



**NOTIFICATION TO ATTEND MEETING OF THE HOUSING SPC  
TO BE HELD IN THE COUNCIL CHAMBER, CITY HALL, DAME STREET, DUBLIN 2.  
ON THURSDAY 11 OCTOBER 2018 AT 3.00 PM**

**AGENDA**

**THURSDAY 11 OCTOBER 2018**

		<b>PAGE</b>
1	Minutes of meeting dated Thursday 6th September 2018 and matters arising	<b>3 - 6</b>
2	The Future of Council Housing: An analysis of the financial sustainability of local authority provided social housing	<b>7 - 18</b>
3	AOB	<b>19 - 20</b>
	Proposed schedule of SPC occurrence for 2019	



# HOUSING STRATEGIC POLICY COMMITTEE MEETING

THURSDAY 6TH SEPTEMBER 2018

## ATTENDANCE

Cllr. Members		Officials
Chris	Andrews	Brendan Kenny, Assistant Chief Executive
Janice	Boylan	Anthony Flynn, Executive Manager
Christy	Burke	Eileen Gleeson, Director DRHE
Anthony	Connaghan	Eileen Quinlivan, Executive Manager
David	Costello	Darach O'Connor, Senior Executive Officer
Patrick	Costello	Mary Hayes, Administrative Officer
Daithi	Doolan	Shane Hawkshaw, Senior Executive Engineer
Pat	Dunne	
Alison	Gilliland	
Andrew	Keegan	
Ray	McAdam	
Críona	Ní Dhálaigh	
Cieran	Perry	
Éilish	Ryan	
Norma	Sammon	
Sonya	Stapleton	
External Members		
Aoife	Delaney	Disability Federation of Ireland
Aideen	Hayden	Threshold
Francis	Doherty	Peter McVerry Trust
Pat	Greene	Dublin-Simon-Community
Kevin	White	Alone
Jill	Young	Irish Council for Social Housing

### Apologies

Cllr Alison Gilliland  
Cllr Patrick Costello  
Cllr Norma Sammon  
Aideen Hayden – Threshold  
Pat Greene – Dublin Simon Community  
Jill Young – Irish Council for Social Housing

### Other Cllrs present:

Ardmhéara Niall Ring  
Cllr Mary Freehill  
Cllr John Lyons

### Others:

Lois Kapila – Dublin Inquirer

## **1. Minutes of meeting dated Thursday 5<sup>th</sup> July 2018 and matters arising**

**Agreed:** Minutes Agreed.

## **2. Chairperson's Business:**

- **Correspondence**
- **Update on Sub-Groups**
  - **Condensation -**

**Agreed:** Letter shall be sent to DHPLG from SPC in relation to unlocking the potential of the private rental market in addressing housing needs for many people with a disability.

## **3. Housing Management Update**

- **Report on Cost Rental proposal for Emmet Road (St. Michael's Estate)**

Discussion Followed

**Agreed:** Report Agreed.

- **Report on Depot Re-organisation (Sites)**

Discussion Followed

**Agreed:** Report Noted.

- **Mechanical and Energy Efficiency Division Programme Update**

Presentation delivered by Shane Hawkshaw, Senior Executive Engineer.

Discussion Followed

**Agreed:** Presentation Noted.

- **Homelessness Report**

Discussion Followed

**Agreed:** Report Noted.

**Agreed:** Information about funding to voluntary/charity sector in respect of service delivery shall be forwarded members.

- **Housing Supply Report**

Discussion Followed

**Agreed:** Report Noted.

**Agreed:** Members can e-mail queries to DCC Management post meeting.

- **Traveller Accommodation Report**

Discussion Followed

**Agreed:** Report Noted.

- **Review of Scheme of Lettings Priorities**

Discussion Followed

- **Regeneration Programme Report**

Discussion followed.

**Agreed:** Report Noted.

#### **4. AOB**

Dialogue followed discussing people with disabilities accessing DCC services.

Chair thanked all for their attendance,

**Cllr. Daithi Doolan**  
**CHAIRPERSON**





## The Future of Council Housing:

An analysis of the financial sustainability of local authority provided social housing

text

365,350 council houses and flats provided

22.2 per cent of the total Irish housing stock.

