

**Meeting of the Joint Oireachtas Committee on Housing, Planning,
Community and Local Government; Thursday 9 March 2017**

**Opening Statement of John McCarthy, Secretary General,
Department of Housing, Planning, Community and Local Government**

Introduction

Chair, members, myself and my colleagues are glad to be here again and to have the opportunity to update the Committee on the second quarterly progress report under the Rebuilding Ireland Action Plan for Housing and Homelessness, published on February 7th.

I am accompanied by a number of my colleagues from our Housing and Planning Divisions, all of whom are actively involved in the very significant programme of work underway to achieve full and timely delivery of the commitments set out in Rebuilding Ireland. Mary Hurley, Assistant Secretary and Nina Murray, Principal Officer from the Social Housing Delivery Division, Bairbre Nic Aongusa, Assistant Secretary leading on social housing policy, homelessness and rental policy, Niall Cussen, our Principal Planning Adviser and Barry Quinlan, Principal Officer who co-ordinates our overall implementation of Rebuilding Ireland.

Rebuilding Ireland – Second Quarterly Progress Report

I will briefly outline the key elements of progress during the final quarter of 2016, on a Pillar by Pillar basis, and, where possible, I will update the Committee on progress made since then.

Pillar One – Address Homelessness

The winter months and the period around Christmas are particularly challenging for families in emergency accommodation and people who are rough sleeping. The overriding objective of the Government's strategy on homelessness is to try to stem the flow of people into homelessness, to ensure that sufficient quality emergency accommodation is available, and to work to secure long-term sustainable homes for those families and individuals experiencing homelessness.

For those at risk of homelessness through mortgage arrears, Abhaile, the new national mortgage arrears resolution service, and the associated scheme of aid and advice for borrowers in mortgage arrears, were launched by the Tánaiste and Minister for Justice and Equality and the Minister for Social Protection. In addition, Minister Coveney announced significant changes to the Mortgage to Rent Scheme that are designed to support a major increase in the numbers of households benefitting. The changes will make Mortgage to Rent (MTR) quicker, more transparent, easier to navigate for borrowers and, ultimately, more accessible to more households in mortgage distress.

During the last quarter of the year, significant emphasis was also placed on delivering additional emergency accommodation for homeless people sleeping rough, with over 200 additional beds provided across a number of facilities in Dublin. Enhanced targeted supports were also made available in response to the specific needs of those in emergency accommodation, particularly families.

Some 2,700 sustainable exits from homelessness were achieved nationally during 2016, an increase of 16% on 2015. A significant contributor to this, and to preventing individuals and families entering homelessness in the first place, was the Housing Assistance Payment Homeless pilot in Dublin. Under the scheme, 810 stable housing tenancies were put in place in 2016, exceeding the target by nearly 50%.

For the first time in a very considerable period, we have seen some signs of the number of homeless families and the number of children in emergency accommodation appearing to stabilise and decline marginally. While this is of course welcome, there remains a very significant challenge to be addressed. The increased funding provided for homeless services this year, and the range of homelessness measures to be delivered under Rebuilding Ireland, will ensure that securing further, very substantial progress in this area will remain a top priority in 2017.

Pillar Two – Accelerate Social Housing

Pillar 2 is focussed on the delivery of an additional 47,000 social homes by local authorities and approved housing bodies through construction; refurbishment; acquisition and leasing. In addition, the national roll out of the HAP scheme will see it providing an important social housing solution for very significant numbers of households, including those currently in receipt of long term rent supplement.

The second quarterly report provided details of the social housing output in 2016 with nearly 18,400 social housing supports provided from a full housing budget

spend of €935 million, exceeding the target of 17,240. This included nearly 5,300 homes built, refurbished and acquired and 12,000 HAP tenancies.

We are seeing real progress in the social housing construction programme. When we were last here at the Committee I indicated that we would be publishing a full schedule of the pipeline of social housing projects and a report, setting out the position at end 2016, was published last month, showing over 500 projects, involving over 8,400 units, at various stages in the process. We will be updating this report on a quarterly basis, in tandem with future quarterly progress reports under Rebuilding Ireland.

In terms of the social housing construction project approval process within the Department, our main objective is to get good projects, that represent value for money and deliver quality homes, approved and built as quickly as possible. Therefore, building on the efficiencies gained from previous reforms to our approval process, we completed and published a further review setting out a number of additional steps that have the potential to bring further efficiencies and streamlining. We have set out a timeline for the implementation of these additional actions and we are actively engaging with the local government sector on this.

Delivery under Pillar Two is also crucial to delivering some of the key objectives under Pillar One. Following on from the establishment of a Rapid Build procurement framework by the Office of Government Procurement, we brought all the local authorities and the main Approved Housing Bodies together for a workshop on how the framework can help them in accelerating delivery. The Housing Agency has

been active in utilising its €70 million rolling fund to purchase vacant properties from banks and investment companies, signing contracts for 238 houses and apartments, with the sales of 82 of these now closed. Bids have been made on a further 98 properties. In addition, the onward transfers of the units to Approved Housing Bodies are being progressed, which is crucial in terms of replenishing the revolving fund, thereby facilitating further purchases.

