

DÁIL ÉIREANN

AN COISTE UM THITHÍOCHT AGUS EASPA DÍDINE

COMMITTEE ON HOUSING AND HOMELESSNESS

Déardaoin, 2 Meitheamh 2016

Thursday, 2 June 2016

The Joint Committee met at 10.30 a.m.

MEMBERS PRESENT:

Deputy Colm Brophy,	Deputy Kevin Boxer Moran,
Deputy Mary Butler,	Deputy Eoin Ó Broin,
Deputy Ruth Coppinger,	Deputy Fergus O'Dowd,
Deputy Barry Cowen,	Deputy Maureen O'Sullivan,
Deputy Bernard J. Durkan,	Deputy Brendan Ryan,
Deputy Kathleen Funchion,	Deputy Mick Wallace.
Deputy Michael Harty,	

DEPUTY JOHN CURRAN IN THE CHAIR.

BUSINESS OF COMMITTEE

Business of Committee

Chairman: Good morning. We have a quorum and are now in public session. I remind colleagues again that mobile phones must be put in flight mode or switched off completely, as they interfere not just with the meeting but the recording and broadcast of proceedings. In accordance with standard procedures agreed by the Committee on Procedure and Privileges for paperless committees, all documentation for the meeting has been circulated to members on the document database. I propose we go into private session to deal with correspondence and other matters. Is that agreed? Agreed.

The committee went into private session at 10.32 a.m. and resumed in public session at 10.37 a.m.

Minister for the Environment, Community and Local Government

Chairman: I wish to draw the attention of witnesses to the fact that by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to do so, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the House or an official either by name or in such a way as to make him or her identifiable.

I welcome the Minister to the committee this morning and thank him for attending. I also thank him for his submission which has been circulated to members. His opening statement has been submitted to the committee and it will be published on the committee's website after the meeting. At the outset, he will be aware that this committee has a short life. It was established at the end of April and is due to report in a couple of weeks' time. It is appropriate that we should engage with the Minister because the issue we are addressing requires a co-operative and collaborative approach. We are hoping therefore that the recommendations that will emanate from this committee will be evidence-based. We also hope the Minister will be able to lend impetus to those recommendations by implementing them.

We look forward to the Minister's presentation, following which colleagues will have a number of questions. I thank the Minister again for his attendance before the committee.

Minister for Agriculture, Food and the Marine and Minister for Defence (Deputy Simon Coveney): I thank the Chairman for his remarks. I wish to read an introductory statement into the record, after which I would like to take questions and deal with some of the areas the committee wants to focus on. My statement is pretty general. From my perspective, in terms of the interaction with this committee, I would like to listen as much as contribute. However, I will be as upfront and open as I can be in answering any questions that members may have concerning our thinking or approach to date.

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I have already met directly some members of the committee from different political parties to try to explain the approach we are taking towards housing which I regard as a national emergency, particularly in some of our larger urban centres. We can go into some detail later on regarding our thinking to date and when we will launch a formal response to that in the context of the action plan for housing, which will be launched later this summer.

I thank the committee for inviting me to address it today and I look forward to the discussion. I will introduce the Department's officials accompanying me. They are Ms Bairbre Nic Aongusa, assistant secretary; Ms Maria Graham, assistant secretary; Mr. Niall Cussen, principal planning adviser; Mr. Barry Quinlan, principal officer; and Mr. Brian Kenny, who has a specific focus on homelessness. I commend the committee on its work to date. In a very short period of time, the committee has consulted with a vast number of key stakeholders and experts in housing and homelessness and I look forward to its report in due course.

Housing is a priority for this Government. I was appointed as Minister with specific responsibility for housing, planning and local government to focus intensively on the challenge of tackling the housing crisis. I have recently been joined by the Minister of State with responsibility for housing and urban renewal, Deputy Damien English. We have been tasked with preparing an action plan for housing within the Government's first 100 days working with our Government colleagues and key stakeholders. Importantly, the action plan will build on the work already carried out or under way and will draw on the important work carried out by this committee. The plan will include actions to expedite and boost supply of all types of housing, particularly social housing, in the immediate, medium and long term with a long-term view.

While it is important to boost housing supply for everyone, the action plan will focus in particular on those experiencing most difficulty in accessing housing and rental markets. The Minister of State and I have initiated some early intensive engagements with people who have been working in the housing and homelessness areas for many years to discuss the broad approach and housing action plan and to develop a common understanding of the housing situation at present. I am firmly of the view that the position can only be described as an emergency, particularly in our key urban centres of Dublin and Cork. It is impossible not to be affected by the experiences of families and children in long-term emergency accommodation. My resolve is very strong in terms of finding a way to positively affect the plight of many families that are currently in totally inappropriate accommodation. This needs to change but we need an infrastructure change and an approach change to make that happen.

Today presents an excellent and timely opportunity for an informed discussion about the diagnosis of the key challenges, particularly in housing supply, and the actions required to be taken urgently. In terms of my approach, I want to prepare a plan to which Members of the Oireachtas and key housing stakeholders can subscribe. I believe that if we work together in a way that can tackle emergency conditions, we can and will turn around the situation focusing on actions we can take in the short and medium term. I can promise that members will not find me overly party political on this issue. If people have sensible suggestions, we will listen and try to respond. We are not going to agree on everything so let us not pretend we will but I do think we can agree on a lot that can move the process forward. We will take the recommendations that come from this committee very seriously and assess them. All the decisions we take will be outcome-focused. My only interest here is to try to get a property and housing market moving, to try to make sure we have an ambitious social housing programme that we can deliver and to look at the multitude of sectors that are impacting negatively on the housing market with a view to trying to bring about better outcomes.

Housing lasts for generations and takes a long time to put in place, which is why our current difficulties go back to how construction and the house-building sectors collapsed during the downturn and have really struggled to recover since. The way the residential sector operated with the banking and lending sectors in the past led to many of our problems and we cannot go back there.

Once the economy collapsed, Ireland simply stopped building houses, private and social, for the best part of the past ten years, apart from finishing some schemes and one-off housing. This lack of supply of housing in the right locations is a critical factor underpinning the current crisis. Just over 12,600 housing units were completed last year, almost half of which were individual one-off houses. Many of the remaining number were the result of completing unfinished housing estates. Approximately 25,000 housing units per annum must be constructed to meet the need and it must be ensured that these are in the right locations and are the right type to meet our evolving household formation and demographic patterns. My view is we need to go well beyond 25,000 units for a period if we can. It is accepted by most that a country with Ireland's population needs to build 25,000 housing units of the right size and in the right locations annually but because of the dramatic deficit of the past decade, we need to go well beyond 25,000 if we can get there and we need to sustain that for a five to ten-year period to address the deficit of the past ten years before we can create a more normalised housing market.

Furthermore, many of the active sites in the Dublin area are delivering housing at prices which are not affordable for the majority of first-time buyers. Approximately 40% of people in the market for a mortgage cannot get finance for a house priced in excess of €300,000. No house is being built in Dublin for less than €300,000, which means that no houses are being built for 40% of the house buying market. That is only one of many structural problems in the housing market that needs to be corrected. It is not easy to correct given the cost of building a house and, in particular, the financial arrangements many builders and developers have entered into in terms of site costs and so on. Perhaps that is something we can discuss later.

If ordinary people are spending more of their income on rents and mortgages, that leaves less for many other demands of life. This is affecting the economy but, most important, their quality of life. It also puts many working families in a more perilous financial position and, for some, at risk of homelessness. If the current supply trends are allowed to continue and key decisions are not taken quickly, it could take another ten years for the market to right itself and for supply to meet our needs. Such a scenario and the related impact on people's incomes and lives is socially and economically unacceptable. That is why this is such a priority for Government. The housing situation is affecting every sector of society and putting at risk our hard-won gains in employment, recovery of competitiveness and the attractiveness of Ireland as a place to work and live. Even in the context of attracting foreign direct investment, housing is becoming one of the barriers to companies setting up and creating new workforces because of the inability to access affordable high quality homes.

With regard to solutions, it is important to recognise that we are not starting from scratch. I am on record acknowledging the work of my predecessor, Deputy Alan Kelly, particularly in the area of social housing and homelessness and I am happy to do so again. Much has been done, particularly in putting in place a €3.8 billion social housing strategy and actions on homelessness, rent certainty and private housing viability but there is a lot more to do. I will recap the key actions that have been taken. Part V has been reformed to make delivery of social housing possible and wider developments viable. Development contributions have been retrospectively lowered and a rebate scheme for housing at more affordable prices in Dublin and Cork has been

put in place. A vacant site levy has been introduced, although there will be a delay in it taking effect. We can discuss later why that is necessary from a legal perspective. New rent measures were put in place and apartment guidelines were reissued. There is some confusion about that and it would be helpful to clarify why we have made decisions in that area later on.

NAMA has outlined its programme to fund the development of 20,000 new homes and a €500 million active capital NTMA development finance package was also put in place. I am placing details of these measures on the record to outline and recognise the building blocks that have been put in place. However, the Government recognises that further actions are required to increase housing construction and create a functioning housing market. Many think that a total focus on public housing programmes will solve the situation. While I agree that we need to do a lot more on the social housing side and quickly, I do not think anyone really believes that only social housing needs to be built. We need to have a mix and a dramatic increase in the number of houses being built and supplied in the social housing and private sectors. We must also focus on other parts of housing, including doing all we can to keep people in their homes and ensuring that the rental and private housing construction markets function properly and deal with the backlog of a decade of under-supply so that people do not get squeezed into homelessness and onto social housing waiting lists when they can be accommodated through the private housing market.

The Government knows we have to get housing right and it is for that reason that I sought this portfolio. I am working very closely with Cabinet colleagues under a special Cabinet committee chaired by the Taoiseach that meets weekly. We have already met twice and we are meeting again this afternoon. The committee has met every week since the Government was formed and that will continue until we have the right action plan in place for housing. What we have focused on so far is how to more quickly tackle the issue of those living in emergency accommodation by expanding and expediting solutions. The programme of rapid delivery housing provision is being implemented to mitigate the acute issues associated with homelessness. It is my ambition to accelerate and expand the rapid delivery programme significantly.

We are also looking at accelerating the delivery of the social housing strategy. Under the Social Housing Strategy 2020, targets have been set for each local authority up to 2017. Importantly, local authorities and approved housing bodies have a strong pipeline of construction, turnkey and acquisition projects which will deliver some 3,900 homes with an approved budget cost of some €680 million. It is my ambition that the delivery of these homes will be accelerated and that the targets will be exceeded, separately increasing the overall output of private housing to meet the 25,000 units acknowledged as the likely annual supply need. In the programme for Government, the ambition is to get to 25,000 housing units by 2020. Our job is to try to get there a lot sooner than that. To achieve this, we are examining further potential barriers in terms of service, land, funding, financing and delivery mechanisms. We are also looking at ensuring that most of the additional houses and apartments are affordable and meet the needs of all sectors of society whether that is students or older persons and an increasing portion of one to two person households. Most Deputies who work at trying to access social housing for their constituents will know that people who are on housing lists on their own or as a couple face huge disadvantage because there simply is not sufficient housing stock with one or two-bedroom accommodation. Three-bedroom semi-detached houses are used to respond to the needs of families, which leaves a lot of people on housing lists for years without any realistic aspiration of getting the result they need.

We are also looking to replace the boom-bust cycle of construction on housing supply

through better management of land supply and development processes. To do this, I am preparing a delivery and supply focused housing action plan. Importantly, the plan is being developed with colleagues on the Cabinet committee and will draw on the report of this committee, which, I understand, should be ready by mid-June.

At a previous meeting of this committee my predecessor said that he favoured a Minister for housing with a broader range of powers in the areas of finance, expenditure, social protection and so on. The Cabinet sub-committee comprises the Ministers for Finance, Public Expenditure and Reform, and Social Protection and is chaired by the Taoiseach. The plan is being jointly informed and developed through the weekly Cabinet sub-committee and the senior officials group linked to it. Rather than one Cabinet Minister being given all of the powers, there is a contribution from multiple Departments and Ministers. Time will tell whether that works - whether or not we will get the buy-in we need from other Ministries. Thus far there has been an appetite across Government to ensure that we do something substantial in terms of the response needed to the housing crisis.

In regard to the immediate supply boost needed, the focus of the initial actions in the plan is to boost supply. I have asked the local authorities and NAMA for concrete proposals to boost supply in the short term on land they control or influence for all types of housing, including social housing and housing for the wider private market. In essence, we have asked local authorities to come back with emergency action plans which, I hope, we will have by the end of this week. If we have to wait until the following week for them that will not be the end of the world but we are putting local authorities under pressure to come back with ambitious plans in terms of what they can do locally with the areas and land banks they control, working with developers, NAMA and within SDZs or various other frameworks in which they operate. We will publish those plans as part of the overall action plan for housing so that people can see what local authorities have come to the table with. I think that is important. We will then help those local authorities deliver on the potential of those plans. This will involve contributions from me, my Department and, I am sure, other Departments in terms of freeing up land, removing barriers and streamlining processes and providing finance and other vehicles, some of which we may have time to talk about later.

The Taoiseach and I met with local authority chief executives on 12 May to discuss, among other things, the housing situation and, in particular, boosting supply and the future delivery and implementation of the targets set for the local authorities under the social housing strategy. The meeting provided an opportunity for a useful exchange of views and I reaffirmed my commitment and that of my Department to supporting local authorities' efforts to deliver on the ambitious targets they have been set. I also acknowledged the efforts that have been made by local authorities working in conjunction with approved housing bodies to deliver on the social housing strategy since its publication in November 2014. I outlined my ambition that the delivery of homes under each of the social housing programmes be accelerated. In that regard, I have asked all local authority chief executives for their ideas and proposals to expedite delivery of social housing. We have already received some of those responses.

In making proposals I have asked NAMA and the local authorities to consider how best to work with builders and the construction sector. For its part the Government has committed to making funding available for social housing and for infrastructure to facilitate the development of all types of housing. The Government is also committed to examining all aspects of the viability equation, particularly input costs, to help ensure that housing is intrinsically affordable to bring on stream whether for buyers or providers. We are looking at all aspects of the house

delivery process from land availability to financing, planning and procurement to ensure that an appropriate balance is struck in increasing supply on the one hand while on the other hand avoiding another property boom.

I want to see proper planning such that not only are houses built but residential places of which people can be proud are created. I want to see strategic thinking and action in terms of the installation of infrastructure and amenities prior to or as places are developed. We need to learn lessons from the recent property and debt-fuelled economic crash. Given the gravity of the situation, we are happy to think radically and prepared to do whatever it takes to mend the housing system in Ireland, obviously within certain parameters. Once the Government takes action, it will be very important that the delivery agents and construction sector respond. I will seek assurances that if we deliver, they will too. In a practical sense, that means if we are going to do something with taxation or streamlining planning systems, moving and changing processes in order to make things happen, we expect the private sector to respond accordingly. Without that assurance, we will not do it, frankly.

We are hard at work drafting the action plan and my approach is to consult broadly. I met a large number of key stakeholders already and my door is always open to anybody with good suggestions on how to boost supply. The action plan will be published over the summer within the first 100 days of the Government, and its implementation will have begun at that stage. One of the problems around the 100 day target is that it lands right in the middle of August. For obvious reasons, that poses a problem because many people are not focused on work in the middle of August. I suspect some of the people at this table will be but many others will not be. In reality, we will end up publishing our plan at the end of August and moving into September with a really proactive and aggressive work programme to implement it and ensure it works. That is the likely timing at this stage. It will lead to it being launched immediately after the 100 days are up and then selling it. We could launch it at the end of July before everybody heads off on holidays but that is not the kind of momentum we want the project to generate.

The report of this committee will form a key input and I encourage people not only to contribute to a report that could be useful for us but also to follow that with meetings with me or key officials here so we can get under the skin of some of the recommendations made by the committee. We may not be able to take some of them on board and I have not seen all the recommendations but my only objective is to get better outcomes in terms of house delivery and responding to people's dire need for State assistance, whether they are homeless now, at risk of homelessness or on a social housing list, relying on the State to deliver for them.

I could go into all sorts of reasons we are where we are today with a dramatic deficit of supply in housing and all the pressure it puts on people but to be honest, my focus is on where we go from here and the contribution I can make, along with the great team in my new Department. We want to achieve a dramatic change in circumstances around the housing market as quickly as we can. That is why we will listen to the committee and try to take on board the ideas we feel can work, engaging with it in as transparent and open a way as possible.

Chairman: Thank you for the opening statement. Before going to colleagues, from the committee's perspective we are very pleased to hear that the recommendations coming from this committee will be dealt with in a meaningful way. The committee has put much work into meeting 40-odd different witnesses with much expertise in different areas. I hope the recommendations from the committee will be evidence-based, practical and meaningful so the Minister can work with them. That is the context in which the committee has been doing its work.

Deputy Eoin Ó Broin: I thank the Minister for the presentation. Like the Chairman, I welcome the fact that the Minister is giving a commitment to work on a cross-party and independent basis, as it is really important. The proof is going to be in the content of the action plan. Certainly, for our party, the two key elements will be the extent to which the plan departs from what we are clearly of the view were the failings of Government policy until this point; and the action it takes to increase supply, in particular, of social housing. One of the difficulties I have with the presentation is that there still seems to be a lack of full understanding as to the crisis at the social housing end of the sector. Many of the organisations that have come to us, particularly those that represent people who are at risk of or in homelessness, have said those are people for whom the market is not going to provide solutions. It is that social housing sector, broadly defined, that is key. For example, when we look at the Minister's comments on the diagnosis, it is not just a result of the collapse of the property market at the start of the recession. For more than a decade and a half before that the State was withdrawing from serious provision of social housing. The reason we can say that is that during the whole period from the early to mid-1990s, the number of people in housing need, whether they were claiming rent supplement or other social supports, was dramatically increasing, as were social housing waiting lists. Even when the State was building more houses than it had ever done before, the level of housing need as defined by the Department's measures was increasing.