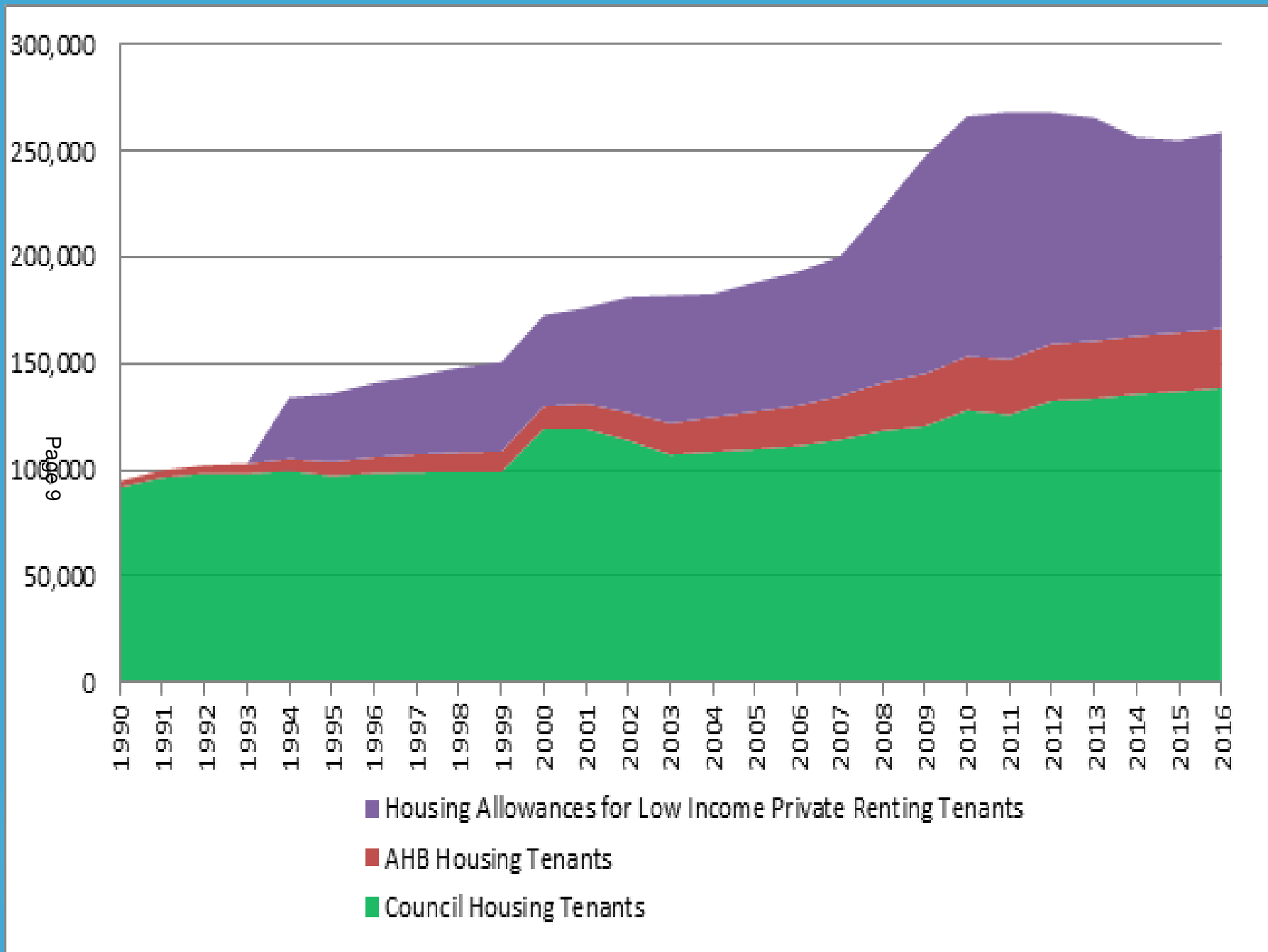
Houses 8.7 per cent of all households and 30.4 per cent of all renters.

Affordable, good-quality and secure accommodation.

