



Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

Report to Housing SPC

Date: Wednesday 29th July 2020

Item No. 5

To the Chairperson and Members of the Housing Strategic Policy Committee

Report on the proposed use of approved housing bodies to assist in the implementation of the Dublin City Social Housing Programme.

Approved housing bodies (Housing Associations and Co-operatives) are not for profit bodies that provide and manage social housing. There are over 500 approved housing bodies in Ireland with a stock of nearly 30,000 homes (6,000 in Dublin City).

They have been central to Government social housing delivery for many years now and are regarded as a key partner for Local Authorities under the Re-Building Ireland Housing Strategy.

There is also specific reference to them in the new Programme for Government (June 2020) for their role as deliverers of social and affordable housing in the coming years and for their expansion in this area of work.

A Regulation Office was established within the Housing Agency in 2014 as the Agency was given the responsibility for regulating Approved Housing Bodies. The mission of the Regulation Office was to protect social housing assets and ensure a quality service to tenants by regulating well-governed, well-managed and financially viable Bodies.

This Regulation Office is about to be placed on a Statutory footing with the creation of a new agency and the appointment of a Chief Executive which will oversee approved housing bodies in respect of their financial viability, governance, management and compliance with the Regulatory Framework. Approved housing bodies also come within the remit of the National Charities Regulatory Authority and the Companies Office.

Dublin City Council have a key role with this sector in relation to the transfer of land and property to them for the provision of Social Housing, the oversight of financing and delivery, and the nomination (100%) of tenants for new and vacant units.

We are in the process of strengthening our own oversight and inspection role in view of their expanding involvement with City Council Housing Programmes. As agreed with the Housing SPC last year we have developed a Memorandum of Understanding (MOU) that will be signed off by DCC and all Approved Housing Bodies who have social housing stock in the city. (See appendix).

A key part of this MOU is how approved housing bodies will facilitate a strong and ongoing relationship with City Councillors recognising their democratic and representative role in the city and particularly with local communities.

The bulk of all new properties acquired and developed by approved housing bodies is now funded by way of private finance. They are assisted in servicing these loans by a subsidy under the Government's payment and availability agreement with the Local Authority in whose area the properties are located. In order to receive the availability payment from the Local Authority, the approved housing body must make the properties available for social housing to eligible nominees from the Local Authority.

There are a number of factors that will determine what would happen to an approved housing body's housing stock in the event of it being wound up.

- Memorandum of Association
- Mortgages
- P&A Continuation Agreements

Memorandum of Association

In the event of wind up or dissolution the Memorandum of Association will prohibit the distribution of its assets amongst its members. Instead, any assets remaining after all debts are settled, must be given or transferred to another body with similar objectives (i.e. another social housing provider).

Mortgages

Any assets which are still held subject to a mortgage will revert to the charge holder. For Capital funded schemes, the charge holder will be the Local Authority in whose area the properties are located. For properties held by way of a private finance mortgage, the property will revert to the lender, however the provisions of the payment and availability continuation agreement will also apply.

Payment and availability continuation agreement

The agreement that is entered into between approved housing bodies, banks and Local Authorities provides comfort to tenants, local authorities and lenders in the context of the winding up or dissolution. On a winding up, the payment and continuation agreement allows local authorities to step in and arrange for another approved housing body to assume responsibility for the management of the social housing tenancies in return for the availability payments being made directly to the lender, until such time as a more permanent arrangement is put in place. This ensures that notwithstanding any dissolution the social housing tenants will be able to remain in their homes. In the event that further loans are taken out on the property in the future it must be borne in mind that the title which they hold to the property will be the same. In other words the property must still be used for social housing purposes so any lending institution is aware of that when granting the loan. It will not be possible therefore for that lender to dispose of the property otherwise than in accordance with that condition.

- Approved housing bodies are now subject to a number of regulatory regimes, including the Companies Office the Charity Regulator and the Housing Regulator (soon to be put on statutory footing) and are accountable to their stakeholders.
- They are not free to deal with their assets in any way they wish. They must use their assets in accordance with their charitable objects, and any surpluses generated must

be applied back to benefit their charitable aims. Their members/directors do not derive any personal financial gain.

- Covenants will be placed on title to ensure the property continues to be used as social housing.
- There are severe financial implications if they fail to comply with their loan obligations to use their properties for social housing.
- They will not receive their availability payment (subsidy) unless properties are used for social housing purposes.
- On a winding up, the assets cannot be distributed amongst its members, instead, they will be transferred to another similar body with charitable aims.

The interests of Dublin City Council and the needs of social housing tenants are well protected by the approved housing body sector.

Dublin City Council has a Housing Stock of over 25,000 dwellings that far exceeds the level of Housing Stock owned by all of the Approved Housing Bodies in Dublin City. Over the coming years we will be adding to this 25,000 figure and there are certainly no plans for the Council to get out of the business of direct housing build.