I am also concerned that the Minister is still overly reliant on the private sector and a low level of investment, as per Social Housing 2020. Expenditure of €3.8 billion over six years is not a significant level of direct Government investment. Even if it leverages outside investment, it is still relatively low in historical terms and it cannot be said enough that 80% of units as envisaged under that plan are private sector-owned units subsidised by the State, so they are market units, not social units, however we define them. Until we see a departure from that over-reliance on the private sector, we are going to have the same problem.

I will make my questions very brief. There are many things for the Minister to consider in the run-up to developing a plan. Our party strongly argues that he needs to increase significantly the supply of social housing but also to broaden the definition of who is covered under social housing in order that we have not just differential rent social housing but also cost-rental and affordable purchase for lower-income families. If he moves in that direction towards housing directly supplied by the State, he would have a much better impact on the crisis and stabilisation of the housing system.

We also need to increase and change the model of funding social housing and, crucially, tackle procurement. I am a little surprised that the Minister keeps talking about planning as the key problem causing the delay. I am not saying there are not problems in the planning system, but the greatest delay in the provision of public housing and social housing is the lengthy approval of the procurement process between the Minister's Department, the Department of Public Expenditure and Reform and the local authorities. Unless that is reduced, we are going to have the same problems.

The third issue, which the Housing Agency continually talks about, is managing the existing stock. It has given us a report stating that there are 230,000 vacant units. We know those are 2011 figures and that when the census comes out, it will show a significantly reduced number of vacant units around the State. That is not contested.

Deputy Simon Coveney: It will still be a large number

Deputy Eoin Ó Broin: However, it will still be possibly even half that. Rather than an

exclusive focus on the supply of private housing, better management of and investment in that vacant stock is a much quicker route to providing those units, whether for the social or private sector, along with tackling issues around mortgage distress and rent. I know some of these issues do not fall under the Minister's Department, but for him to take a strong stand on these issues, especially the likes of rent certainty, could help.

We had a very powerful presentation from the SONAS group on the links between domestic violence and homelessness. Yesterday, several members of the committee again attended a very powerful presentation by 20 individuals and families who are in homeless facilities facilitated by Focus Ireland. In trying to tackle the broad range of issues that has been outlined, we also need to ensure we properly fund those services and ensure they meet the needs of the people who are in homeless services, some of whom have been in homeless services for long periods for reasons such as domestic violence, mortgage arrears, rent costs and so on. I advise the Minister to meet the people we met yesterday. I am sure Focus Ireland will facilitate it. What they will say about their experience of homeless services is very different from what many people who do not deal with homeless services think. Listening to those people before preparing an action plan would be very helpful.

The key message from our party is that unless the stock of social housing is increasing through purchase, refurbishment and new builds, we are not going to tackle the most acute end of housing need. That is not to say we do not need private sector solutions elsewhere in the housing market, but because it is the Minister's responsibility, that should be his primary focus.

Chairman: I thank the Deputy. Deputy Ó Broin referred to procurement and the relationship between the Minister's Department and local authorities. While the Minister might want to comment on it, we will deal with that issue in more technical detail when we meet representatives of the local authorities and departmental staff this afternoon. The Minister need not go into that too much. He can refer to it but it will be dealt with in some detail this afternoon.

Deputy Simon Coveney: To be honest, and this may be unusual for a Fine Gael Minister to say in response to a Sinn Féin Deputy, but I do not disagree with a lot of what Deputy Ó Broin has said. We do need to significantly increase the provision of social housing. That has started and is happening now. Approximately 5,000 vacant social housing units were brought back into use in the past two years. Last year alone, approximately 2,700 voids were brought back into use. The percentage of social housing voids in Dublin is now down to 1%. A big effort has been made in that area and there have also been significant improvements in Cork and Galway in that regard. This year we are expecting to return another 1,500 units to use.

Undoubtedly, the reliance on the private sector alone to meet a social housing need through supported rent schemes and other supports has resulted in core social housing stock numbers falling. That is a problem and one which we want to address. The core numbers of social housing available to local authorities and approved housing bodies must be increased and we want to work with them to do that. That said, the private sector has an important role to play in making that happen because what we do not want to do is embark on a massive social housing build programme that is not providing accommodation for integrated communities. The kind of social housing provision that I would like to see us deliver would be integrated within private and affordable developments so that we will have integrated, mixed communities as opposed to having social housing in one location and solely private housing in other locations in towns and cities. There needs to be a significant increase in the number of publicly-owned, appropriately managed social housing units and that is starting to happen but I want to see those units integrated within private sector developments. We are starting to see very proactive planning with

that in mind. Obviously, there will be some direct-build social housing estates and some approved housing bodies will purchase turnkey solutions of 30 to 50 units that can be put to very good use. However, we must make sure we do not repeat the mistakes that were made decades ago where we had huge swathes of urban centres that were solely social housing. That would be a big mistake but, to be fair, nobody is asking for that.

In terms of delays around procurement and approvals, my Department has worked hard to try to shorten the length of time it takes to get approval. A year ago there was a nine-stage approval process but now we have a four-stage process. One of the things we will be working on with the local authorities is shortening the timeframe from when a project is being mooted and designed to when it gets approved. That will mean the Department sending delivery teams - comprising architects, quantity surveyors, engineers, designers and so forth - to local authorities so that we can sign off on designs earlier rather than having back-and-forth e-mail contact around agreeing costings, designs, density and all of the other aspects relating to social housing projects.

There are 3,500 social houses at stage 1 approval at present. We need to get all of those projects through stage 4 as quickly as possible so that we can build them. The Department officials and County and City Management Association, CCMA, will appear before the committee this afternoon to provide more detail on how those processes will work. Essentially, the way I view it is that we should take a project management approach towards these individual projects with local authorities. We will send out teams of people so that during a two or three day period they can iron out many of the problems that may have taken months in the past in terms of a back and forth communication trying to sign-off or agreement on design or costings or whatever. In regard to the point raised by the Deputy, just because I have not mentioned it in my initial statements is not to suggest we are not focusing on it.

On the procurement side, one thing we could do more of is to have central agreed and approved lists of contractors which local authorities can use. For example, on the rapid build projects, by mid-summer the office of Government procurement will have an approved list of contractors that local authorities can access and from which they can take a contractor rather than having to go through a three or four month procurement process within their local authority. I understand that some of the larger local authorities already have approved lists in place. For example, Cork County Council and some of the Dublin councils already have approved lists that allow them make decisions more quickly in terms of procurement. We want to see them using those lists to ensure there are not unnecessary delays around the procurement process.

On the issue of vacant housing, I have met the Housing Agency. It is strong on the potential of the opportunity for the State to acquire large numbers of unoccupied vacant houses. I have asked it to do a detailed piece of work on their location, who owns them, how they can be accessed, under what process they could be financed and if it can be done off-balance sheet. We are looking at the potential there. The figure of 230,000 vacant properties which is the 2011 figure is high. I believe we will have a more accurate figure from the CSO census towards the end of June. Even if the number is half that figure, it is still more than 100,000 vacant properties. A decent proportion of those have to be in areas that could be used for potential social housing. Obviously, if we can buy property through acquisition that is not being used it is a much quicker process than building and we should use that opportunity. However, we have to look at the cost and how we might be able to finance it in the context of what is possible at budget time in terms of the famous fiscal space.

To give the committee a sense of the opportunity, there is enough planning permission in

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Dublin for 27,000 houses today and enough zoned land around Dublin for 88,000 houses today. About half require some intervention in terms of infrastructure but most of it is localised and not very high cost infrastructure. There are 4,400 housing units under construction on building sites in Dublin - that is, 4,400 of the 27,000 with full planning permission out of the 88,000 in terms of zoned land. Clearly, there is significant potential to dramatically ramp-up housing provision in and around Dublin with the right interventions around planning, infrastructure and creating viability in terms of developers to make things happen. That is what we are focusing on. I could provide the figures for other cities but Dublin is where the big numbers are. Clearly, there is a need to release the zoned land and the planning permissions that are currently in place, whether it is through NAMA or private developments, social housing or local authorities - or in reality a combination of all of them.

In regard to domestic violence and homelessness, there are a number of issues which go beyond my Department's direct remit but in respect of which we have a responsibility to co-ordinate. For example, I am somewhat alarmed at the number of children or adolescents who may have been in State care and who find themselves homeless after they leave it. The number of people who are sleeping rough in Dublin and who have serious mental health and addiction problems is not a surprise or news to me or anyone else who talks to those who are homeless or who understand homelessness. However, for the State to respond in a co-ordinated fashion - to get a more effective and targeted outcome for the needs of people, some of whom have real needs that are unmet at present - requires serious consideration in how we help the voluntary and charity sectors and how we provide supports through the HSE and other State-owned agencies and bodies. I assure the Deputy that I have spoken to quite a number of people who are homeless and to many of the organisations that are trying to provide supports for them. We have a pretty good overview, although one can always learn more about the complexities of people's lives and how they find themselves in extraordinarily difficult situations. Our job is to try to put a more co-ordinated response in place in order to achieve better outcomes for people. There will be some who will say that if one were to look at the percentage of people per head of population who are sleeping rough in Dublin versus other European capitals, then one would realise that Dublin is doing very well. That is the kind of commentary we reject out of hand because it is totally unhelpful in the context of the contribution that is required to deal with rough sleeping and homelessness in Dublin. I look forward to the committee's recommendations on how we might improve the situation.

Chairman: I thank the Minister. Deputy Ó Broin raised a particular point. I know the Minister does not have responsibility for all the areas associated with homelessness, but it is hugely important that the issues which affect those people on the margins, be it children or whoever, are adequately reflected through the Cabinet sub-committee. I reiterate that all of us around this table are meeting people who are either homeless or who are at risk of homelessness. Members who visited Focus Ireland yesterday met a collective group of individuals who were articulate in their presentations and who explained clearly the risk of homelessness and how they fell into homelessness. Members heard from those who are living a life of homelessness and how they are coming through it. The presentation was one of the strongest that members of the committee will have heard. If the Minister ever has the opportunity to meet such a group, I believe he would find it beneficial. In advance of attending the presentation I would have thought - like most colleagues - that we know what homelessness is all about since we have all met people who are homeless. However, the presentations by the individuals themselves were moving and inspiring and the visit was a worthwhile exercise.

Deputy Barry Cowen: I thank the Minister and his staff for attending. I thank them in

anticipation of the new space we are in with the ongoing consultative process of recent weeks. I hope and expect that when the Minister's strategy and policy is produced towards the end of July, it will be cognisant of the recommendations of this committee.

As we all know, for the past number of years there has undoubtedly been a housing crisis. In the past 12 to 18 months, this has been an extraordinary emergency. I would contend that conventional methods and processes that may have worked in the past have, unfortunately, not worked in recent years, are not working now and will not work in the near future. These methods and processes, while initially put in place with the best of intentions and in the best interests of all concerned, are not cognisant of the situation we face. I am conscious that when I refer to the conventional planning process, this is guided by county development plans that are sporadic in nature. Some authorities are in the midst such plans, while others are in review. The plans are completely disjointed across the State on a county-by-county basis. We have had regional development plans and spatial strategies, none of which was designed to meet the emergency that now exists and none of which should form the bedrock or the foundation for resolving this issue that we face. This is the case both in the public sector, in the provision of public and social housing, and in the case of private development.

Many would contend that, during the course of our deliberations, the Part VIII process has also been shown to be flawed. I would contend that it appears An Bord Pleanála is at present not adequately resourced with funds or manpower to deal with the sort of level of applications that is, should be and will be necessary to address this issue. In my constituency, Bord na Móna, in a most important project, had sought permission in respect of co-fuelling. This had been contested previously by An Taisce and was judicially reviewed. I am conscious of the importance of that application to the region in which I reside and the 600 jobs that emanate from it. Yesterday, for a second time, an extension of time was sought in respect of the making of a decision on that issue. I am conscious of the effect that has on a region or the forward planning of the company involved. However, this is only one instance of the obvious flaws and delays that are evident and need to be addressed quickly.

The delivery of residential units, from conception to design, planning, procurement and construction, is way too long and costly. It is way too long in the public and private sectors. The Minister stated that the process within the Department and local authorities from conception to handover of keys has been reduced from eight stages to four. I believe that was done over a year ago, but it is today still every bit as slow and cumbersome as it was some years ago. In the area of costs, the cost of funds, VAT, development charges, site costs and the costs associated with certification, compliance and regulations are all combining to make it difficult. We have yet to get an absolute handle on the cost of construction when one considers everything involved.

Conventional methods of funding are also outdated and, in the real world, banks are not lending to developers at the rate at which they need to. In the real world, the fiscal rules such as they are at present bar this State and the Government from providing the extraordinary amount of funding necessary to provide the extraordinary number of units required. We have to think outside the box and find new means and methods. We heard from representatives of NAMA recently. One of its success stories has been the National Asset Residential Properties Service, NARPS, initiative. This is a special purpose vehicle that can purchase and lease units for periods of time. This Government must seriously consider, in this emergency, putting in place a special purpose vehicle or housing authority that can learn from NARPS. That authority can seek funding from the likes of the NTMA, as we heard during the week. It can also, as it should do, receive funding from the credit unions, which are anxious to get into this game. They are

anxious to play their part and role and to achieve a better return than that being achieved at present for having it in the pillar banks, which are not lending it on to others when it is required.

The authority then can lend, fund, build and enter joint ventures to provide units for local authorities, approved housing bodies and colleges. Colleges are also sucking up a lot of the residential properties in the centres in which they are located. During the course of recent weeks, Maynooth in particular stood out. Almost the whole of Kildare is taken up with students seeking accommodation to get to and from NUI Maynooth. Whether they receive funding from this authority or become an approved housing body, they have a role to play. On-campus sites are available to them and must be forthcoming.

That authority can also bring forward emergency alterations to legislation. We had emergency sittings to deal with banking crises. We can have emergency sittings to deal with this crisis. That authority must look at the methods of planning and funding models relating to local authorities. Its terms of reference could relate to some Part VIII-type planning for a window, whether a two-year or three-year period, to allow this matter to be dealt with and to allow such an authority to do what we want it to do, namely, get on with the job of driving the development, construction and provision of residential units to deal with this crisis. It could also seek to provide incentives for local authorities or the private sector in respect of the compulsory purchase order powers. This offers an opportunity to revitalise towns and villages. The person from the NTMA referred to the funding that has already been provided under the capital development programme and funds to local authorities in respect of larger towns. As many members have said in recent weeks, this crisis or emergency extends beyond the large urban centres, as crucial and pivotal as they no doubt are and despite the focus here. However, in the town I come from and the villages with which I am familiar there is an equivalent crisis. Up to 50% of the representations in our clinics throughout the country in recent years have been taken up with people seeking housing.

This should be seen as an opportunity to revitalise, re-energise and give life back to those towns and villages. There are many buildings which are tied up, whether for reasons of conveyancing, title, family disputes or lack of funding. There must be improvements to the CPO powers to initiate development to address this. It should also be seen as an opportunity not only to rebuild and re-energise our communities but to build new communities and learn from the mistakes of the past and during the boom years, when we had sprawl in towns and villages in the greater Dublin area and beyond. We are chasing our tails when it comes to the provision of services in education, recreation, transport and infrastructure. The Minister referred to the infrastructure deficit in certain areas. This is an opportunity to create new sustainable communities in the greater Dublin area and other places. Pilot schemes could be initiated to reward options that address infrastructural deficit and bring new means and methods of transport and accessibility in the context of known population trends and parameters. We could then provide the services that are needed in that context.

We have talked about energy and sustainability and the responsibilities of those in the construction sector in light of our obligations in respect of climate change and so forth. Real opportunities can come out of a crisis and they should be explored. All of this should be driven by an authority that has the potential to raise extraordinary amounts of funding. The conventional methods - as good as they were - employed in the 1930s and 1970s will not work in this crisis. I hope and expect that we will continue to explore the possibilities that exist in the context of what I have said in the hope that the Minister would bring such proposals forward. I have in mind a special purpose vehicle to drive the provision of residential units to address the crisis

and the emergency. We should bear in mind everything we have seen in recent years, despite the best of intentions of those who sought to deliver them. For example, the 2020 strategy relates to the provision of housing and the figure of 25,000 units by 2020 was mentioned. However, we are aware of the number of houses constructed by local authorities in recent years despite the commitments made. With all due respect, the Minister is going to have to think outside the box and come up with new initiatives and concepts and a new process. As good as they were, the methods used in the past are not suitable for the present. I hope the Minister will address the matters to which I refer by the end of July.

Chairman: I thank Deputy Cowen. He raised many points and I suppose some of them represent an overview of the situation. The Deputy raised one issue in particular, namely, that relating to finance. Perhaps the Minister might give a little thought to his views on it. The committee has certainly spent some time discussing it with representatives from the Department of Finance and the NTMA and has examined the National Asset Residential Property Services Limited, NARPS, model. I suppose the question from the Minister's point of view is whether there is an opportunity to have a similar model to provide funding for either approved housing bodies or local authorities, but very much on the NAMA-NARPS model. Could the Minister please explore the point a little further?