In addition, the Housing Assistance Payment rollout to additional local authorities continued during Q4, with the scheme being activated successfully in a further 9 additional local authority areas. Subsequently, in the current quarter, the nationwide rollout of HAP has been completed with its introduction last week to the administrative areas of Dublin City Council, Fingal County Council and Dun Laoghaire-Rathdown County Council. We will report more fully on this in our next quarterly report. Eligible households in all 31 Local Authority areas can now avail of the scheme, with €153 million being made available for its operation in 2017. Progress to date this year under the scheme indicates that it is well on track to achieve its 15,000 household target for the year.

Pillar Three – Build More Homes

Pillar three is focused on accelerating the delivery of housing in the wider housing market and provides for a suite of actions, dealing with funding and financing infrastructure provision; active land management; planning reforms; and construction and design innovation.

A key area of work over the last few months has involved the assessment of proposals submitted under the Local Infrastructure Housing Activation Fund (LIHAF), which is now almost complete. I expect that this will allow an announcement to be made by the end of the month in relation to the successful infrastructure projects, which will open up land capable of delivering many thousands of new homes.

In terms of State land management, the survey of State lands with housing development potential, focussing on Dublin and the main cities and urban areas, is progressing well and the first phase of the mapping will be completed and published online in the coming weeks. This phase will also include mapped details of residential land zonings across the country, as well as local authority owned lands available for housing. We will be adding further layers of land mapping information to the system over the course of the second quarter.

As committed to under Rebuilding Ireland, we have developed a Monthly Housing Activity Report, the first of which was published last month. It showed that planning permissions were granted for over 16,000 new homes in the year to end September 2016, an increase of 45% on the preceding 12 months; Commencement Notices for 13,234 new homes were submitted in the year up to end December 2016, an increase of 51% year on year, and 14,932 new homes were completed during 2016, an increase of 18% on 2015. As indicated in the first report, we are continuing to work to refine our data indicators, working closely with the Central Statistics Office and other stakeholders. The next monthly housing activity report will be published in the coming days.

At a broad level, the indicators confirm that the upward trend in housing activity evident in recent times is gaining momentum and, having regard to wider economic growth projections and the increasing level of planning permissions and commencements in particular, should continue to gather pace and result in higher levels of output in 2017 and beyond.

Pillar Four – Improve the Rental Sector

Under Pillar 4, the key action during the period covered by the Q4 implementation report was the publication of the Strategy for the Rental Sector in December 2016. Among the main measures arising from the Strategy was the introduction of Rent Pressure Zones, initially in the four Dublin local authority areas and Cork city, with a further 12 areas designated subsequently on foot of a more granular analysis of the rents data. This means that rent increases are capped at 4% per annum for approximately 55% of tenancies nationally. Other legislative provisions introduced addressed issues of security of tenure and standards.

The Rental Strategy was the subject of a specific meeting of the Committee last month with some of my colleagues from the Department, along with representatives of the Residential Tenancies Board and the Housing Agency.

Pillar Five – Utilise Existing Housing

While building new homes is a key element of Rebuilding Ireland we also have too many empty homes and buildings across the country that need to be brought back

into use. Preliminary results from Census 2016 indicate that there are just under 200,000 vacant dwellings nationwide, representing between 9% and 10% of the overall national housing stock. Under Pillar 5, tackling vacant dwellings will be the subject of a specific Vacant Housing Re-Use Strategy which is being prepared by the Housing Agency at the moment, working with the Department and other stakeholders.

In the meantime, we have put in place a variety of schemes aimed at getting thousands of empty homes back into use. The Repair and Leasing Scheme launched with funding of €140m over 5 years to allow Local Authorities and Approved Housing Bodies to bring up to 3,500 vacant private houses into social housing use by 2021. An additional €26m is being provided to fund the accelerated national rollout of the scheme in 2017, which brings the total amount of investment available this year to €32m. This additional funding will mean that 800 vacant properties can be brought back into use as new homes for families on Local Authority waiting lists.

A Buy and Renew Scheme is also being introduced, with €25m in funding for 2017, which will enable local authorities and Approved Housing Bodies to purchase and remediate private housing units for social housing use. This is expected to enable 150 units to be secured for social housing purposes in 2017.

Conclusion

Chair, members, that was a quick summary overview of progress under each of the Pillars, with a particular focus on Q4 2016, which is the period covered by the

second progress report. I believe that the two progress reports published to date and the other information we have published show that we have made a solid start, but there is further significant work to do in accordance with the timelines set out in Rebuilding Ireland and we will be remaining fully focused on that. The next update, which will set out progress made on the Q1 2017 actions, provide an update on the position in relation to the delayed actions from Q4 last year, and have a look forward to the main issues for delivery in Q2, will be published in late April or early May.

Myself and my colleagues will be happy to respond to any questions that members may have.