We now have a very significant delivery pipeline of social housing (The largest in over 20 years or more) in the city and we will need the assistance and partnership of approved Housing Bodies in order to deliver *some* of this challenging pipeline in order that the overall programme can be achieved in a shorter timeline.

In addition to new construction, Dublin City Council will have a very challenging Regeneration Programme over the next 10 to 20 years that will involve major retrofitting and demolition/re-build projects. There can also be a positive role for Approved Housing Bodies on *some* of these Regeneration Projects.

Dublin City Council is currently moving towards the delivery of affordable purchase and cost rental housing where again we see a key role for Approved Housing Bodies to assist the Council in developing these two particular housing programmes over the coming years.

The scope to give further opportunities to approved housing bodies for the provision of social housing in the city in partnership with the Council will be limited over the coming years because land is not plentiful. Over recent years we have ramped up our capacity to deliver most of the housing programme that is in the pipeline but the more partners we have the better in order to speed up such delivery.

Approved housing bodies have a very strong and positive track record of delivery over recent years in the city and are currently completing a number of new and very welcome schemes, some on land sourced themselves or in partnership with private developers. Others are by way of sites transferred to them by the Council during the period 2008 -2013 at a time that there was very little funding available to Local Authorities but approved housing bodies were able to access borrowings from the Housing Finance Agency etc.

The two areas where we do see further opportunities for approved housing bodies are:

- Some of the many regeneration projects involving our older apartment developments in particular the senior citizen complexes.
- Land that will be vacated over the coming years by moving several operational Council depots to the proposed central operational depot in Ballymun.

These opportunities will materialise by transferring the property or land to a selected approved housing body and **each** transfer will require the approval of City Council Members under the provisions of Section 183 of the Local Government Act 2001 subject to the following:

- Most of the opportunities involved will relate to housing for older persons with strong scope for downsizing and the DCC financial contribution scheme.
- Developments will be progressed using the Local Authority Part 8 process and this process will have to be approved before proceeding to a Section 183 disposal.
- Ongoing consultation with local councillors and adjacent communities.
- 100% nomination rights to lettings and future vacancies for DCC
- All approved housing bodies will sign the MOU with DCC.

We have already initiated a process of consulting with each Area Committee on some of the proposals for regeneration schemes and for the depot sites. This process will continue.

Brendan Kenny
Deputy Chief Executive
29th July 2020

Appendix:

Memorandum of Understanding Between Dublin City Council and Approved Housing Bodies

1. Dublin City Council will have 100% nomination rights to allocations on all AHB housing schemes, including for all casual vacancies that will arise at schemes in the future.
2. Dublin City Council (Allocations Section) will work in partnership with the above AHB on the allocations system to ensure that all allocations are made and dwellings occupied in an efficient and timely manner in line with Dublin City Council's Scheme of Letting Priorities.
3. Dublin City Council, Area Management staff (Area Housing Manager and Area Community Development Officer) and City Councillors will work closely with management/staff in AHBs on local community issues such as anti-social behaviour and community development initiatives etc.
4. Senior Management in Dublin City Council and in AHBs will ensure there is a process in place to ensure that there is a strong and ongoing working relationship between Dublin City Council Local Management staff, City Councillors and local management staff in AHBs.
5. Approved Housing Bodies will give appropriate recognition to Dublin City Council for its support e.g. land and funding etc. in the context of promoting any new housing development or extension/refurbishment to same. This recognition will also apply to promotion on social media etc.
6. Approved Housing Bodies will acknowledge and respect the important role of Local Public Representatives (City Councillors) and the advocacy/representative input that they have in local communities including for Housing Schemes and tenants of the Approved Housing Bodies.
7. Approved Housing Bodies will liaise and communicate as necessary with City Councillors and respond efficiently to their questions and representations on behalf of tenants in their Housing schemes within the conditions and protocols of the current General Data Protection Rules (GDPR) legislation. Approved Housing Bodies will develop specific guidelines under GDPR in relation to information relayed to and from City Councillors similar to current arrangements within Dublin City Council.
8. Approved Housing Bodies will agree to attend and make a presentation once a year to the Local Area Committee (five Area Committees in the City) relating to their housing schemes in that particular area. This will include contact details of local management and other key staff who will be available to deal with City Councillors enquiries etc. Approved Housing Bodies will commit to notifying City Councillors and Dublin City Council management of any changes in their local management personnel etc as they arise.
9. Dublin City Council Management will commit to notifying Approved Housing Bodies of relevant personnel, contact details and of any changes that arise.
10. Dublin City Council will commit to supporting and co-operating with Approved Housing Bodies in a spirit of partnership on an ongoing basis.