Deputy Simon Coveney: What Deputy Cowen said about the need for a new approach is spot on. That is why we need a new action plan. I am not sure whether we should set up a national authority for housing. We could spend a lot of time trying to construct a new governance model or we could focus instead on taking a project-management approach within the Department and driving a results-based approach with local authorities of setting targets and meeting them. I will examine what Deputy Cowen proposed but at the moment our approach is very much trying to use the existing infrastructure in local authorities in order to empower both councils and chief executives to demand of them what they need to get results and then to try to help them to deliver. Perhaps we could add to that by creating a new housing authority but there is a possibility that it would distract. I am not sure but I am happy to explore the concept. Deputy Cowen should not forget that we have a Housing Agency and a Housing Finance Agency and lots of local authorities, which in the past had the capacity to manage housing stock and build out new housing stock reasonably well, although in many cases some of that skill set has been lost, but we are gearing up local authorities to be able to do that more effectively again. We have approved an increase in staffing appointments to local authorities to ensure they are able to respond. We have been doing the same within the Department. A total of 420 extra people have been sanctioned for appointment to local authorities, in particular in this area, and there may well be more.

We are going to be more demanding of An Bord Pleanála, but to be fair, in order for it to deliver, we must give it resources to help it respond. If we are going to be demanding An Bord Pleanála must have the capacity to turn around decisions faster and it will need more people and resources to do that. If that is necessary I suspect we will do it. I have already had an initial conversation with the chair of An Bord Pleanála in that regard.

I have spoken to some committee members about my thinking on Part VIII. We want to keep councillors involved in the decision-making process but we also want to try to get decisions made quicker, in particular on social housing projects. We cannot have a situation whereby we have communities deciding they will block social housing projects in their areas because they do not want them for whatever reason. If we are serious about integrating communities, whereby one has social housing mixed with private housing in a way that is appropriate and creates

diverse, vibrant communities then we must find a way of making it happen. Sometimes that is not popular in some areas and, again, we must find a system that can make it happen. I would not like to over-exaggerate the role of Part VIII in terms of preventing things from happening.

Deputy Barry Cowen: Yes.

Deputy Simon Coveney: Planning is part of the issue but there is planning for 27,000 houses in Dublin, which means the planning system has delivered in a way that can allow house building to start.

In terms of the NARPS model, which is a good model, NAMA has essentially created a model which is off-balance sheet that allows it to purchase or make properties available for long-term lease to approved housing bodies. That is a successful model which we can replicate. Perhaps we could do that through the Ireland Strategic Investment Fund, ISIF, in co-ordination with the Housing Agency to be able to make more stock available to local authorities but in particular to approved housing bodies, which have shown they are able to work such a structure effectively in recent years.

Chairman: I am sorry to interrupt the Minister but a vote has just been called in the Dáil so I suggest we suspend until the voting is finished and then we will resume immediately after that. I thank members. I apologise to the Minister.

Sitting suspended at 11.37 a.m. and resumed at 12.55 p.m.

Chairman: I will take two more speakers.

Deputy Simon Coveney: Does the Chairman want me to respond to the other issues Deputy Cowen raised or will I come back to them?

Chairman: I will take two further sets of questions following which the Minister can conclude his response to Deputy Cowen's questions and those from the next two speakers.

Deputy Mary Butler: I welcome the Minister and his staff. Some of the questions I had intended raising were raised earlier and the Minister answered them but on the issue of procurement, I want to give the Minister an example of a case with which I am familiar, and I am not engaging in parish pump politics. I come from Portlaw, County Waterford, and when I was a member of the council last May we were shown plans to develop 12 houses in Portlaw. Coolfin Woods is the name of the area, where 24 houses are already located. We were shown the plans last May. The council already owns the land and this is another section that will go in behind it. There are no objections. The previous Minister, Deputy Alan Kelly, sat in the meeting and said there was no issue around the funding. When I inquired about the matter again last week I was told it is going to tender in October. The money is available. The plans are drawn up. The council owns the land and there are no objections so why would this project at Coolfin Woods in Portlaw, County Waterford take that long to proceed? It is frustrating from the point of view that we have the highest number of people on the waiting lists in the county. Everything is in place to proceed, and it is an issue that must be seriously addressed.

I welcome the Minister's comment that he is engaging with the local authorities because the local authorities have a major role to play in this area.

I would like to hear the Minister's views on another issue that I have raised continually in the past two years. There is a major issue with overcrowding in local authority houses, and

it is very difficult to get a transfer. In the past ten years, the local authorities stopped putting extensions onto houses where there is room to do that, except in cases where the medical circumstances required it. For example, I was dealing with a case of a woman and four children who were living in a two bedroom house, which she loved, for the past ten years. It was in very good condition. She did not want to move, but the council refused to add on another bedroom, which probably could be built for €25,000 or €30,000. That would mean this person would not be put onto a transfer list, which would make the waiting list even longer. That issue could be examined with a view to speeding up the process. I refer to the procurement aspect and the local authorities considering extending their current stock.

This committee has discussed the cost of a house on several occasions. The price of a house in the greater Dublin area is approximately €300,000; it is not quite that much in country areas. Either 36% or 38% of the cost of building a house goes back to the State. Is there a way to reconsider this because 38% is a huge amount of money?

The Minister for Finance, Deputy Noonan, also has appeared before the committee when a possible reduction in the VAT rate from 13.5% to 9% was discussed. While the Minister stated he was open to discussing it, his preference would be for it to be passed on to the actual buyer and not simply to the builder. I wish to make another point on which I also seek the Minister's thoughts and with which not everyone present may be in agreement. We definitely must encourage developers back into the market because local authorities cannot deal with it all. We need the developers to be back building again and it is important that this happens. I have two children in third level education and the final point I wish to make pertains to accommodation for third level students. While Deputy Cowen raised this point briefly earlier, this is another issue because many young professionals are taking up third level accommodation and it is proving to be a real challenge.

Deputy Ruth Coppinger: I welcome that the Minister now acknowledges this is an emergency. It is a word I found it difficult to get the previous Government to say and that has not helped in preventing this tsunami of homelessness from developing. Before I ask the Minister about the housing targets and how he envisages that issue being resolved, does he agree with me that if this is an emergency, the first thing we need to stop is more people becoming homeless? People think this could not get any worse but it could. I was surprised that in his submission, the Minister did not mention preventing people from becoming homeless and the issue of the private rented sector. On page 27 of the programme for Government, it is stated there will be a review of the current regulatory regime for the private sector. Does this include serious consideration of the introduction of real rent controls? Members are aware there has been an increase in rent supplement and while I will not dwell on it, it is not enough and will not necessarily work. However, in the case of those who are struggling but who are not necessarily in receipt of rent supplement, rents must come down but at the least should be prevented from rising further. Does the Minister agree they must be linked to the consumer price index? This measure has been called for by all the homeless agencies that appeared before the committee in recent weeks, including Focus Ireland, the Simon Community and so on. All the non-governmental organisations, NGOs, are calling for it and the Minister must indicate whether he is willing to do this.

Second, does the Minister support security of tenure for all tenants in Ireland to prevent people from becoming homeless, including those who have been told by an ordinary landlord that the property must be sold? This is now the most common method being used to evict somebody, often to jack up the rent rather than to sell the property. In some cases it is to sell the

property because the prices are increasing. What will the Minister do in legislative terms, because I believe these two measures are two key items of emergency legislation that are needed?

On the Minister's general philosophy on resolving this housing emergency, I am somewhat disturbed that he keeps invoking the term "housing market". He stated he would like to get back to a normalised housing market again and spoke of the housing market. When he appeared before this committee, Peter McVerry took issue with that, as do I, because we should not have a housing market; we should have a housing system. One reason we have come to this sorry pass is because we allowed housing to become a commodity for speculation rather than seeking to house people. On foot of his presentation today, I am still unclear as to what level of public housing the Minister favours because most of the reliance still appears to be in the private sector. For example, the Minister stated there is enough zoned land around Dublin. I have brought out this issue in questions to the National Asset Management Agency, NAMA, and to others. While NAMA in reality has enough land zoned as residential land to house everyone on the housing waiting list, it cannot do that because of its brief. However, if there already is enough land zoned, planning is not the problem. Does the Minister agree the private developers are holding off? They are hoarding land and are holding back on building until prices rise again. It is as though they need to be enticed back into the market as if they were on strike and need to be given more of the concessions for which they are looking.

The document refers to a housing target of 25,000 units per year, but that will only deal with new population growth. It would not deal with everyone on housing waiting lists. What type of units would they be? What percentage does the Minister think should be public housing? If the figure is 10%, 20% or 30%, it would take 56, 38 and 18 years, respectively, to clear the housing lists. The housing crisis would never be resolved based on those figures. The Minister may want a higher percentage, but they are the figures he indicated in the presentation.

The document lists Part V, NAMA and the NTMA as the things that the last Government did which the Minister backs. Last year, half of the houses that were built under Part V were one-off houses. We got very little from Part V. The Government reduced the percentage to 10%. Therefore, there will be even fewer units provided than was previously the case. NAMA has a target of 20,000 new houses, but 2,000 of those would be social housing based on the Part V rate of 10%.

The Minister referred to Activate Capital, representatives of which came before the committee recently. I am somewhat disturbed about the manner in which it is using Anglo Irish Bank and Maple 10 developers, which are receiving large subsidies from the fund. Former bankers are at the head of the fund. Nothing is emerging from the funding of €500 million from the taxpayer - the money came from the pensions reserve fund - which is intended to provide social housing. No more than 10%, as far as I can see, will be provided.

I refer to the fiscal rules, which have been a key subject of debate in the committee. The Ireland Strategic Investment Fund totals €5.4 billion. NAMA has about €2.4 billion left in its cash reserves. If a political decision was taken to change its brief and compel it to build social and affordable housing, we could resolve the housing crisis. I put this to the Minister when I met him and he said, quite rightly, that if NAMA's brief was changed the process would not be off-balance-sheet. This is the elusive model we have all sought.

Recently, three top civil servants came before the committee and I asked them to show me an off-balance sheet model that worked anywhere in Europe. There was a vague mention of something in France, which everybody here heard. It is now virtually impossible to do anything

off-balance sheet if one wants to comply with EU rules, because they are constantly being re-defined, such as PPPs and so on.

There are only two ways around this issue. Either we breach the rules in order to house people who need it and tell Europe we cannot abide by the rules because we have to house people, or we have to raise commensurate revenue to pay for the housing that we build. I would be very sceptical that could be done based on a cost rental model because very high rents would have to be charged, but I remain to be convinced. We need to have higher eligibility criteria for social housing. This would increase rental yields because tenants would pay higher rents based on the differential rent scheme as their income would be higher.

Could the Minister consider increasing the tax on wealth in this country? We have seen data on how the top 250 wealthiest people in the country increased their wealth by 3% last year. The Minister's presentation states that nobody is arguing that everything that is built should be public housing. I would argue that we need to redefine what public housing is. It seems to me that the term "social housing" has become a term of stigma and a problematic term because it suggests that people have social problems. They may not necessarily have social problems at all.

We need to define what we mean by public housing. The Minister said we cannot go back to the mistakes of the past. Every time, we hear this, somebody invokes Ballymun or Knocknaheeny, but what about Crumlin and all the other housing estates built by local authorities in this country through the decades that are not huge areas of deprivation or problematic and in which many of us were reared? We are also stigmatising social housing by constantly invoking these examples. There are many good examples of public housing in this country. I am not referring to the Minister. This has been an issue in the meeting.

The Minister said he thinks public housing must be mixed in with private housing. This is a topic we need to consider. How much is the Minister talking about? If there are 30 public housing units in a private housing estate and another 40 here, to get 100,000 families off the waiting list, we would need to build one million houses. If 10% is going to be social or public housing, we cannot house 100,000 families. It must be more than that. I do not see anything wrong with local authority house building if we have proper facilities, green spaces, shops and properly planned schools. The particular problem was that in many estates, people were left bereft and isolated eight miles from their base. We would need 3,000 estates of 30 to 40 houses if we are going to then solve the housing waiting list. There must be a much bigger proportion of social housing than 10% or 15%. The Minister needs to clarify what he thinks that would be.

In respect of learning the lessons of the past, I do not have time to go into it but what were those lessons? I think the Minister is in danger of repeating some of them. Nine tax breaks for developers are listed in the programme for a partnership Government. Will the Minister implement those nine tax breaks? All the tax breaks provided in the past led to very wealthy people siphoning off all the wealth at the top. All the surveys show that. Even though it increased housing supply, it did not increase affordable housing so the Minister needs to stop constantly talking about increasing supply of all types of housing because it must be affordable housing. It seems that all the emphasis is still on getting the builders to build without any reference to what would be affordable.

Will the Minister give funds to local authorities? He says he wants them to draw up plans, but based on my experience, my local authority does not have the funds to build.

Chairman: On one point of clarification, the Minister mentioned the off-balance sheet mod-

els. The NTMA indicated that the NAMA NARPS model could be replicated outside NAMA as an off-balance sheet project. I want to clarify that point. A range of issues were raised by Deputies Coppinger, Butler and Cowen.

Deputy Simon Coveney: There are quite a few questions there. In respect of local authority funding to build houses, about €1.6 billion was made available to local authorities for a three-year period so there is a significant amount of capital available for local authorities to build. About €124 million has been made available for Cork City Council, while about €80 million has been made available to Cork County Council over that three-year period. A significant amount of house building is not taking place nationally or in those particular areas. The money is there and it is being used for various different things, mainly around acquisitions of properties to add to the social housing stock, which is also necessary.

There needs to be an acceptance that there is a role for private sector developers to increase supply as well as local authorities. There is a belief that we should not look at tax breaks because somehow decisions that were made in the past around private developers and the margins they were making caused all sorts of knock-on problems and consequences. However, this does not mean that we should not look at ways in which we can ensure a private developer can make an acceptable margin and, therefore, progress developments. Undoubtedly, the solution to increasing supply lies across a series of bodies, both public and private, building and delivering homes for people. I am not solely focusing on one area or the other. A significant priority will be given to supporting local authorities and AHBs to acquire and build homes.

Making simplistic calculations around Part V being the only mechanism to deliver and reduce waiting lists assumes that the people can never move off the waiting lists, which I do not accept. It also assumes that the only delivery mechanism is through private sector Part V provision at the bare minimum of 10%, which is not true either. There are many examples of developers who are currently considering doing deals with AHBs or local authorities, in some cases for 100% of the development. There is an idea that there should only be 10% but that is the minimum required. We need to ensure, under Part V, that every development in the country is required to have at least 10% social housing. However, many developments will go way beyond that. Some will be built by a private developer and the entire development may well be given over for an affordable housing scheme, rent-to-buy scheme, social housing or a mix of these. Somebody asked regarding the Irish Glass Bottle site, for example, which has the potential for 2,500 or 3,000 housing, whether only 10% of that would be devoted to social housing. Of course not; we hope to get way more than that in an appropriate mix. All Part V does is guarantee a minimum but, in the context of many developments, it will be in the developer's interest or the local authority's interest to go way beyond that. There will be opportunities to improve the cash-flow and financing arrangements of private developers by them doing deals early with AHBs or local authorities, which may allow them to get cash upfront to deliver the social housing element of a mixed development first, which, in turn, will help finance the private development subsequently. We need to examine the housing market in the context of public and private elements.

Deputy Coppinger made a point about trying to understand the quantities that will be provided under the social housing programme and she asked a fair question. There is an aspiration under the social housing strategy to provide 35,600 new units between now and 2020. According to the way that figure breaks down for the anticipated delivery, approximately 22,000 units will be new build. However, this figure is not cast in stone by a long shot. We are examining ways we can go considerably beyond it. The strategy was signed off in 2014 during a different

period for financing, in particular, and the pressures Ireland was under regarding the on and off balance sheet argument. As we move into a different space financially, we may well find that we can be more ambitious than that. However, if 22,000 social houses can be built in the next five years, that would be significantly more than the number delivered for many years. We can, though, go beyond that. We have not finalised those figures but the Deputy asked for a sense of where is the social housing strategy and that is a fair reflection. NAMA has the capacity to build a lot of houses, which it will, but we need to be careful we do not turn it into something that would create many more problems than currently exist. If NAMA can deliver 20,000 housing units and include a lot of social housing in that mix - and if it can do so off-balance sheet - this would be a good outcome. It is not restricted in the way that publicly financing local authority build is in terms of the fiscal rules so we need to be sensible in terms of what we demand of NAMA. I am quite demanding of it and have met its representatives a number of times. We want it to deliver in this area for us.

Chairman: The Minister indicated that NAMA has the potential to deliver 20,000 and that 2,000 units would be provided under Part V.

Deputy Simon Coveney: That is an automatic delivery but I expect we would go beyond that.

Chairman: Can the Minister indicate what he expects out of the remainder? How far could it go?

Deputy Simon Coveney: I do not want to put a figure on it.

Deputy Ruth Coppinger: NAMA will not go beyond 10%. Will the Minister issue it with some new order to go beyond it?

Deputy Simon Coveney: I do not see how one would be able to say that definitively.

Deputy Ruth Coppinger: There are two NAMA estates in my constituency. That is how I know.

Deputy Simon Coveney: There are NAMA estates in the Deputy's constituency. However, 20,000 houses will be built and she has no idea what percentage of them will be social housing.

Deputy Ruth Coppinger: It will only be 10% unless the Minister makes it otherwise.

Chairman: Unless local authorities engage.