Increased the size and quality of the housing stock.







# Rationale and Aims

- Government reports flag concerns about the affordability, efficiency and value for money of council housing.
- Some suggest that alternative sources of accommodation for low income households are better value and more flexible.
- Complex issue to assess and never done in a robust fashion.
- Report aims to assess the financial sustainability of council housing and generate recommendations to increase its future financial sustainability.
- *Rebuilding Ireland* promises greater investment in council housing - must do in a way which is affordable for the government and provides the high quality and affordable housing service for tenants



# Research Methods

- Review of policy and research.
- Interviews with national policy makers.
- Analysis of statistics and financial data on council housing:
  - output
  - capital and current expenditure
  - rental income and arrears
  - tenancies, waiting lists and empty dwellings.
  - management and maintenance quality and spending.
- Case studies of five local authorities.
- Workshop with council housing managers from around the country.



# Conclusions

## **More Council Housing is Required, Particularly in Urban Areas.**

- HAP and rent supplement operate effectively in weaker housing markets.
- They are not operating effectively in urban areas where rents are high and housing supply limited.
- AHB social housing provision is also valuable but homelessness and waiting lists cannot be resolved successfully without higher rates of council housing output.

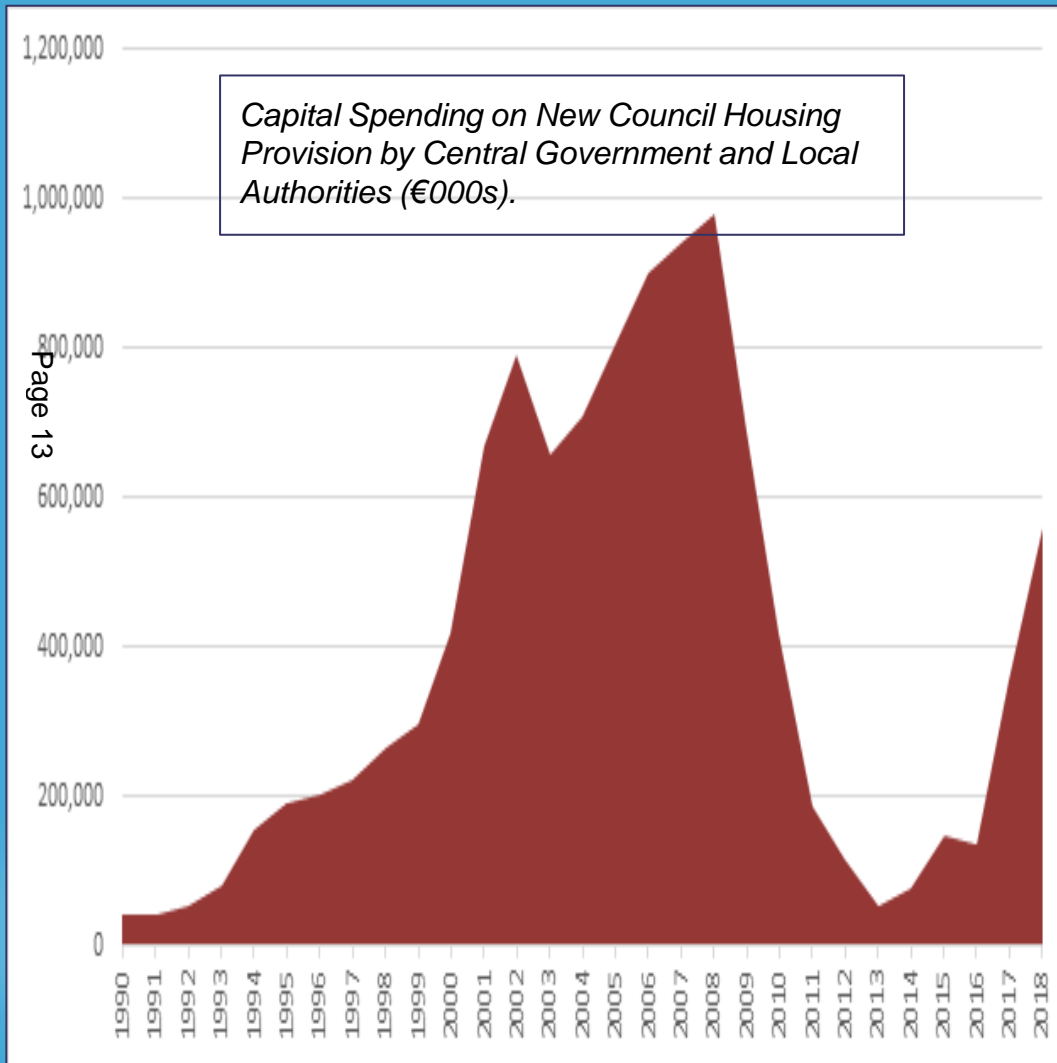
## **National Housing Policy and Funding Doesn't Meet Local Housing Needs.**

