for the research will be a maximum of **€70,000**. The final amount will be awarded in line with the merit of the proposal and on the basis of the proposed budget outlined in the application. Applications can be for sole funding, but proposals for projects that have already received other financial support will also be considered.

The funding amount is all-inclusive, i.e. no additional payment is available for expenses or other disbursements. Please note the quote will also need to be inclusive of VAT if chargeable.

The commissioning organisations will manage and cover the costs of publishing the research report and a public launch.

Payment will be made in 3 stages, linked to the approval of progress reports and completion of the final report. Details of disbursement will be agreed with the researcher selected.

The recipient will be responsible for ensuring that any taxation that is applicable is paid in full.

## Submission of tenders

Tenders should be submitted by email attachment as a single PDF or Microsoft Word document (with researcher CVs as appendices) to: [adaly@cluid.ie](mailto:adaly@cluid.ie) receipt of tenders will be acknowledged. Closing Date for applications is **Friday 13/12/24**.

It is envisaged that the tender will be awarded between **December 2024 to January 2025**. The final report will be due by **the end of 2025** with initial results and a detailed progress report due by **June 2025**.

## Terms and conditions

### *Ownership*

Clúid Housing is the contracting partner.

The seven Housing Alliance members are the joint commissioning organisations and will remain the owners of all end-products including, but not limited to, research data, reports, manuals or other documentation, programmes, information, etc., irrespective of whether or not the project is completed. The contractor's work shall be acknowledged by the commissioning organisations in materials produced and disseminated on the basis of work completed under this contract.

Proposals for scholarly/academic publishing under the name(s) of the researcher(s) arising from this research can be discussed with the commissioning organisations, as owner of the data and other products of the research, and are to be subject to prior approval in writing from the commissioning organisations.

## ***Conflict of interest***

Any registered interest involving the contractor and any of the commissioning organisations, their staff or relatives must be fully disclosed in the response to this Invitation to Tender, or should be communicated to the commissioning organisations immediately upon such information becoming known to the contractor. In any case, such information must be made available prior to the award of the contract. The terms "Registered Interest" and "Relative" shall be interpreted as per Section 2 of the *Ethics in Public Office Act 1995*. Failure to disclose a conflict of interest may disqualify a tenderer or invalidate an award of contract, depending on when the conflict of interest comes to light.

## ***Freedom of information***

Information supplied in respect of this tender may be disclosed by the commissioning organisations under the terms of the *Freedom of Information Act*, unless it is exempt from Disclosure under that Act (e.g. personal information or commercially sensitive information where the public interest in non-disclosure outweighs the public interest in disclosure). Tenderers are invited to indicate if they consider any information supplied to be sensitive. Under Section 29 of the Act, any tenderer must be consulted by the commissioning organisations before any decision to disclose such information.

## ***Changes to invitation to tender***

The commissioning organisations reserve the right to update or alter the information contained in this document at any time, but not later than seven days before the closing date for the receipt of tenders. Participating tenderers will be informed as the need arises. There is no obligation on the commissioning organisations to accept the lowest cost or any tender, and it may be decided, following the review of the tenders, not to proceed or to proceed with a new invitation to tender or an amended version of the proposed research.

## ***Data Protection***

Researchers must comply with GDPR regulations and protect any personal or confidential data gathered during the project. This includes secure storage and controlled access protocols for all data. Applications should include a clause for data retention and disposal post-project, ensuring researchers do not retain or disclose findings without approval.

Data submitted by applicants will be held on a secure Clúid Housing server and will only be shared with members of the project working group for the purposes of selecting a successful applicant. All data related to applications will be deleted once a researcher has been selected and confirmed. More details on Clúid's data protection policy can be found on the [Clúid website](#).