Deputy Simon Coveney: That is not necessarily true because, through the NARPS model, NAMA is already making houses available for approved housing bodies. The latter has nothing to do with its 10%. Let us not assume the worst all the time. I expect and hope that more than 10% of the NAMA-built properties will be available for social housing through various different mechanisms. Let us work out, development by development, how we can maximise the appropriate level of social housing as part of mixed developments.

In terms of the questions around rent controls, linking rent to the CPI, which Sinn Féin had a motion on this week, and security of tenure issues, if we had a more normalised balance between demand and supply we would need to look actively at how we can create a more European style rental market whereby an increased percentage of people would choose to rent for their lifetime, as is the norm in most European capitals. Many people who do not want to take the risk of taking out a mortgage choose to rent for their lifetime and they have security of ten-

ure around that choice. Traditionally, people who are renting in this country are those who are in transition, who cannot afford a mortgage, who are choosing to rent for a temporary period or who are students. The ambition and aspiration in Ireland to own one's own home drives much of the activity in the housing and property market. We need to change that narrative. I am very conscious that, at a time when we need to dramatically increase supply, we need to be very careful with what we do or say around security of tenure, particularly having making decisions as recently as last November around two-year rent reviews and a series of other things that are designed to try to improve security of tenure for tenants. If we are going to come back and review that on a regular basis there is the potential to undermine the confidence and appetite for significant investment in the property market to increase supply. Trying to get that balance right is quite a delicate matter, particularly when we had such an imbalance in the position relating to supply versus demand in the property sector. We will look at it but I do not have a straight answer to that question yet. I am interested to see what the committee recommends in terms of trying to get that balance right and we will comment on it when its recommendation is made.

I will comment on some of the points raised by Deputy Butler. We will follow up on the Waterford project. It sounds as if there is a lack of urgency and that they are going through procedures when they are ready. That is not good enough. Everybody needs to play their part now in responding with a sense of urgency. We should get on quickly with the straightforward projects that have no reason to be slowed down and no impediments or barriers.

I presume the committee will look at the issue of students in some detail. There is a significant opportunity for student accommodation to have quite a dramatic and positive impact on the private rental sector. Statistics from the recent HEA study indicate a deficit of about 25,000 in formal student accommodation. There is private and public student accommodation provision. Approximately 25,000 students are accommodated in the private rental sector. They are living in homes that could house families. We should consider creating a dramatic increase in the on-campus and near-to-campus student accommodation. The solutions to student accommodation lie in rapid-build technologies, modular units and so on. Student accommodation is quite different from a family home. Some of the solutions could be put in place much more quickly than conventional housing and could free up a significant number of places over a short space of time.

I have met representatives of the universities on the matter. It is not as straightforward as we thought it might be. Again it comes down to financing, procurement and, in some cases, planning. However, it is an area in which we can do a considerable amount.

The rate of VAT is ultimately a decision for the Minister for Finance. Obviously, we will be talking to him and he is an active participant in the Cabinet sub-committee on housing. It is really about balancing how we use the tax system and whether we get a bigger bang for our buck than spending on the capital side. There are also accounting rules that complicate this. Increasing capital spend can be accounted for over a four-year period. When reducing taxes or giving tax exemptions, it needs to be accounted for in full in the year it applies. There are some restrictions on tax reductions that do not provide the same flexibility as increased capital spend. We need to try to get a balanced understanding of how we can spend available resources as effectively as possible to get more houses built, more houses acquired, more vacant properties into use and so on.

Deputy Cowen made a point about smaller towns and villages playing a part in the broader housing strategy. That is important. The programme for Government places a big emphasis on what I believe is described as rural revival. If we are to build more than 100,000 houses over

the next five years, we should use that opportunity to revive and revitalise many towns' and villages' main streets to promote communities and attractive living. However, the big pressure at the moment for numbers is in the big urban centres.

Chairman: The Minister indicated that the ambition was to build the programme up to building 25,000 houses per annum or more if possible. He said this was the beginning. We can all clearly see that there is a supply side shortage at the moment. The challenge is to ensure that over the medium period the supply and demand more or less match. Are the Department's analysis and decision-making in terms of family units, demographics and so forth based on CSO information?

Deputy Simon Coveney: Based on what I know, the 25,000 figure is a Housing Agency figure. It is also backed up by a number of economic think tanks in Ireland, including the ESRI. There are few people who would disagree that a country with a population of approximately 5 million and the type of demographics we have needs to build approximately 25,000 housing units per year. Most people would also accept that because of the deficit of the last decade, we need to go beyond the 25,000 target. I agree with Deputy Coppinger that the target of 25,000 housing units per year is not enough and that we need to go beyond it, if we can. Last year, only 12,600 housing units were built, half of which were once-off developments across rural Ireland and the other half of which were completion of unfinished apartment complexes and housing estates. Surpassing the 12,600 target this year will be a challenge. Currently, we are building less than half of what would be needed if we did not have a housing crisis.

Chairman: Am I correct in stating that 25,000 is the maintenance figure year on year-----

Deputy Simon Coveney: Yes, I think so.

Chairman: -----and that any additional provision is to deal with the deficit?

Deputy Simon Coveney: Yes, that would be my view. If we can reach the 25,000 target in terms of delivery in advance of 2020, it will be a huge achievement. If we can go beyond that target, we should aspire to do so.

In response to the question on the number of houses I would like to be built per year for the next ten years in a perfect scenario, I would like between 30,000 and 35,000 per year to be built. However, we are a long way off that. It will take us some time to get there. In the meantime, we need to focus on the people who need houses the most, including the homeless and those on the waiting lists. Therefore, the emphasis must be on social housing provision.

Deputy Fergus O'Dowd: I welcome the Minister. I also welcome his commitment to the significant changes needed and, in that context, the fact that he is gathering around him a team of experts from inside and outside his Department.

We previously experienced a huge housing crisis in the 1970s. Are there staff in the Department who were involved in drafting the huge housing programme introduced when Mr. Tully was Minister? I acknowledge that that was a different time and that the issues were different but it was a very successful building programme. From my reading of the history books on the foundation of this State, according to Charles Townshend one of the most important things done at that time was the public building programme. There is history, tradition and the facts. The fact is that there is a huge under-class of people in this country who are in desperate conditions, including in Drogheda, Dundalk and so on.

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The social housing strategy introduced in 2014 does not go far enough. I ask that the Minister examine the percentage build per county under that strategy. While in some counties the percentage is 40% to 50% of housing need, in other counties it is much lower. For example, the level of building in County Louth will equate to only approximately 25% of current need while, if my recollection is correct, in Tipperary it will be in excess of 50% of need. There is another weakness in the strategy in terms of the reliance on the private sector to provide 75% of social housing need in Dublin, Cork, Waterford and Galway. I welcome the proposed increases in that regard as mentioned by the Minister. I agree that if there is a deal to be done with the private sector in regard to the supply of housing it must be reciprocal. For example, the private sector could be offered significant tax breaks in return for long-term lease agreements with local authorities under the housing assistance payment, HAP, scheme. There must be a *quid pro quo*. We must make it attractive for the private sector to sign up to rather than avoid the HAP scheme. That is happening in some cases.

The other point is about NAMA. Local authorities have let down NAMA in the greater Dublin area, as the agency offered the authorities thousands of houses for social housing and they refused them in Dublin. That is a fact.

Deputy Ruth Coppinger: It is not a fact, actually.

Deputy Fergus O'Dowd: It is a fact. I did not interrupt the Deputy.

Deputy Ruth Coppinger: It is not a fact.

Deputy Fergus O'Dowd: Will the Chairman ask Deputy Ruth Coppinger, my close-----

Deputy Ruth Coppinger: They did not refuse thousands in Dublin.

Deputy Fergus O'Dowd: It is a fact, actually.

Deputy Ruth Coppinger: The number was 2,000 around the country.

Deputy Fergus O'Dowd: No, 2,500 was the total number taken up from 6,000. Those are the facts and they do not suit Deputy Coppinger's narrative. I am sorry if they do not.

Deputy Ruth Coppinger: It suits the Deputy to keep invoking those numbers.

Deputy Fergus O'Dowd: If the Deputy wishes to speak for me, maybe-----

Chairman: Please, the witness is the Minister so if there are questions, please direct them to him.

Deputy Fergus O'Dowd: The witness for the prosecution is beside me, I am afraid. I am trying to provide an adequate and proper defence, rebuttal and attack.

Deputy Ruth Coppinger: No, it is a factual statement.

Deputy Fergus O'Dowd: To get back to the point, the representatives of NAMA stated very clearly that whereas some of those houses were in unfinished estates, they were being offered in a finished state. In other words, the agency would finish them. I am concerned that local authorities do not have the commitment to build what they need to. I acknowledge that the county managers or chief executive officers will be met regularly. There are major issues in this area. In the past, the National Building Agency designed for local authorities, put schemes together and the local authority built the structures. I do not know where that agency is now -

perhaps it is in heaven - but it was a very good body, designing very fine housing that worked. As the Minister stated, it supplied expertise to the local authority.

There is also the question of encouraging private enterprise to get involved. I stated at earlier sessions that there is much money out there in pension funds, including in countries like Canada, ready to invest in long-term albeit not very high returns. What can we do to attract more of that money? If there is a guaranteed demand and we can give them the rents they need to meet the expenditure, significant progress could be made.

My next point concerns the build-to-lease programme. If we ask private developers to build to lease, I presume it would be off the Government balance sheet if a private contractor built houses and leased them to the local authority, with tenants paying their rent. Is that a model that should be considered? The Minister is correct in wanting to build 35,000 units every year, but it will not happen unless we get other people into the market.

I welcome the Minister's point about planning reviews, but local authorities have infill sites and much land in bits and pieces in towns, cities and the countryside. State companies like CIE and Bord na Móna have landbanks and God knows where they are. I understand the Government is doing an inventory of these. When will that be to hand? We will have to use hard bargaining to ensure that if they are in the right place, those sites will come into public supply. I can give the example of Gormanstown Army camp in County Meath, which has approximately 200 acres. There was a proposal some years ago to take on 60 acres of that for housing but it never happened. There is land in places like Gormanstown, which has infrastructure like the motorway and railways. It has reasonable proximity to towns and good public transport. We must ensure all the land in public ownership in significantly located areas is released to supply our need.

I have a couple of other points.

Chairman: Please make them briefly, because I want the Minister to respond.

Deputy Fergus O'Dowd: I do too because, like yourself, I have sat here. I am the first Government party speaker and I am not going to be rushed in the final part of my question. I spoke about the build-to-lease programme, NAMA homes and landbanks and now I want to mention the planning review. That is key. We need to look again at fast-track planning. I do not know whether it makes sense. Somebody spoke about reforming Part VIII, but we must see whether we can fast-track the planning in whatever way it can be done.

The last point I would like to make is that Great Britain has a huge public housing supply. There are massive operations in the United Kingdom. What can we learn from the United Kingdom? What wealth of information is there that the Minister could access or get? Perhaps they might have experts on this issue, on rapidly building a significant number of houses. What knowledge is there? What research and information can we get to do this job? After the Second World War, they had a huge public housing construction programme. Maybe there are lessons we can take from that.

Chairman: I thank the Deputy. There is only one speaker left, that is, Deputy Wallace. If the Minister does not have the exact response to some of Deputy O'Dowd's questions in respect of NAMA, there will be representatives of the four local authorities before the committee today who may have further details-----

Deputy Fergus O'Dowd: Excuse me-----

Chairman: The Minister is neither NAMA nor the local authorities.

Deputy Fergus O'Dowd: I accept that.

Chairman: The four local authorities may be able to assist Deputy O'Dowd in more detail.

Deputy Fergus O'Dowd: The point I was making, in response to other points about NAMA being the big bad wolf, was that the agency in fact offered thousands of houses that were not taken up.

Chairman: All I am suggesting is that the four local authorities may be able to address the reasons he is looking for.

Deputy Fergus O'Dowd: I hope so.

Deputy Mick Wallace: On Deputy O'Dowd's last point, in *The Guardian* for the last three or four weeks there have been articles on the major problem they are having with housing provision in the UK at the moment. It is a crisis that is coming close to our own. I get the impression that funding and how all this will be financed presents a huge stumbling block for the challenges that are out there at the moment. It is about the price of the money. Can we get money at around 1% rather than being driven into the hands of PPPs which are an outrageous price for the State?

The Minister said that sometimes we cannot do this because it will drive it off-balance sheet and it becomes problematic in terms of how the money is assessed, and so on. That is a huge obstacle we must overcome. As I have said before, it is clear that other states in Europe have bucked the rules when it has suited them. For example, this year the French are going to break the fiscal rules to deal with what is called an emergency around security due to the ISIS attack. We have an emergency around housing and we should be looking for some leeway from the Europeans as well, just as the French have done. Austria, Lithuania, Spain and Italy have already indicated that they are also going to break the fiscal rules in 2016 and probably will not pay any great price for it.

Another issue around funding is that there is a lot of development that could take place in the country but the builder or developer - sometimes it is the same person - struggles to get access to funding. The banks are not lending in this area and are unlikely to start lending. The Government is unlikely to start telling private institutions what to do, even if we do happen to own AIB. Does the Minister not think the State is going to have to play a serious role in funding projects? He mentioned that deals can be done with local authorities around social and affordable housing and mixing it with private housing. I agree that would be great if he could make it happen, but there are some serious obstacles to making that happen. I was speaking recently to a guy who wanted to build 30 units. He was prepared to do a 50:50 split between private and social housing and wanted to do a deal with the local authority in terms of accessing some upfront funding to go towards his eventual take from the project. However, the local authority did not feel that the project was doable in that manner. There are some challenges that need to be addressed in that area with the local authorities.

To return to my first point, NAMA representatives appeared before this committee and it was very interesting to listen to them. They made it very plain that they have a commercial mandate - 100% - and that the notion that they had a social mandate was a figment of our imaginations, despite the fact that it is mentioned in the legislation. They were unapologetic about the fact that they will do as they see fit to maximise the return on any commercial venture in

which they engage. The Minister said that NAMA will probably deliver more than the 10% target for social housing. He also said that integration is key and agreed that affordability is a big challenge. However, the NAMA representatives admitted that the majority of the units the agency will build will not be affordable for those people who are struggling to find units now and into the future. The Minister said that the Department's action plan will focus, in particular, on those experiencing the most difficulty in accessing the housing and rental market at the moment but the majority of the 20,000 units that NAMA will build will not address the needs of that cohort. That is a fact.

The NAMA representatives were also unapologetic about the fact that they are engaging with vulture funds to develop huge tracts of commercial property, a process which will prove to be very lucrative. That is a commercial decision and I understand the logic behind it but the sad part is that it is happening at the expense of the residential market. It would be so much better if the State took a more hands-on approach to how NAMA operates. The Minister said that it drives it off-balance sheet if the Government reduces NAMA's commercial mandate. It would be disingenuous of me not to add that I have serious concerns about the fact that we are hanging so much of our hopes on an agency like NAMA to deliver 20,000 units when only this week two of its former employees were arrested in Northern Ireland. That is going to have serious repercussions and will not go away. I am not so sure that NAMA is the organisation upon which we should depend to deliver so many units. The Government needs to examine this issue and determine whether it is right to go down that route. NAMA seems to be here for the long haul but there are many issues surrounding it that have not been addressed in recent years. The Minister said that we cannot be too demanding of NAMA but it would be wonderful if we could demand accountability and transparency in terms of how it has operated.

On the issue of carrots for the private sector, I do not live in cloud cuckoo land and realise that 70% of people will continue to use private housing in some form or other in the next ten to 20 years. However, I would argue that we have serious problems around how we deliver private housing as well. The affordability issue is directly linked to the fact that the market is dysfunctional and unregulated. The Minister said that he is considering introducing tax incentives to get private developers back into the market. Is he aware that investment or vulture funds are sitting on some really good sites in Ireland and are looking for incentives to start building? I warn the Government that it will have to be careful as some of these people have no appetite for building but are actually planning on flipping property when it is more attractive to flip it. They are lobbying for incentives with a view to making their assets more valuable. I suggest that if any type of assistance is to be provided to attract the private developer back into the market it has to be formulated in such a way that a reward comes at the end when the units are delivered. I do not know how that can be done but if it is done upfront, these guys will make a killing and go laughing their heads off. I am not suggesting for a moment that the issue is not complex and that it is easy to do these things - I know it is not - but there is a danger of driving up the value of the development land that is ready for building.

On the Part V issue of the 10%-----

Deputy Simon Coveney: I do not mean to interrupt but I need time to answer before I go to a Cabinet meeting at 2 p.m. That is the problem.

Deputy Mick Wallace: Okay. I wish to raise one other point.

Chairman: Briefly, Deputy.

Deputy Mick Wallace: Apartments are advertised this week on Watling Street, Cork Street, Middle Gardiner Street and Dolphins Barn. For example, on Middle Gardiner Street there are ten one-bed apartments and five two-bed apartments, a rent roll of €153,000, roughly €1,000 each. Hook and MacDonald advertise that the buyer will be able to achieve a rent roll of about €228,000, an increase of 50%. We can expect at least half of those people to get tossed out of those units because they will be unable to afford the new rent. We are looking at paying much more to produce units while these are ready-to-go units. Some of these units will become vacant and the people in them will be looking for new places. Is there any way in which the State can engage in buying such property? At the moment, these properties are occupied and should stay occupied, but if vulture funds buy them they will not stay occupied because landlords will increase the rent and make them unaffordable for these people and somebody else will move in and the former tenants will be looking for a place. The State should be looking at bargains. Deputy Fergus O'Dowd was giving out that local authorities are guilty as they did not take up all the NAMA options. It was unfortunate that the local authorities did not get a better pick of what NAMA was offering. It offered them the trash but not a lot of very suitable units that the local authorities would have jumped at and that was unfortunate. NAMA cherry picked and sold off the lovely property to the investment funds and offered much poorer quality property in many cases to local authorities. If one analyses the property turned down by local authorities, one will find that more often than not there was a good reason for doing so.