- Most capital funding for council housing is provided by the Department of Housing.
- Slow and unnecessarily bureaucratic approvals system.
- Property tax system redistributes revenue from local authorities where housing need is high to areas of low housing need.



# Conclusions

## Central Government Capital Grants are an Inefficient Mechanism for Funding Council Housing Provision



- Challenging for the Exchequer to afford particularly during recessions.
- Resulted in a boom/bust and pro-cyclical pattern of housing output.
- Generates inefficiencies in housing and land procurement and staffing

# Conclusions

## Funding Model Requires Selling of Council Housing at a Loss

- Local authorities are obliged by government policy to sell council housing to tenants at a discount of up to 60 per cent of market value.
- Local authorities rely on their income from sales to fund council housing management and maintenance.
- Accounting procedures disguise the full costs of this policy.

## Rents Generate Inadequate Funding for Council Housing Management and Maintenance

- Rents are linked to tenants' incomes and averaged €50.63 a week per dwelling in 2015.
- Insufficient to fund planned maintenance and upgrading of dwellings.
- Over reliance on central government regeneration and upgrading grants.
- Inefficient funding model because:
  - dwellings which haven't been maintained for 20 years, require more spending to upgrade than dwellings which are regularly maintained.
  - no incentive to re-let dwellings swiftly when they become vacant.

# Recommendations

## Minor Management and Administrative Changes

- Require local authorities to ring fence income from rents to spend on council housing.
- Remove maximum rents from council housing rent determination schemes.
- Allow for the compulsory deduction of council housing rents from social welfare payments.
- Regularly conduct comprehensive condition surveys of the council housing stock.
- Review the *Local Government Accounting Code of Practice* to bring it into line with international standards of transparency and disclosure for councils' housing operations.
- Value the council housing stock and record valuations in local authorities' accounts.
- Condense and streamline the Department of Housing's approval process for new council housing developments.



# Recommendations

## Medium Scale Reforms

- Suspend the tenant purchase scheme for council housing.
- Remove the availability of successor tenancies (i.e. the ability to inherit a council housing tenancy).
- Build smaller council housing units to enable tenants to downsize.
- Enable urban local authorities to keep more property tax revenue to spend on council housing.
- Use income from property taxes on council housing to establish sinking funds.
- Extend the shared services model to organise some council housing services on a regional basis.





# Recommendations

## Radical Restructuring of Arrangements for Funding Council Housing

- Link rents to the cost of council housing provision not to tenants' incomes. Make HAP available to council tenants who can't afford to pay these 'cost rents'.
- Enable local authorities to borrow some or all of the costs of council housing provision. These loans would be remunerated using 'cost rents' and the proceeds of property taxes.





# 2019

## Housing SPC Proposed Dates

January 19

M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	●	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

February 19

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18	19	20	●	22	23	24
25	26	27	28			

March 19

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April 19

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29	30					

May 19

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June 19

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July 19

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15	16	17	●	19	20	21
22	23	24	25	26	27	28
29	30	31				

August 19

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26	27	28	29	30	31	

September 19

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October 19

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14	15	16	●	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

November 19

M	T	W	T	F	S	S
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11	12	13	14	15	16	17
18	19	20	●	22	23	24
25	26	27	28	29	30	

December 19

M	T	W	T	F	S	S
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9	10	11	12	13	14	15
16	17	18	●	20	21	22
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