

Opening Statement of Mr, Frank Curran
Chair of CCMA Housing, Building and Land Use Sub-Committee
Oireachtas Committee on Housing, Local Government and Heritage
Pre-Legislative Scrutiny of the General Scheme of the Affordable Housing Bill
Tuesday 2nd March 2021

Chairman, Members of the Committee, my name is Frank Curran, I am Chairman of the County & City Management Association sub-committee on Housing, Building & Land Use, and I am also Chief Executive of Wicklow County Council.

I am accompanied here today by Eddie Taffe, programme co-ordinator of the Housing Delivery Co-Ordination Office (which co-ordinates the delivery of social and affordable housing by Local Authorities) and Catherine Keenan, Director of Services, Housing, Dunlaoghaire Rathdown County Council.

Firstly, on behalf of the CCMA I would like to thank the committee for its invitation here today and looks forward to assisting the committee in its pre-legislative scrutiny of the Affordable Housing Bill.

As you are aware, all Local Authorities, along with Approved Housing Bodies, perform an extensive range of housing services, including a multi-billion Euro programme of new social housing construction across all parts of the country.

In the 10 year period up to 2008 Local Authorities delivered over 26,000 affordable homes and have extensive experience and knowledge of affordable housing as a result. While the emphasis over the past number of years has been on social housing delivery, Local Authorities welcome the new Affordable Housing Bill. Affordable housing delivers homes to middle income earners facing housing affordability challenges and when built along with social housing units enhances the sustainability of these communities. The addition of cost rental affordable housing to the delivery methods available to Local Authorities is also welcomed.

The majority of the provisions of the Bill are amendments to Part 5 of the Housing (Miscellaneous Provisions) Act 2009, and relate to intended improvements in the areas of assessment of purchaser eligibility, scheme of priority, charging period and the role of the Land Development Agency. Other key provisions cover cost rental and the affordable purchase shared equity scheme.

The CCMA is of the opinion that measures in the Bill, in particular Heads 3 to 8 inclusive, will give greater clarity and certainty to both Local Authorities and prospective purchasers.

Head 22 of the Bill inserts a legal definition of Cost Rental Tenancies. The provision of housing by Local Authorities & Approved Housing Body's via a cost rental tenancy is welcomed by the CCMA and will allow for a greater level of flexibility in providing housing solutions into the future.

The Primary delivery mechanism enabling Local Authorities to deliver affordable housing, at present, is the Serviced Site Fund. To date funding of almost €188 million has been approved in principle in support of 38 infrastructure projects in 14 local authority areas, which will assist in the delivery of almost 4,000 more affordable homes. Of these 140 homes will be delivered this year, with an additional 700 in 2022 and a further 1,500 in 2023.

It is important to note that currently the Serviced Site Fund is provided to support the cost of infrastructure associated with the construction of new affordable purchase homes on local authority lands. However, the financial ability of Local Authorities to deliver affordable housing at scale is dependent upon a simplified Serviced Site Fund bridging the entire gap between the full cost of provision of housing by a Local Authority and the affordable selling price.

The CCMA and the Housing Delivery Co-ordination Office have had on-going discussions with the Department in this regard.

The timeframe for the delivery of such projects must accommodate detailed design, the consultation process, planning, procurement and construction. As with all large projects of this type, the nature and scale of the developments will generally evolve as plans are progressed by local authorities. The provision of affordable housing by Local Authorities utilising funding via a simplified Serviced Site Fund will allow Local Authorities progress development of larger mixed tenure housing schemes delivering social, affordable purchase and affordable rental housing.

However, it should also be pointed out that Local Authorities are still dealing with the legacy of previous affordable housing programmes pre 2011. Currently Local Authorities have approximately 2000 unsold affordable dwellings with associated unfunded costs of c€350m. While all these dwellings are currently occupied as social housing units these legacy issues require resolution.

Local Authorities are currently assessing their remaining housing land bank and will be acquiring land over the next number of years upon which to further deliver social and affordable housing. Consideration is required on how best to fund these land purchases so as not to disproportionately impact on other Local Authority activities such as community and economic development.

The CCMA is of the opinion that Local Authorities are best placed to assess the level of demand for affordable housing in their functional areas. Therefore, any target setting for delivery of affordable housing needs to be very carefully considered by the Department and Local Authorities. The Departments work on the Housing Needs Demand Assessment will help to inform the level of demand for social and affordable housing on a Local Authority by Local Authority basis and the CCMA looks forward to further engagement with the Department in this regard.

To conclude, Chairman, the CCMA welcomes the measures in the Affordable Housing Bill and, coupled with the Serviced Site Fund, will allow Local Authorities deliver affordable housing in conjunction with the other suite of measures in the programme for Government.

Thank you.