Chairman: Does Deputy Wallace wish to afford the Minister an opportunity to respond?

Deputy Mick Wallace: All right. Go ahead.

Chairman: The Minister has a couple of minutes.

Deputy Simon Coveney: On that particular question, Deputy Wallace will get an opportunity to ask questions of some of the chief executives later on.

Chairman: The four Dublin local authorities are appearing this afternoon.

Deputy Simon Coveney: Hopefully, the Deputy will get some answers then. I am aware that NAMA spent tens of millions of euro doing up properties to make them suitable for social housing. I do not have the exact figure but it was very significant.

Deputy Ruth Coppinger: In fairness, NAMA spent very little on doing up properties for social housing in proportion to its budget. I will get the figures for the Minister if he so wishes.

Chairman: Some €50 million perhaps.

Deputy Simon Coveney: It spent €100 million making properties ready for social housing.

Deputy Ruth Coppinger: What was its overall budget?

Deputy Simon Coveney: Of course it matters, but €100 million is a very significant investment in social housing.

Deputy Ruth Coppinger: Not out of €36 billion. I will look up the figures.

Chairman: Deputy Coppinger, please.

Deputy Simon Coveney: We can have a long debate about the remit of NAMA. The NAMA vehicle was set up to take broken property-related loan books off the banking system

and its remit was to try to minimise the financial exposure to the State. That is the remit it continues to work out, which is why it has - and it is unapologetic about it - a commercial remit to try to do that. It is predicting that by 2020 it can make a profit for the State of up to €2 billion. Within that remit we are trying to work with NAMA to ensure the State gets the maximum dividend possible in terms of housing delivery in a timely manner, given the influence it has over loan books and the linked security of those loan books to landbanks and properties all over the place. We are trying to work with NAMA to maximise that dividend and we will continue to do that. However, to simply turn NAMA into a different entity would turn it into, essentially, a State agency which would bring its expenditure onto the books. That would cause all sorts of disruptive and negative impacts regarding what it would be allowed to spend. I am just saying that we need to be careful about that. I am not suggesting that NAMA does not have significant financial muscle, of course it does, but it is about how we use it and how clever we are in terms of managing budgets in a way that can deliver for us, without impacting on available spend.

I would like to see the State buying up properties - I have spoken to the Housing Agency and it has strong views on this as well - particularly vacant properties. I would like to see a purchase programme where the State looks for bargains in properties that may not be on the market but may be coming to the market in the next couple of years. I would like us to be proactively looking to acquire, particularly properties that are not occupied at the moment, to be able to increase the number of social housing units we have. This could involve talking to banks about the properties they have, whether they are properties linked to loans books or just in the private market generally. I absolutely believe that one of the ways to increase stock immediately is to simply acquire. The preference is to acquire vacant units where possible.

In regard to access to funding, the Deputy is correct in that there is no shortage of low-cost funding available at the moment. The problem is how does one spend it and through what vehicle? When a local authority borrows money and spends it, the money gets added to the national debt. It is as simple as that. We have worked very hard in recent years to try to get our national debt levels down so caution is needed in how we finance what is clearly needed - an increase in the supply of housing units - and the mechanisms by which that is achieved. Deputy Cowen referred to the NARPS model which NAMA has been using and which is a very successful model. We are going to try to learn lessons from that and see if it can be replicated. There is also the Housing Finance Agency which is able to raise money at a very competitive cost. However, this money cannot simply be given to local authorities without there being a subsequent consequence in terms of public spending in any given year. Likewise, the credit unions want to be able to lend money to help solve the housing crisis, but again we need to make sure we can source money as cheaply as we can. The NTMA, as the Deputy is aware, can raise very significant amounts of money very cheaply, but that is not the problem. The problem is how does one spend the money in a way that does not undermine competition rules or require a commercial rate of return in order to avoid it being considered as national spend and to avoid State aid rules complications.

Deputy O'Dowd spoke of the lessons to be learned from the UK. I am going to Derry in the next few weeks where there is a very active social housing building programme. I am interested in really understanding how that programme works, seeing its successes and I presume some failures too.

Reference was made to a planning review. There are many active planning permissions out there. However, we need to be able to get decisions through the system quicker, particularly at An Bord Pleanála level. It may be that more resources are required but we will not look at

spending hundreds of millions of euro building houses to then have unnecessary delays because of the need for a half a dozen or a dozen people from a human resource point of view. If they are there, we need to ensure that we deal quickly with blockages that have solutions around human resources so that we have capacity to get things moving.

The point about land acquisitions is really important. State agencies and State-owned companies need to play their part in terms of supplying land banks to local authorities to build homes. Irish Rail is probably the best example.

Deputy Fergus O'Dowd: That is around commuter-----

Deputy Simon Coveney: Absolutely. For example, there are very strategic and large landbanks in Cork, in particular, as well as Limerick and Athlone. These landbanks are often in city centres and will never really be used for commercial rail in the future. Obviously, Irish Rail must get a commercial rate of return for an asset that it owns and is on its balance sheet. It cannot simply write it off without all sorts of accounting consequences. However, I am of the view that we can put in place mechanisms to allow for a payment for a transfer of land that can recognise the commercial value to Irish Rail of such strategic landbanks. There are other State-owned bodies and companies as well, but Irish Rail is probably the best example, particularly in the case of my own city. I suspect Gormanston is another example. I am not familiar with it but we will look at it.

On the build-to-lease side, the NAMA NARPS model is-----

Chairman: Build-to-lease-----

Deputy Simon Coveney: It can be buy-to-lease or build-to lease. Absolutely, and perhaps we could expand that model. If one looks at the UK, there is a huge reliance on approved housing bodies there to build and manage large property portfolios of social housing and often also of specialised housing. Whether it is for the elderly or the disability sector, there are specialised providers of certain types of housing. We could do a lot more of that in Ireland, particularly if one looks at our demographics in respect of purpose-built housing for the elderly and the building of communities that would encourage single individuals who are senior citizens and who may be living in large family homes with the associated cost and security concerns. They may well want to move and allow the property to be occupied by a family, multiple tenants or whatever.

In terms of attracting funds, from my experience there are many offers from equity funds and others looking to put financing together, whether it is from the European Investment Bank, our own Housing Finance Agency, the Ireland Strategic Investment Fund, ISIF, or private funds. The issue, in fact, is finding a way to spend it. The point raised earlier by Deputy Wallace is true. The lending model for developers has totally changed. At present, the banks do not have the appetite to finance developments beyond approximately 60% of the finance costs, so the other 40% has to be made up with new financing models with which some developers are uncomfortable and which, in some cases, have been very expensive in terms of the financing options. That is prohibitive and we are looking at ways to help that situation.

There has not been much discussion on rent supplement and HAP. We are trying to encourage landlords, as well as tenants, into HAP and we are using the tax system to do that. Last November, as part of the package around rent certainty, the Minister for Finance introduced a tax measure whereby landlords can get 100% mortgage interest relief if they commit to having

HAP or rent supplement tenants for up to three years. This is trying to tip the balance another way. Let us face the fact that some landlords have a view that discriminates against tenants relying on HAP or rent supplement, which is wrong. We need to try to address that balance and perception so that we do not disadvantage people in those circumstances.

In the context of one of the other questions asked earlier, we are making €1.5 billion or so available to local authorities for the social housing build-and-buy programme between 2015 and 2017. Let us consider the impact we predict this resourcing can have on housing lists in local authorities. The average impact can be 25%. Therefore, by the end of 2017, if this money is spent and if the units are delivered on the back of it, housing lists can be reduced by 25% by the end of next year. In some counties the figure is higher and in others it is lower. In the case of Dublin City Council, for example, the figure is 21%. These figures are available if people want them.

Deputy Fergus O'Dowd: The figure in one constituency was 50%.

Chairman: Let us not go there.

Deputy Simon Coveney: In Tipperary the figure was quite high.

Deputy Fergus O'Dowd: The figure in Waterford was 50% as well.

Deputy Simon Coveney: I could not possibly comment on that.

Deputy Fergus O'Dowd: I can.

Deputy Simon Coveney: The figure in Leitrim was 47% so there are other high figures as well.

I thank the committee. I would have preferred to have stayed for longer. I look forward to getting the committee's report when it is produced. If people want follow-up meetings on the report recommendations, we will happily oblige. If the committee needs any information from the Department in terms of statistics we have that the committee may need to finalise the report, please ask for it.

Chairman: Thank you, Minister, and thanks to your officials for your attendance today. I was pleased to see that in your opening statement you used terms like "housing crisis" and "emergency situation". This is the manner in which the committee has been addressing the issues.

The committee's report will be available in approximately two weeks' time. Fortunately, this should feed in nicely to the development of the Department's action plan. We are encouraged to hear that the Department's action plan will pay due regard to some of the evidence-based recommendations that the committee hopes to make. I thank the Minister for his attendance. We will suspend the meeting until 2.45 p.m.

Deputy Ruth Coppinger: Can I clarify something? We have the managers from the local authorities next. Will there be another presentation by the Department?

Chairman: Yes. They are all coming in together at 2.45 p.m.

Deputy Ruth Coppinger: There are being taken together. Is that correct?

Chairman: Yes.

Sitting suspended at 2.10 p.m. and resumed at 2.50 p.m.

Department of the Environment, Community and Local Government and the County and City Management Association

Chairman: I remind members and witnesses to turn off mobile telephones or switch them to flight mode. They interfere with the recording and the broadcast of the meeting.

I draw the attention of witnesses to the fact that by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to do so, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable. The opening statements submitted to the committee will be published on its website after the meeting. Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the House or an official either by name or in such a way as to make him or her identifiable.

I welcome, from the Department, Ms Bairbre Nic Aongusa, Ms Sarah Neary, Mr. Philip Nugent and Mr. Colin Ryan, and, from the County and City Management Association, Mr. Eugene Cummins, Mr. Billy Coman, Mr. Owen Keegan, Ms Catherine Keenan, Ms Margaret Geraghty and Mr. Dick Brady. Their full submissions have been received and circulated to members.

I remind colleagues that this is the final session of public hearings in regard to our deliberations. Some witnesses have come before the committee on previous occasions. The context in which they are here today is their role in the provision of front-line services that are coming directly through their organisations. Issues which have arisen in previous weeks have caused members to have follow-up questions.

I invite Ms Bairbre Nic Aongusa to summarise the Department's submission and Mr. Cummins to do the same on behalf of his association. We will take questions from colleagues at that stage.

Ms Bairbre Nic Aongusa: I thank the Chairman and members for inviting us to attend today in order to discuss issues relating to housing and homelessness and to answer any questions they may have about the Department's functions, operational plans or administrative procedures. I am the assistant secretary with responsibility for social housing policy. I am accompanied by Ms Sarah Neary, principal adviser in the architecture and building standards unit, Mr. Philip Nugent, principal officer with the rental and approved housing body regulation unit, and Mr. Colin Ryan, senior adviser in planning. The committee will have heard from the Minister this morning about the Government's intention, in line with the commitments in the programme for a partnership Government, to develop and publish an Action Plan for Housing, within its first 100 days in office. The level of ambition set for the Government's plan is high, rightly so, as we are now facing an acute crisis in housing in many parts of the country.

In recent weeks, the Taoiseach announced the establishment of the Department of Housing,

Planning and Local Government and the Department has been re-organised to focus intensively on the challenge of tackling the housing crisis. We have recruited additional specialist and administrative staff to cater for the increased activity and we have assigned additional resources at senior management level specifically to housing. In recent months, the Department has engaged in an intensive process of information sharing and consultation with local authority staff and approved housing body staff across the country to jointly develop our skills and capacities so that we can work together more effectively to expedite the social housing programmes. We have also assigned resources to a special cross-divisional team on housing, combining specialist and administrative skills, to consider the current challenges from the perspective of planning, land management and the private housing market and to identify potential measures to stimulate increased activity in the housing sector generally.

Rather than cover the same ground as the Minister did this morning, I think it might be helpful to the committee if I were to provide it with information on some of the Department's administrative procedures and policies which have been the subject of debate and comment in recent weeks.

A recurring theme in the committee's discussions about social housing has been the question of the time involved in the Department's approval process. I would like to take the opportunity this afternoon to clarify, first, what these approval processes are and, second, to outline the measures we are taking to improve them to enable social housing construction projects to be accelerated, in as much we possibly can, consistent with our obligations under the public spending code.

Like all Government capital expenditure, social housing projects funded by the Department must comply with the Government's capital works management framework, CWMF, the strategic objectives of which are to ensure greater cost certainty, better value for money and financial accountability at all stages during project delivery. Working within the scope and objectives of the framework, and with a view to supporting the earliest possible delivery of targets under the social housing strategy, the Department has streamlined the nine approval stages of the CWMF to only four approval stages for capital-funded social housing construction projects, in consultation and agreement with the City and County Management Association, CCMA, which is also represented today. The process facilitates local authorities to forward design proposals and costings to the Department sequentially, as they are advanced through the authorities' planning work.

A summary of the four stages of the Department's approval process is as follows: Stage 1 is capital appraisal to establish the business case and suitability of the proposed location. Stage 2 is pre-planning outline design and cost check. Stage 3 is a pre-tender cost check and stage 4 is tender approval. Those stages are considered the minimum required for complex construction projects, in order to allow the Department's Accounting Officer to make the annual declaration as to the proper management of public funds to meet the requirements of the Comptroller and Auditor General, and to allow an efficient and proactive check on the achievement of quality housing, sustainable communities proofing and prudent cost control as each project progresses.

At the request of the CCMA, the Department also introduced a new procedure in January 2016 to facilitate a further streamlined mechanism of funding approvals on a pilot basis for social housing construction projects of up to 15 housing units with a maximum all-in budget of less than €2 million. This mechanism is most suited to one-off and small-scale housing developments where the cost can be reasonably accurately determined. Local authorities opting for this process provide a more in-depth capital appraisal proposal than is ordinarily provided to

allow us issue an approved budget for the project.

As the Minister has mentioned on a number of occasions, we are currently reviewing our procedures in the Department to see whether the approval process can be further expedited in a manner consistent with the need to ensure quality and value for money in the delivery of social housing projects which are fully funded by the Exchequer. The Department recently put arrangements in place to send specialist teams to visit local authorities and engage intensively with them about their plans and projects. Such meetings can increase mutual understanding and dramatically reduce the potential for prolonged correspondence about technical details, which might have taken weeks or months in the past. Since January, teams from the Department have visited and met almost all of the local authorities, with dates already set for the next round of meetings to be held in June and July. Already, we have received positive feedback from local authority staff and management about this approach and, as a result, we expect to see a much smoother passage of projects through the stages of the approval process in the coming months.

Another theme which has been mentioned in the committee's discussions on social housing is the Department's requirements regarding sustainable communities. The policy of sustainable communities is in part a response to the evidence from a considerable body of international research into the social isolation, lack of educational achievement and financial progress experienced by families isolated on large mono-tenure social housing estates. In Ireland, remediation of such housing schemes has necessitated substantial investment of Exchequer funding in Dublin, Limerick, Cork and other urban centres. This work is ongoing and regeneration projects will continue to be a feature of our social housing programmes for some years to come.

To avoid repetition of this phenomenon, which some commentators have referred to as the "ghettoisation" of vulnerable families, consistency with the mixed tenure neighbourhoods promoted by sustainable communities requires us to limit the size of any social housing development to a number appropriate to the size of the town or city, as well as ensuring it is well connected to and integrated with the wider community. The Department's guidelines are framed to provide prudent guidance, though they do allow for some element of flexibility. A number of local authority development plans have also incorporated the concept that the proper planning and sustainable development of a town requires promoting mixed tenure communities and thus would not support any further large mono-tenure developments.

In short, the idea behind sustainable communities is to create neighbourhoods in which people want to live, and which address the three pillars of sustainability - environmental, social and financial. In Ireland, this concept was incorporated as a fundamental element of housing policy in the 2007 policy document, *Delivering Homes, Sustaining Communities*, and reaffirmed in the 2011 housing policy statement. The *Social Housing Strategy 2020* states that the delivery of social housing under the strategy will be carried out in a way which is consistent with this key principle of developing sustainable communities. The Department's guidance on sustainable communities finds its corollary in other measures, such as the Part V requirement under the Planning Act, which is also designed to promote socially integrated communities.

I am sure the members of this committee are very familiar at this stage with the objectives of the social housing strategy, that is, to provide 35,000 additional social housing units by 2020, with another 75,000 social housing clients provided for through the private rented sector. The three pillars of the strategy – the provision of additional units, the expansion of provision through the private rented sector and a progressive programme of social housing reform – are also well known. At the heart of this is the strategy's vision, which is set out on its very first page, that every household in Ireland will have access to secure, good-quality housing suited to

their needs at an affordable price in a sustainable community. We in the Department are absolutely committed to playing our part in bringing this vision to fruition. Together with my team, I look forward to discussing this and other matters further with the committee this afternoon. We will be happy to answer any questions members may wish to ask.

Chairman: I thank Ms Nic Aongusa for her opening statement. Before we turn to questions, I invite Mr. Eugene Cummins to make his opening statement on behalf of the County and City Management Association, CCMA.

