

Thank you chair and members of the Committee to allow the Irish Council for Social Housing (ICSH) to address you, and engage with you today, which is probably the most significant issue affecting the sector in recent years. My name is Donal Mc Manus, CEO of the Irish Council for Social Housing (ICSH) I have my two colleagues present Ms Karen Murphy ICSH Director of Policy, and Mr Gene Clayton, Chair of the ICSH Housing Development & Supply Working Group, and Chair of Housing Europe, Finance Governance and Internal Market Committee as well as CEO of the Iveagh Trust. We have included a number of papers on the issue which the ICSH had prepared last year, and since the recent CSO recommendation last December.

As a background, the ICSH is the national federation of housing associations with over 250 members who collectively own and manage over 32,000 homes at affordable rents for families, older people, people with disabilities, the homeless and single people. The ICSH is part of Housing Europe, the EU social housing federation which has over 22 million homes in the social housing sector, including those owned and managed by housing associations throughout Europe. One common factor with all these jurisdictions, is the support from the state, directly or indirectly, to house people in the social housing sector, including housing associations or approved housing bodies as referred to in Ireland. With no state support, it is unlikely many of those households in the social housing sector would not be housed.

Over the last 15 years the approved housing body sector in Ireland has increased from just under 10,000 homes in management, to over 32,000 homes in ownership and management. Members of the ICSH, comprise larger Tier 3 bodies, managing over 300 homes to 5,000 homes located throughout the country with significant plans and programmes for delivery, to those local and regional Tier 1 and Tier 2 approved housing bodies, who provide often housing and related support services to vulnerable groups in local communities responding to specific local identified housing need and support services.

Therefore, there are a broad range of approved housing bodies who work in partnership with local authorities and the private sector in meeting housing need. The boards of approved housing bodies decide on their plans for in terms of delivery and output the sector. The highest output was previously achieved in 2009 when the sector provided 2,012 homes that year. With the changing funding environment since then, and the introduction and use of loan finance, as a new delivery mechanism, approved housing bodies will have provided in 2017 an estimated 2,000 new homes for people and families on the waiting list and in need of housing. This was delivered by new construction, acquisition and some leasing. It is likely up to half of this delivery will have been in the form of new construction. With additional vacancies that arise in the sector throughout the year, this will bring the total number of households that the sector accommodates in the region of 3,000 households.

The Government targets for delivery by approved housing bodies indicate a 1/3 of the 50,000 social rented homes to be delivered by 2021 under *Rebuilding Ireland*. A number of approved housing bodies are also actively engaged to deliver affordable and cost rental housing. For approved housing bodies using loan finance, they have significantly altered their organisational structure to reflect the need for finance and development expertise and new relationships with the private sector.

The recommendation by the CSO to reclassify Tier 3 bodies has caused concern within the sector in a range of areas, such as with the commitment to support existing AHB projects in the pipeline, and meeting government social housing targets, implications and impact for reclassified bodies on

borrowing and any new consent required, as well the proposed bill on AHB regulation to name a few areas.

In order to address the issues, if Eurostat were to confirm reclassification of Tier 3 bodies as well as subsequent Tier 2's and Tier 1's, it is important there is as much clarity as possible on the issues that influenced Tier 3 approved housing bodies being reclassified. Although the CSO pointed to three areas that influenced their recommendation on the reclassification to Eurostat, there is still further clarity required from Eurostat on a number of issues. Clarity is essential to ensure that there is not a 'moving of the goalposts' over the coming years with additional issues having to be addressed.

In the event of the Eurostat confirming reclassification, we need a process that involves cross Departmental support and input from the sector who is directly affected to address policy and operational issues that may need amending. The ICSH and members have been meeting on a regular basis and would welcome the opportunity to input in this process and build on the engagement we have had with the Department of Housing, Planning and Local Government. There does need to be a common objective by Government on what the overall strategic objective is (i.e. to return off AHB's off balance sheet) with reclassification which will then inform at an operational level what is required to effect changes. We believe that even focusing on the three areas that the CSO identified, all these issues can be resolved which allows to sector to further develop and outside the government sector. We are committed to working with all the key stakeholders to ensure there is not a disruption to housing delivery and we hope all other stakeholders would have the same commitment.

Donal McManus

CEO

Irish Council for Social Housing (ICSH)