Mr. Eugene Cummins: I thank the Chairman and members of the Committee on Housing and Homelessness for inviting us to appear. We are pleased to be before the committee again this afternoon to further assist it in its examination of the issues and challenges facing us all with regard to housing and homelessness. As the Chairman noted, my name is Eugene Cummins and I am the chairman of the CCMA housing committee. I am accompanied by my colleagues, Mr. Owen Keegan and Mr. Dick Brady, chief executive and assistant chief executive, respectively, of Dublin City Council, Mr. Billy Coman, director of services of South Dublin County Council, Ms Catherine Keenan, director of services of Dún Laoghaire-Rathdown County Council and Ms Margaret Geraghty, director of services of Fingal County Council.

As previously stated on 26 April, local authorities are fully committed to social housing provision, social housing accommodation and addressing homelessness. The points we made at that time still stand. The local authorities will continue to work with a range of stakeholders, including the Housing Agency, approved housing bodies, the private sector, Departments and all communities to deliver sustainable housing. In addition to the points made on 26 April, I will take this opportunity to highlight some key issues that must be addressed. First, on private sector engagement, the immediate concern for local authorities is the absence of the private sector in significant numbers from housing construction. As we all are aware, the key issue with regard to housing in Ireland is supply of housing stock and, quite simply, supply does not equal demand. This is leading to difficulties for families and individuals who wish to either buy or rent their homes. If more people could access housing that is affordable, which is the preference of the majority of people, then the pressure on social housing would ease. As previously stated, unless the private sector returns to building properties in significant numbers, the problem, including homelessness, will get worse.

In respect of sustainable communities, it is acknowledged that local authorities and the State own a sizeable landbank but social housing can only be built, for the most part, on a small percentage of these sites. We have learned from past mistakes that building large social housing estates is not the way forward. Building sustainable communities is the way forward with mixed tenures and properly planned communities in which all supports, services and facilities are available, such as schools, parks, amenities, community facilities and transport services, as well as commercial facilities such as retail, leisure facilities and cultural services. This is wholly consistent with the statement on housing policy, Delivering Homes, Sustaining Communities. Local authorities work with our partners in Departments and State agencies to deliver these objectives. Importantly, and as already highlighted, we work in partnership with the private sector to deliver a suitable mix of housing tenure and a range of services in mixed use schemes. Our focus on sustainable development will not delay the delivery of our targets but reiterates the need for a partnership with the private sector to achieve sustainable developments for future generations.

As for delivering targets, local authorities met their targets as per Government policy set out for 2015 in the Social Housing 2020 strategy and we certainly are up to meeting the challenge in

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coming years but this will require the active participation and engagement of the private sector. I also wish to highlight that the rates of vacant units are now as low as 1% to 2% in many cases. In addition to the voids, the housing strategy being advanced includes a mix of construction and housing support through the housing assistance payment scheme, HAP. While working within current planning and budgetary frameworks, we are committed to doing everything we can to achieve the targets set out for us by the Government.

In respect of the statutory framework, local authorities, like our partners in the various Departments, are obliged to adhere strictly to procurement rules and the legislative provisions of planning law. In general, there is no magic formula for significant time savings. However, we will continue to work with Departments to explore any area or process that may have the potential to save time in contract delivery. As for risk appetite and as previously stated, we must and will deliver our social housing objectives in partnership with a range of Departments, State agencies and the private sector. No projects, including housing initiatives, are without their risks. Anyone involved in a capital project, from a small extension to a home to a major urban renewal scheme, knows that despite all efforts to manage or mitigate risks, cost certainty can only be achieved at final account stage. Consequently, financial risk - overruns - must be shared by all stakeholders.

We have worked and will continue to work with the various Departments, approved housing bodies and the Housing Agency to deliver homes for those on our housing lists in sustainable communities and within the legislative framework of planning and procurement policies. Delivery of a mixture of private and public mixed tenure will undoubtedly need an increase in private sector construction. Housing is a priority for local government. We are committed to achieving our housing targets. The local government sector will continue to be available to this committee to assist with its deliberations.

Chairman: I thank Mr. Cummins for his opening statement. Some of the witnesses have been here before and as this is our final meeting, issues that have arisen over a number of weeks during our deliberations and consultations with others have prompted further questions around areas relating to local authorities, land banks, the planning process, the delivery between the Department and the various local authorities. While some of these issues have been addressed in the opening statement, I am sure a number of colleagues will want to probe them in more detail. To the colleagues who have questions, I wish to state that in addition to the CCMA, which was here previously, representatives from each of the four Dublin local authorities are at this meeting. A number of people have indicated and I will take a couple of them together. If the questions are general, they can be general and if members wish to direct them to somebody specific, they should identify who that person is. I call on Deputy O'Dowd.

Deputy Ruth Coppinger: On a point of procedure, Mr. Cummins appeared before the committee previously but I think people would like to hear what each local authority's plans are.

Chairman: Deputy Coppinger will get an opportunity to address those questions to the local authorities.

Deputy Ruth Coppinger: I just thought they might be able to tell us.

Chairman: At this stage, I am going to take the questions.

Deputy Fergus O'Dowd: Part of the problem has been a lack of a local authority build-

ing programme, possibly over a nine or ten-year period when housing ceased to be built. I live in Drogheda and was a member of Drogheda Borough Council for more years than I care to remember. We were always building houses and then we moved away from Department-sanctioned funding by the local authority to housing associations. I suppose the advantage from a local authority perspective was narrow in that it did not have to be responsible for maintenance. In many cases, the local authority did not even have to select the tenants once they came off the housing list in whatever order the housing association wished to take them. That is when we lost the capacity to deal properly with the problem because the local authority no longer had the skills and was now longer involved.

In respect of the social housing plan and the different percentages in some counties whereby some will build 50% of their need while others will build 25%, there is no equity within that plan based on the applicants per local authority area. In other words, if one can build 50% of the need in Longford, one might only have to build 100 houses whereas in Dublin, the number will be in the thousands. Is there a need to look again at that programme to ensure that, say, 50% of all houses needed will be built in a certain timeframe and drill down from that because I believe we will have huge areas that will probably not be built on because local authorities will not have the capacity to deliver?

My second question goes back to affordable housing and the mix. I respect what Mr. Cummins said and I am not splitting hairs or taking personal issue with him. He said that given all the land in local authority or State ownership, he could see local authorities building on only a small portion of the land. I think those were the words he used. That would concern me greatly because who builds on the rest of the land? I appreciate that Mr. Cummins said that we would have integrated housing that would not be just social housing but I think we need to move away from that and build proper social and affordable housing together that people can afford to buy or live in. I do not have a rule book in my hand regarding standards but a significant portion of State land must be built on because it is much cheaper for the State to use its own land than to go to the private sector.

Why did the four Dublin local authorities refuse all the houses offered to them by NAMA? There were 6,000 houses in the State and I can give Mr. Cummins the figures for Dublin because he may not necessarily have them. The number of houses that were offered equalled the number of people who were homeless in the city and, therefore, in theory, they ought to have been housed. The houses that the councils refused to accept were returned to the hands of private landlords and, as Deputy Butler said, the people living in them are local authority housing applicants on HAP and rent allowance. That does not make sense. The local authorities erred significantly in refusing those houses and I would like to know why they did not accept them.

Deputy Eoin Ó Broin: I thank the witnesses for their presentations. I will make a number of comments and then ask two key questions. I appreciate that people like me know far less about the how the procurement and tendering process works than the witnesses but from the outside, I see competent officials in local authorities and in the Department who have to continually go back and forth through that still very long four-stage approval process to take decisions. Why can that decision-making process not be located in one of those competent bodies rather than both? There must be the capacity for an approval and procurement process that is substantially shorter than the existing process, which would still allow officials to meet all the requirements in terms of quality build and quality approval of taxpayers' money. I cannot understand how that is not possible. The fact that two different arms of the State have to go back and forth is the key part of the problem. I acknowledge the Minister is examining this but the

more I hear from him about shortening the Part VIII process, as his first pronouncement, the more I wonder why he cannot focus on prioritising the shortening of the approval and procurement process. I urge action in this regard.

Ms Nic Aongusa referred to the considerable body of international research on mono-tenure estates. This is more frustrating for me because I do not believe there is a considerable body of research and that has clearly been Government policy for quite some period. However, research by some of the State's most respected housing academics, Professor Tony Fahey and Dr. Michelle Norris, in a seven-state study from ten years ago and a follow-up study, shows that there are strong merits to as well as issues in respect of mono-tenure estates. However, those issues have less to do with the tenure mix and more to do with investment and social and economic infrastructure. The difficulty is there is a huge housing need, particularly for those people for whom the market will never provide housing and for whom social housing is the option. If there cannot be large-scale social housing build because of the constraints of the sustainable communities approach, then there will be large numbers of small infill projects - the majority of new builds under the current strategy are small infill projects in areas that have high concentrations of social housing and, therefore, are in breach of the sustainable communities ethos - or there will be smaller numbers of Part V units on private housing estates because of the new regulations. Since this model was introduced, there has been no research to prove that putting 10% or 15% of lower-income families on large or private estates creates integration. Many of us argue there is much less integration on those estates because of the way they are designed. I cannot see how with the constraints of the sustainable communities approach and low levels of investment in public housing this problem will be tackled. The focus that Mr. Cummins placed on the private sector is part of the problem. The whole reason we call it the social housing sector is because the market cannot meet the needs of those people. For us to think that the market will be key to reducing that acute level of housing need is symptomatic of the problem.

We have a high level of need and we have plenty of available, good quality public land. We have low-cost finance and enormous expertise in our local authorities, in the Department, the Housing Agency and the Housing Finance Agency. The key is how those groups of people are put together to deliver. We can have private builders but not the private sector driving it. Surely we can have mixed tenure local authority estates where local authorities provide the land and set out the broad parameters on the basis of what is needed. They can be mixed tenure with some private, some cost-rental and some social housing. They can be funded, as the NTMA told us on Tuesday, off-balance sheet through a National Asset Residential Property Services, NARPS-type vehicle or through 100% Exchequer funding. It should be done in that way.

I will give the example of the Grange site and I have poor Billy's head twisted on this. South Dublin County Council has 44 acres of land. We could have a mixed tenure, local authority housing estate of 800 units there with spaces for schools and community facilities and it could be delivered by a competent local authority through a NARPS-type vehicle. What will we get instead under the existing Government strategy? We will get 100 houses in five years' time. I do not want to be awkward about it but if we continue with the same failed strategy that has got us into this mess, things will not change. Can we not start to look at mixed tenure, local authority or approved housing body led estates on a large scale with the funding that only a few days ago NTMA and Department of Finance officials told us is available? If we started to insert that into social housing strategy, we could look at producing a much larger number of units, greater levels of income mix and we could seriously start to tackle the social housing waiting lists.

Deputy Colm Brophy: The reason I want to comment at this stage is because it directly

links to the two previous contributions. I also listened to what Deputy Coppinger said to the Minister. There is probably almost total agreement on this point. I thank the witnesses for making their contributions. In the contributions we heard about sustainable communities and the 10%, and the word “ghetto”, with which I have a real problem, was used at one stage. What we built in the past failed the people we built it for, not because it was a mono-tenure development but because we built sprawling developments on the edge of cities and then singularly failed to provide anything at all in terms of a proper development, such as schools, churches, transport, shops and the most basic things that communities need. We seem to be using that now as an absolute mantra to try to stop any new thinking in terms of building. Deputy Coppinger and I do not agree on a lot of things but I was totally caught by her contribution earlier on, which Deputy Ó Broin echoed. To get 10% as 35,000 houses, we would have to build 350,000.

Deputy Ruth Coppinger: I think it is 1 million.

Deputy Colm Brophy: Nobody could tell us that makes sense and is credible because it is not. I would challenge the Minister if he were still here or anybody else to explain that to me. There needs to be a very major change and I hope that is what this committee will lead to. I echo the points and questions raised by Deputy Ó Broin. We both know Mr. Billy Coman very well. Well-led systems have been established by local authorities in the past. There are incredibly competent people in the sector but there needs to be a change and a break on it. Something needs to be done between the Department and the County and City Management Association because it is as if they do not trust each other to deliver a project. I cannot see how it makes sense for there to be checking back four or five times to get basic projects over the line. That has to be changed and there has to be a simple solution.

Deputy Ruth Coppinger: May I ask a question about that?

Chairman: Does Deputy Coppinger want to reply to that and then come back in?

Deputy Ruth Coppinger: It is very disheartening to hear local authority managers arguing against social housing on the scale that is needed. That is how it can be interpreted. I know some of the witnesses personally and have had dealings with them. I do not believe that is their belief, but it is as if they have absorbed this philosophy that is coming. Some 390,000 local authority houses were built in the last century. There are quite low levels of social problems actually. People keep on mentioning a handful of estates, for example Ballymun. I totally agree that social problems occurred, mainly because of isolation and lack of facilities. When I moved to Blanchardstown it was not possible to buy a pair of socks in the area until the town centre was built 20 years after the houses went in.

This is a real problem. Let us say there are 100,000 on the social housing list - apparently it was claimed yesterday that the figure is 140,000 - this would mean we would need to build 1 million houses to get rid of the social housing list. What level of social housing is acceptable to the Department and to the managers? On Monday a Fianna Fáil motion in Dublin City Council proposed having one third of houses as social houses in an estate of 40 houses or more. The immediate suggestion is that having anything more than 40 local authority houses is a major social problem. We would have to build 3,000 estates to sort out the social housing list. This is not doable.

I would like to hear more detail on the international research the witnesses cited. I do not believe the problem is mono-tenure but mono-income. I think Fine Gael took the decision to introduce tenant purchase and the €5,000 grant. It meant that every worker who had a good

income sold their house and moved out of the estate. That turned the local authority houses into mono-income and destroyed many communities. That was the problem.

We need to reconfigure public housing. I do not really like the term “social housing”; I prefer council housing or public housing. We need to have a diversity of incomes among those living there. If people think we will solve the social housing problem by building 30 houses here and 20 houses there, they can forget it. Housing problems in the 1970s and 1930s were solved by building on a large scale. There would be economies of scale, which is really important for the cost. We know we have to do it - we have had the Housing Agency in. Direct build is very important. The Department mentioned four stages, two of which relate to tendering. How much time does that add on to the timescale needed? I know it is dreadfully old-fashioned, but if we had direct-build local authority workers, we could cut out the tendering and pre-tendering processes.

I am concerned about the stigmatising of estates. The word “under-class” was used earlier. I am sure it was a mistake on the Deputy’s part. It is very dangerous to say that people are an under-class if they cannot get a house.

Deputy Fergus O’Dowd: It is people who are not treated properly and are not respected. That is what I mean.

Deputy Ruth Coppinger: I raise another matter on which Mr. Brady may wish to comment. I live in a mixed-tenure estate. I do not know if other people do. There were 200 private, 400 affordable mortgage and 100 for local authority tenants. It works very well. I favour affordable mortgages because people have an issue with wanting to buy their houses. I think Mr. Brady or whoever is in Fingal now would back me up on this. Most of the people who have bought the affordable mortgages have sold those houses and now they are privately rented. There are hardly any of us original residents now. We should consider introducing a rule that if people with an affordable mortgage want to sell they must sell it back to the local authority or something. What is happening is that they are just selling it on. The private rented sector is a bigger problem than local authority tenants.

I have a question for the representative of Fingal County Council, which might be taken later.

Chairman: A whole range of questions have been asked. Some of them are general relating to the procurement process between the Department and local authorities, and others were specific. Perhaps the officials from the Department might answer first.

Ms Bairbre Nic Aongusa: I will respond to a number of the questions directed to the Department and will then ask my colleague, Ms Sarah Neary, to respond to Deputy Ó Broin’s point on the approval process and the reason we have different roles for local authorities and the Department.

Deputy O’Dowd spoke about the lack of local authority build and skills in this regard. By way of background, as stated by Deputy Ó Broin, there had been little construction in the local authority sector for many years at the time the local housing strategy was launched. During the past 18 months we have been working intensively on rebuilding capacity, strengthening governance, streamlining our systems and procedures and ensuring we put in place the right people and resources to deal with our vastly increased workload.

As I said earlier, we now have the resources to enable us to visit local authorities, work

through proposals with them and thus get projects through the approval process in a much more timely fashion. We have seen a noticeable pick-up in the throughput of projects through the approval process. That there are four stages in the process does not mean it is lengthy. Some of the stages can be quite short, depending on where the project is at. Ms Neary will elaborate further on that issue.

Deputy O'Dowd also mentioned an issue which was raised earlier with the Minister, namely, the percentage of housing waiting lists that will be tackled by the capital projects that have been approved for 2015-2017. From the outset we have told the local authorities that we will be monitoring spend on capital projects and reviewing it on an ongoing basis such that, for example, funding for projects that are not being proceeded can be moved to other projects and so on. The target set for the first phase of 2015-2017 is 22,882 units in respect of which, as set out by the Minister, €1.5 billion has been provided. The national average is 25% of the waiting list. As stated by the Minister, his ambition is to do more and, as such, this is only a first step.

Deputy Eoin Ó Broin: That is based on the assumption that housing demand will not increase. In other words, that the level of demand will remain static at 2014 levels, and we know that will not be the case.

Ms Bairbre Nic Aongusa: I would like to make a couple of points in regard to waiting lists. First, the figures we have, on which the targets are based, are from the housing needs assessment of 2013, which recorded a housing need of 89,000. The social housing strategy commits to a new housing needs assessment this year. That process is now under way. We will have a comparable figure, whatever that is, for 2016 by the end of this year. Second, we know that approximately 50% of that 89,000 were already in housing paid for by the State by way of rent supplement. We have found through the experience of choice-based letting in Cork that some of the people on the social housing list are not actively seeking a social housing unit. One of our objectives is to encourage local authorities to adopt choice-based letting in order that we can get a more real figure for the actual social housing need - the net need. There are a number of different things we want to do to get a more accurate figure on waiting lists.

On the point that if we only have sustainable communities in Part V we will never meet need, it must be borne in mind that the social housing strategy is not just about local authority build. What we are speaking about today and the topic in which there is most interest is construction by local authorities, but the social housing strategy has multiple strands. We have approved housing body builds as well, for example. Approved housing bodies can build under the capital assistance scheme and they can also get a capital advance leasing facility and raise funding from the private sector. Therefore, that is off-balance sheet, which goes to another issue about which we were speaking. Crucially, approved housing bodies can do mixed tenure developments and some of them already have done so. They can have a mix of affordable and private properties.

It is a pillar of the social housing strategy to provide 75,000 units through the private rented sector and that is why it is crucial for us that the private rental sector would come on stream. We are also actively considering an affordable rental scheme, which the Minister will be bringing forward to Government very shortly to provide for that cohort of the population on low incomes who do not qualify for social housing. That is so there is something there for them.

Ms Sarah Neary: On the approval process, I will begin by describing how all construction projects follow the same sort of format and stages. There is concept and then preparing and going through the planning process. There is detailed design, tendering process and assess-

ment, which comes before getting on-site with boots on the ground. That process is followed by all local authority social housing projects as well and the approval process with the Department knitting into those stages at key points. The process has been reduced from nine stages under the capital works management framework to a four-stage process that we agreed with the County and City Management Association, CCMA, to work as effectively and as efficiently as possible, reflecting the normal process for construction process.

Going back to the framework of construction projects, the Department has approval stages after capital appraisal. The local authority prepares a capital appraisal and it establishes the need and particulars of the project, including type and number of units, as well as how it integrates with the local community, cost, the programme and the delivery mechanism. The Department reviews that, including need, optimisation of land, integration into the community from the perspective of the sustainable communities programme, suitability of the site and the accommodation to match that need. The value of this, separate from the requirements under the capital works framework, the cost certainty, value-for-money and accountability side, is that it adds a national consistency to standards, the housing itself and the cost. It gives a national perspective.

The second stage is when there is more detail on the project in preparing to go to planning, and that is both a design overview and a cost review. The project then goes through the planning process, generally Part VIII and a detailed design process. They take time and they are with the local authority. There is a pre-tendering cost assessment. We do not go back reviewing designs and it only relates to cost; that is a relatively quick process. The tendering process is next and after that there is a tender assessment, which is reviewed by the Department purely on a cost basis. The project then continues to site. This is a normal enough process for the construction process.

Chairman: I apologise for interrupting but could the witness put a timeframe on that process? I am not being in any way critical of the steps. We are listening to people explaining the difficulty in the process so what would that take in time? I know this is a new system so the question is how long did the old nine-step process take?

Ms Sarah Neary: To put this in perspective, we are talking about hundreds of projects, some big and some small. Some are apartments, some are houses and some have times that are easy to predict because of their size.

Chairman: There is a whole committee waiting for this answer.

Ms Sarah Neary: I do not think one could specify a set period for a typical construction project because they are not typical; each one has its own character. However, I would say that-----

Chairman: Ms Neary could give an average.

Ms Sarah Neary: I would say that on average it is 18 months to two years for that process.

Deputy Colm Brophy: The Chairman said that he was not critical of the process. I return to my point: I am highly critical of that process. I am really sorry. As I said, it is as though the Department and the local authorities do not seem to trust each other. If the Department seems to second-guess at every stage what I presume another arm of the Government, namely, local government, is doing, it is as though the Department thinks that although South Dublin County Council for example - I am going to use it because it is my own former council - has carried out

this project and must have done all that assessment itself, we will do it all a second time and then we will do the cost assessment a second time and so on. That process makes absolutely no sense to me.

Chairman: Does Mr. Cummins wish to comment on this as well?

Mr. Eugene Cummins: No.

Ms Sarah Neary: At the end of the day, there is the capital management framework process. It is about cost certainty and value for money. It is also about accountability for Exchequer funding, as Ms Nic Aongusa said.

Deputy Colm Brophy: Do local authorities not do that?

Ms Sarah Neary: It is 100% Exchequer funding from the Department.

Deputy Colm Brophy: Does Ms Neary believe the Department needs to double-check everything because the local authorities have no checks?

Ms Sarah Neary: The point I would make is that the detailed work is done at local authority level and that takes a significant period. The approval process is only looking at that in a short space of time and at a high level, and is making points at national level. It is knowledge-sharing, it is providing consistency across the country in terms of the housing, the standards applied to it, the costs around it and value for money.

Ms Bairbre Nic Aongusa: I imagine that some of the commentary about the delays in the process is a reflection of where we were about 18 months ago. As I have described, we have spent the last 18 months strengthening our capacity, recruiting additional resources and streamlining processes so as to enable the whole process to go much more smoothly and much quicker. The Minister has already said that he is determined to improve it further and we are already doing that. I have seen a significant improvement in the throughput times relating to the various stages in the past six months. That is partly because we held nine seminars and workshops around the country in the first three months of this year at which our professionals, quantity surveyors and architects met local authority and approved housing body staff and explained to them the procedures and what was required for each approval stage. For example, if a local authority has new staff who have not worked in housing before and they send something in for a stage 2 without the correct documentation, that causes a delay. We have taken the approach that communication is at the heart of this, along with collaborative work with the local authorities. We have been focusing on that. Between January and March, we had nine workshops and seminars. Since March, our teams have met with virtually every local authority and we have meetings arranged for June and July as well. I would be fairly confident that there will be a significant reduction in the time it takes for projects to go through the various stages.

Deputy Fergus O'Dowd: The National Building Agency, NBA, used to deal with that for local councils. I sat on the NBA, which handled design, building and the whole lot - it was a one-stop shop. It got the contract and it delivered. Why does the Department not do that? Why have all this other stuff going on?

Ms Bairbre Nic Aongusa: The process is that the local authorities have the responsibility for assessing housing need and so on.

Deputy Fergus O'Dowd: I accept that, but what is wrong with the NBA doing all that? It

did it very efficiently, quickly and professionally. A local authority essentially rubber-stamped it - it got the land and that was it.

Ms Bairbre Nic Aongusa: The NBA, as it was then, was incorporated into the Housing Agency.

Deputy Fergus O'Dowd: Why does the Housing Agency not do this?

Ms Bairbre Nic Aongusa: The Housing Agency has a different role. It is about capacity and staffing. In my view, the same objective can be achieved through the Department and the local authorities working proactively together.

Chairman: Mr. Cummins wants to come in on this point.

Mr. Eugene Cummins: It is important to highlight that the scale of the problem is enormous. There is a huge shortage of housing and I do not have to tell anyone here that. At the time that NBA was assisting, the scenario was different, as was the scale. Indeed, it was a different society. The private sector was engaged and local authorities were building houses and had been doing so for decades. The problem was not of the same scale as it is now.

On behalf of local government, I would like to say that we are in the business of providing social housing for those people who are not in a position to meet their housing needs from their own resources. I would not like anyone to think, in terms of our comments on the private sector, that there is any attempt to transfer ownership of the responsibility for providing social housing to the private sector. Clearly, it is our problem in terms of meeting the housing needs of those who cannot do so themselves. The main point is that we need the private sector to build houses for those who are able to afford them, as it did in the past, which will free up units in the private rented sector for HAP housing, rent supplement, leasing and so forth, as happened in the past. It is important to point out that local authorities managed this issue in the past when we were building estates but the scale of the problem that exists now is beyond the capacity of local government.

Deputy Bernard J. Durkan: That is because the local authorities were ruled out-----

Chairman: Deputy Durkan, please-----

Deputy Bernard J. Durkan: I am sorry Chairman-----

Chairman: I will come to the Deputy in a moment.

Deputy Bernard J. Durkan: I know, but, unfortunately, I have to be in Dáil soon.

Mr. Eugene Cummins: There is no doubt that the fact that local authorities have not been building social housing for quite some time is adding to the problem. So is the fact that the economy has improved and people are coming back from abroad, finding jobs and displacing those who were able to afford to rent in the private sector heretofore. There are now more people competing for private rented properties, the population has increased and then there is the absence of the private sector in terms of building houses. I must emphasise, while in no way trying to downplay the duties of local authorities, that we must partner with the private sector and others to provide the level of housing that is required. As Ms Nic Aongusa pointed out, it is not just about building. It is also about leasing and private rental, as set out in the social housing strategy.

While I have the floor, I would like to speak about the 10% issue. The State has in its ownership large tracts of land but we are not saying that on every piece of land, only 10% of units can be used for social housing. It totally depends on where that land is located. For example, a fairly sizeable site in the middle of Dublin city could be fully built out with social units because, in the overall context of the city or the particular area, there is mixed tenure there already. However, in a smaller town building out a complete site for social housing would lead to the problems with which we are all familiar. I want to emphasise that it is not 10%, full stop.

Approved housing bodies and local authorities are in the business of providing social housing but are not in the business of providing shops, hotels, restaurants, churches and so on. We need the involvement of the private sector, which worked in the past. There are lessons to be learned with regard to credit but it did work in the past and proved to be a very effective solution in terms of meeting the needs of society.

Deputy Ruth Coppinger: What does Mr. Cummins mean by “worked in the past”?

Mr. Eugene Cummins: We did not have this enormous problem in the past.

Deputy Bernard J. Durkan: It did not work in the past.

Deputy Ruth Coppinger: Is Mr. Cummins saying that the private sector not being involved is the problem, rather than the local authorities not being involved?

Mr. Eugene Cummins: Sorry, Deputy-----

Deputy Ruth Coppinger: I am just trying to clarify what Mr. Cummins is saying.

Mr. Eugene Cummins: The point I am making is that a problem this big has not arisen in the history of the State. It has arisen for many reasons, of which we are all aware. When we did not have this problem, the private sector was fully engaged, working with the local authorities, paying development contributions and-----

Deputy Bernard J. Durkan: I am sorry to interrupt but I have to say-----

Chairman: I will come to the Deputy in a moment.

Deputy Bernard J. Durkan: Unfortunately, I must take the chair in the Dáil. I want to say this before I leave-----

Chairman: Deputy, please allow Mr. Cummins to finish.

Deputy Bernard J. Durkan: May I say this before I leave that I disagree entirely? The failure of the system goes back at least ten to 15 years when responsibility was transferred from the local authorities for carrying the burden of local authority housing. While that policy continues in the Department of the Environment, Community and Local Government we will never resolve the problem. I do not want to dwell on the situation where people were not eligible for a local authority house because their income was too high and were not eligible for a local authority loan because their income was too low. One has only to ask my constituents and those of my colleagues what they thought about the system that operated then. I am sorry, Chairman, I am not going to delay the meeting, and I know I am barging in and barging out again but I disagree fundamentally with the assessment as put forward. I listened to it on the screen from the other side of the House. Until such time as there is a major departure from the Department’s policy of reliance on the local authorities or private housing bodies or the private sector we will

not solve the problem. It is important to remember that for a number of years the Department of Social Protection carried the responsibility of the Department of the Environment, Community and Local Government for local authority houses but should not have done so. It was not the desired policy of anybody and certainly we were not consulted about it. My final point on the issue is simply this: it was only supposed to be a temporary solution to replace the local authorities through the Department of Social Protection but it went on forever. I appeal to the Chairman not to allow us continue down that road because that will not solve the housing problem. Approximately 2,000 families are homeless around the city and there are others all around the country. We have had much repetition of the obstacles that affect the problem and we know what they are. I believe I know the obstacles and the Chairman believes he knows them. Please, can we focus on them? I am sorry about that, Chairman.

Chairman: I ask Deputy Durkan not to move for one moment as I want to clarify one point. It is not “we” or “them”. This committee collectively during the next two weeks will make our recommendations. We will formulate a report based on the evidence. That is the purpose of the witnesses appearing before us today. The Deputy does not have to ask me what to do. We collectively as a committee will make our recommendations.

Deputy Bernard J. Durkan: I am aware of that.

Chairman: Members will make up their own minds in due course based on the evidence they have heard as to what those recommendations might be. I ask Mr. Eugene Cummins to bear with me for a moment. A number of members have raised questions. The Department has had an opportunity to respond to some of them. Mr. Cummins is in possession. I would also like the four Dublin local authorities represented here to respond to the issue as they see it.

Deputy Maureen O’Sullivan: Let us finish the questions as there is only myself and Deputy Moran.

Chairman: Actually Deputy O’Sullivan is the last.

Deputy Fergus O’Dowd: I wish to make one point whenever the Chairman can call me.

Chairman: I call Deputy O’Sullivan.

Deputy Maureen O’Sullivan: This is unfair. Deputy Durkan came in and we did not get a chance and Deputy Wallace has had to go.

Deputy Fergus O’Dowd: I agree.

Deputy Maureen O’Sullivan: I feel like walking out as well because-----

Chairman: I ask the Deputy to proceed.

Deputy Maureen O’Sullivan: I thank the Chairman. I am trying to get a sense of how quickly, between everybody, we can see a major difference when it comes to housing and to making a dent in the list. Earlier, the Minister told the committee that 4,400 housing units are under construction in Dublin, that there is planning permission for another 27,000 and that another 80,000 could be built on zoned land for which there is planning permission. We are told that the capital is available. What timeframe is being worked towards where we will see a difference and a dent in the list? That is the first question.

How many Part V applications have been submitted and how quickly can they be moved

along? We know about the need for one-bed and two-bed accommodation. How can we ensure with private developers that a sufficient number of these units will be built to satisfy the need?

On the issue of emergency accommodation, I would ask that no emergency hostel accommodation is closed down until an alternative is in place, as that happened recently. When we were in Focus Ireland yesterday, something we all know was brought home very clearly, that is, the bureaucracy involved in HAP which is preventing people from availing of it.

Chairman: I thank the Deputy. I shall return to Mr. Cummins. Deputy O'Sullivan asked a number of specific questions on Part V. I am not sure whether each local authority will respond or whether the Department has centralised figures on what is going on.

Mr. Eugene Cummins: I thank the Chairman. I wish to make two points. On the procedures in place in regard to procurement, we are totally under the control of auditing procedures, the Comptroller and Auditor General, external auditors and internal auditors. We have to justify all decisions we make in terms of financial spend, so the process is cumbersome but it is a continual checking and auditing and we have to justify spend. I will now ask my colleague-----

Chairman: If the witness does not mind I will bring in Deputy O'Dowd here. Please be brief, Deputy.

Deputy Fergus O'Dowd: The National Building Agency, now the Housing Agency, to my absolute knowledge and experience was very efficient when it was building houses. It did a fantastic job and we never had a complaint. That is my personal view. I am not trying to trap him into an answer but would Mr. Cummins agree that a one-stop-shop could work? All the experts from the Department, the Housing Agency, the local authorities and specialists would be in one office in one building and deal with all these issues. There would only be one review and one costing done, all of the checks and balances would be done and that would be it. Otherwise I feel, and I am not being disrespectful to the witnesses, bureaucracy would take over. That is what I would like to see.

Chairman: While he is answering on that point, Mr. Cummins also raised the specific point that the council is subject to audit control and so forth. That made me think about local government with its local government auditor and the Department being subject to the Comptroller and Auditor General. Is it an issue that both have to satisfy two different comptrollers and is that adding to the bureaucratic process? Am I making myself understood? Local government has a local government auditor and the Department is subject to the audit of the Comptroller and Auditor General, both independent, separate and stand-alone. Is that a cause of duplication?

Mr. Eugene Cummins: I do not think it is a cause of duplication. It is the way business is done, the way accounts are presented and the way business cases are assessed. That is the system to which we work. We do not have a particular problem with it but we have to justify our decisions. It is not a matter of getting a blank cheque from the Department and going away and building houses. We cannot do that. We have to have approval, and indeed the Department would have to satisfy its own finance department in relation to agreeing costs.

Ms Bairbre Nic Aongusa: Having listened to the discussion and concerns about the delay in the approval process, I believe that at the heart of the matter is an understandable concern on the part of the Deputies over when houses will come on-stream. It must be borne in mind, as Ms Neary has said, that 18 months is the total length of time for the process. However, the announcements made this time last year by the former Minister, Deputy Alan Kelly, represented

stage one approval for more than 3,500 social housing projects. There were other smaller numbers of social housing projects that had been approved in 2014 under the then Minister of State, Deputy Jan O’Sullivan. To give some hope, we are now in the process of collecting information from local authorities about live projects and what is happening. The figures indicate that by the end of 2016, a total of 1,300 units will be started on 74 projects. Construction will be starting on site for that number of projects. During 2017, construction will start on site for 1,900 additional units. We will also have a smaller number, a couple of hundred, social housing units completed, but they are units that were approved in 2014. The large number of units which were approved in 2015 are starting on site, many this year, and more by the end of 2017. They are happening and the process is going through.

Chairman: I need to get a number of other replies.

Mr. Eugene Cummins: I would ask Mr. Keegan to comment.

Mr. Owen Keegan: I assure Deputies that there is huge enthusiasm among local authorities to build social housing. We were out of that market, not of our choice, for a number of years. We are back in that market and we are very enthused and delighted to be back in it. In our own particular case we have a target under the social housing strategy to deliver 3,300 units. We will far exceed that target, in fairness with the full support of the Department. As more funds become available for social housing, we have a huge list of potential schemes which we will be forwarding for approval. These are not just infill schemes. There are a lot of big schemes also. With regard to the process, concerns have been expressed about delay, and that is very understandable. However, some of the things we have done, again with the support of the Department, include the use of emergency planning powers to accelerate schemes. We have used the accelerated restricted procedure, which is a shortened procurement procedure. We have piloted rapid-build and we are about to pilot multi-storey rapid-build. In respect of the formal approval process, we very much welcome the initiative for the smaller schemes and we hope to work with the Department to get a truncated approval process for the bigger schemes, but there is a lot happening in that space.

A question was asked about the refusal of NAMA units and I will ask Mr. Brady to reply to that one.

Chairman: He can deal with Dublin City Council specifically and I will then ask the others to follow up in respect of their local authorities.

Mr. Dick Brady: The first thing to note is that a figure of 6,000 units gets quoted regularly. My understanding is that it would be significantly less than that and somewhere in the order of 4,000 units would be more to the point. I cannot be more specific than that because of the way in which the NAMA units were presented to us in the first place, which was interesting in itself. They were presented to us through the Housing Agency, which had signed a confidentiality agreement, so the first round of offers were numbers plus general areas, to which the local authorities went back and replied in respect of numbers and general areas. We did not get addresses in the initial phases because NAMA did not own the properties. They were still in receivership. It owned the loans or whatever but it did not own the properties, so it could not, due to confidentiality reasons, release names to third parties. Until such time as it did deals with the owners, we could not get addresses, which is why I say I am not sure the number is 6,000. It certainly is a lot less and I think it would be closer to 4,000.

On our own position and the reasons we refused such accommodation, the first reason was

that tenants were already in the properties. Second, the units did not meet construction standards. We were not happy with the units. Third, there may have been legal issues in respect of the properties. The other big reason, after the first round, was that NAMA itself withdrew properties. In the city council's case, it withdrew somewhere in the order of 200 properties. These properties were not being given to us *gratis*. In other words, we had to pay for them, whether that be by means of leasing arrangements through NARPS or purchase. They, therefore, had to demonstrate value for money and in some instances they did not demonstrate value for money. There were other reasons relating to due diligence that crept into the matter. The final issue would have been an already high concentration of units in an area. We would have had lots of units in areas already and, on that basis, we did not take them. We are now in 2016 looking back at something that started in 2011 and the policy context in which we were operating at that stage, and to some degree still are, was set out in *Delivering Homes, Sustaining Communities*, which deals with, as Bairbre Nic Aongusa has already stated, and talks about social sustainability etc. Those are the main reasons we refused units. However, I can also say that we accepted some units in all of the developments, by and large, that we were offered.

Chairman: Would the representatives from the other local authorities like to comment on the NAMA and other issues?

Mr. Billy Coman: I will start with the properties that NAMA offered us. In the case of South Dublin County Council, we were offered 591 units, of which 507 were in the one development. It was a large development but there were issues with the construction. Subsequently, it cost in the order of €10 million to repair and bring back the units to lettable standard. We were in discussions for a long time with the developer in respect of the finish prior to NAMA taking over. The project came into receivership. Subsequently, we took 65 of those units. Effectively, they were in two blocks. Luckily, we did not take any before the failure or before the construction was found to be defective. Members will note from the documentation that 591 were offered, with 507 located in one development. We are in the process of completing 149 units. The major difference was the development in question.

Questions were asked, by former colleagues - if I can put it that way - about the position in South Dublin County Council. I will bring it back to a local level in terms of South Dublin County Council plans. The number under build completion in the coming weeks will reach 15 units. Some 177 units have gone through a number of stages, including stage 1 and stage 2, while a number have gone through stage 3. I have reported to the council on the status. I have received great support from the elected members in the chamber on the Part VIII projects I have brought to them. A further 280 units have been scheduled in the coming months. In addition, I should mention the Clonburr strategic development zone. This will bring in the region of 8,000 to 10,000 units. These will not all be social units - that is the total for the entire development - but a number will be for social housing use.

These are part of the first 500 bundle under the public private partnership. We are working with the National Development Finance Agency and the National Treasury Management Agency and there will be 100 units in this case. Earlier, Deputy Ó Broin mentioned the Grange development. The 100 units will be a part of that. We are working on the master plan for the development of the rest of that site and we hope to finalise matters in the coming months. It should provide in the region of 750 or 850 units. That will be a mixed development. A number of these will be social housing units. It will be a mix and part of the mix is going to include affordable rental. Several Deputies mentioned this point. Those in a certain cohort are earning too much to be on the social housing list but not enough to be in the private market. They have

to be catered for, and we hope to cater for them in the master plan for the Grange.

We should not lose sight of several points. We have plans for 80 to 100 step-down units. This is accommodation for our elderly or those in old age. The idea is to bring them back into a safer community, closer to services and facilities. We are in the process of planning three projects in that area.

Part V plays a role and has done for a number of years. We have already committed to 33 units. It may sound like a small number but we hope to get in a further 113 units during 2016 and 2017.

Approved housing bodies have a role to play as well. It is fair to say that local authorities are only part of the solution. There are a number of solutions to the process and the crisis and we need to close off the circle. The public and private sectors are involved, but everything must come together. A number of things have to be brought in to close off the circle, but they must come in together.

There are other plans involving approved housing bodies. A total of 162 units have been provided to date under the capital advance leasing facility and payment and availability agreements. Furthermore, we have supported the capital assistance scheme. We are working with approved housing bodies on a number of other projects. This is taking place through the agreed protocol of co-operation, collaboration and communication between approved housing bodies and local authorities for the Dublin region. I know Deputy O'Dowd has certain views about approved housing bodies. To be honest, however, from my experience I have found they have very much come up to the mark.

Deputy Fergus O'Dowd: I think Mr. Coman is referring to Deputy Durkan.

Mr. Billy Coman: I am sorry. I will withdraw that remark.

Deputy Fergus O'Dowd: I favour them, although I accept that I might look like Deputy Durkan.

Chairman: Mr. Coman has escaped the wrath of that Deputy.

Deputy Fergus O'Dowd: Mr. Coman is lucky Deputy Durkan is not here.

Mr. Billy Coman: I got it the last day so I knew what I was facing. I waited until he was gone. We have to work very closely with him because they have the wherewithal to get into the private financing market to produce social housing units. Nominations for approved housing bodies come from local authorities. There is no intention to change that in any way.

There is a lot of discussion about the capital side. The revenue side is also relevant, as are the revenue options open to local authorities. In South Dublin alone, 1,017 cases were dealt with in 2015 through the various revenue options that were open. We cannot lose sight of that. Addressing the homelessness crisis involves putting roofs over people's heads.

In 2015, 33 acquisitions were completed. We are already close to completing 42 this year. Our target is 70, and I expect that we will exceed it. They may sound like small figures, but when they are all put together, they can make a big difference, in particular in terms of the strategic development zone, SDZ, the future Part V housing that has come our way and the master plan for The Grange.

I refer to community needs and infill. That creates a lot of anxiety among communities, but infill is going into places where there are elements of anti-social behaviour. Infill is also going into estates where major investment has been provided through the RAPID programme over the years. Deputies who are familiar with South Dublin will agree that a large number of community facilities have been put in place, such as community centres, leisure facilities, horse projects and AstroTurf pitches. They have primarily been provided in what have been called disadvantaged areas. That deals with the poverty element, but we are bringing infill into areas where facilities already exist and will help them.

Deputy Coppinger took me up on a point at a previous meeting. I was never a fan of the 5,000 and I identified-----

Deputy Ruth Coppinger: Sorry?

Mr. Billy Coman: It is the 5,000 incentivisation. I am not a fan of it because I saw the damage it did. I will not use the term "incentivise". Let us kick-start a private development because it is part of the solution. We have to consider innovative ways of trying to make it happen.

We can gain from Part V units that are built to rent. Perhaps local authorities could play a role in that, along with the Department. Collaboration with the Department has improved. A number of staged approvals have happened more quickly in South Dublin, but we need to work much more closely together to speed things up. It takes time to build units and not everything can happen within 12 months.

Chairman: I thank Mr. Coman.

Ms Catherine Keenan: I am speaking on behalf of Dún Laoghaire. In terms of the NAMA housing office, we were initially offered in the region of 300 possible properties, but the eventual offer was 190 units of which 112 have been completed and contracted to date. As is the case with other bodies, some properties were deemed unsuitable in terms of location, tenants already *in situ* and various different issues. The majority of the 112 units were taken up.

In terms of the delivery of units, we are currently on site with 54 units which will be built by the end of the year. Another 140 are planned for 2017. Some 124 will be leased through Part V and will come on stream in January 2017. At the moment, eight Part VIII units have been approved, of which three are out to tender and others are in preparation for tender. We are working very closely in all of those areas.

We are conscious of the need for one-bedroom units. A downsizing campaign is under way. A high-class brochure was sent out to all of our elderly citizens, in particular those living in one-bedroom units. We have received correspondence from about 14 people who wish to downsize. The figures sound small, but every bit helps in terms of getting families back into properties. There are currently 34 one-bedroom units being refurbished. A further 49 are coming on stream.

The approval process has improved for us and we have no problems at present. We are working very well and approvals are coming on stream quickly now.

Chairman: I call Ms Geraghty to speak on behalf of Fingal County Council.

Ms Margaret Geraghty: In response to the question on NAMA, Fingal County Council was initially offered 279 units by NAMA, of which 162 were subsequently withdrawn by it.

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We confirmed availability for a majority of the remaining 158 units. The units we turned down were in one specific scheme where we already had a significant amount of social housing across various delivery mechanisms, and in a scheme where the management fees, on an annual basis, ran into several thousand euro. Of the 158 units for which we confirmed demand, at this point 105 have been completed and are occupied and the remainder are awaiting completion.

Fingal County Council's target under the social housing strategy from 2015 to 2017 is 1,376 properties, with a funding envelope of €81 million. To date, we have delivered 522 social housing units under the strategy and within that we have completed two of our own direct-build construction schemes, one which we have just tenanted and one which will be occupied by the end of June. We have approved or agreed, with the Department and through various other initiatives, a further 668 properties. In terms of reaching our target, at this point we are in excess of halfway. Subject to funding being available to us, we have examined the various mechanisms of delivery in respect of private developments where Part V will apply with the affordable housing bodies and under the various leasing schemes. We believe we can stretch the target to closer to 2,000 units over the three-year duration of the strategy, should funding be available.

What the council is doing in terms of construction and acquisition represents approximately one third of our target. Another third of the target is largely made up of our collaboration with the various affordable housing bodies and then there is direct engagement with private landlords on RAS properties and developers who might offer us opportunities to purchase houses. To date, we have brought nine projects through the Part VIII planning process, one of which is a rapid-build project which the councillors approved last month. We have eight further projects to bring to the council during 2015, including four rapid-build schemes.

Beyond the initial three-year strategy, we have a number of sites in council ownership that require infrastructure on which we plan to start the process of preparing master plans this year with a view to being able to bring developments on stream at a number of other locations. Remediation works are required and road access is needed for some schemes, as well as upgrades to existing infrastructure. We are doing master plans on sites that are bigger and where we would envisage them delivering mixed tenure developments. Again, we will seek to have collaboration with affordable housing bodies in that regard. We will be looking at a mixture of social housing, affordable rental, some private development and housing for senior citizens also. Within Fingal, we have a very young and rapidly growing population but we also have an ageing population. An analysis suggests that bringing forward and developing a senior citizens programme would allow us free up under-utilised stock of which we have a good deal currently because of the absence of choices for people to downsize and move on. That is something we are examining. We also have potential to develop a number of small infill schemes in some of our existing estates, which would be suitable to one or two-bedroom properties. That would allow for downsizing to take place and for people to remain in their existing communities.

In terms of private development in Fingal, some developers have schemes under construction but what is on the horizon is still quite small in terms of the Part V units we expect to be delivered up to 2017. With affordable housing bodies it is somewhere in the region of 300 Part V units. Our door is open, and we have met a number of developers who are interested in how they might collaborate with the local authority to front-load some of the development, or Part V delivery, which supports their ability to raise funds. That is something we would be keen to explore further.

Following an analysis of the income profile of people on our housing list, we see there are opportunities within our scheme for people currently on the social housing list who may be in

a position to avail of an incremental purchase scheme. In some cases we believe a build to buy model might be something we can examine also.

Our relationship with the Department is positive and strong. It is important to note that in a situation where we brought forward proposals for acquisitions or otherwise, we have benefited from funding at short notice to conclude those.

As is the case with the other Dublin local authorities, our relationship with the affordable housing bodies is also strong. They are very proactive in Fingal. Not all the projects we would like to see come to fruition do, but they are working with us and have a significant role to play in that regard.

To conclude, we will meet our targets. In fact, there is opportunity to go beyond meeting our targets and I am optimistic, with the working relationship we have with the Department and the affordable housing bodies, that we can do so.

Chairman: I thank Ms Geraghty. I was encouraged to hear her say that, in terms of acquisitions, the response on the part of the Department was quick. A number of Deputies are offering to put supplementary questions. I ask them to be direct.

Deputy Eoin Ó Broin: Two questions I asked at the start of the meeting were not answered. I asked many questions and it is understandable that they slipped through. The first question is to both the Department and the housing managers. Is it not possible for us to consider large-scale, local authority-led, mixed tenure, mixed income estates on local authority land, funded through a NAMA NARPS-type vehicle? I point to the Grange as one possibility, but is that not something the Department can actively consider? I ask this because it is somewhat simpler than having to come up with a complex arrangement with the private sector.

With regard to sustainable communities, it is not that I am opposed to infill schemes. As Mr. Coman knows, I strongly supported a number of them. It is that on the one hand the Department's policy is that it cannot have large-scale local authority build because of the requirements of sustainable communities but the vast majority of the new build in local authorities is infill in areas where there is already a high concentration, which seems to be a contradiction. The representatives from the Department might share what they seem to believe is the large body of international research on it because I have yet to come across it.

In terms of my supplementary question, I appreciate that it takes the resources and staff at both departmental and council level to speed up the approval and procurement process. What is Ms Nic Aongusa's hope in terms of the eventual length of time for that? If it is 18 months to two years on average currently, would she put a timeframe of six, nine or 12 months on it when all the changes she outlined are fully implemented?

Deputy Fergus O'Dowd: Nothing I have heard has convinced me the thousands of homeless families would be happy about these houses not going into local authority ownership. I am not here to criticise and I do not make judgments but I am deeply concerned about this. I stress again I am not being personal in this regard but at its core, the need of people who are homeless or in housing is greater than any other issue.

The other point I wish to make is those houses were built and while it was necessary to have work done to some of them, it would be far cheaper to be in those homes today than to construct *ab initio*, that is, from the beginning. Moreover, most families living in those homes at present are in receipt of rent allowance or housing assistance payments whereas they could be paying

rent to the council and would be in their permanent homes as opposed to waiting, as may be, for a long time.

Finally, given all the expertise in the local authorities and the Department, they should all get together as a one-stop shop and agree to look after the greater Dublin area for housing. They should put all their resources into it and should second their experts to it and then should let them proceed. Other than that, there merely will be disparate actions and a lack of policy clarity or certainly not the same policy everywhere, as well as a lack of the drive and energy that must be put into this problem.

Deputy Colm Brophy: I did not find the replies that came through today to be particularly satisfactory. As for the 18-month process, I find it particularly disappointing that in his contribution, Mr. Owen Keegan alluded to how he has, in the exact phrase used, a huge list of schemes he would like to bring forward. The huge list of schemes about which Mr. Keegan spoke would require an 18-month process and are not even launched yet. I make the point to everybody - but to the Department in particular - that to my mind, there is no reason there cannot be a one and two-stop shop process at a maximum with an initial joint approval of the scheme by a local authority and the Department, if it must be jointly approved, followed by an approval after which one could just run with it.

Fundamentally, having listened to the replies given by both sides today, I have heard the point I made earlier, namely, that regardless of whether it is the Comptroller and Auditor General, the local government auditor or whatever process it might be, there simply does not appear to be a willingness to give someone the authority to do the job without people wishing to be involved and to second-guess. Anecdotally, I am afraid I have heard that material comes into the Department and takes weeks to come back. This is something the Department really must solve because allowing for the level of the crisis we face, it simply is unacceptable to be advocating or outlining that something may take 18 months.

While I should confirm I am not in Deputy Durkan's league, the approved housing bodies are not a solution to the problem. They are a contributory element but never will be at the level of being able to provide a solution. I worry greatly when I hear references to them as contributing in a significant way because it is not even a matter of whether they are provided with finance or whatever. They do not wish to gear up to the level and size that is necessary to tackle this problem. The only bodies capable of tackling it are the local authorities. I have no doubt but that the Minister, in conjunction with the feedback he gets from this committee, will put in place a process but I believe there must be a complete sea change. I revert to the point that the sustainability issue appears to have come around to the heart of this and note that from the initial contribution made by the witnesses to a point later on, they did appear to move on what sustainable development should be. However, it will be necessary to go back to building much larger quantities of houses while acknowledging the need to do it right. I appreciate the comment made by the manager but when I spoke about a community being built and the need for schools and churches, I was not necessarily asking the local authority to build them immediately. I was talking about the fact that in the past, the local authorities built the houses and then walked away from proper planning and development of the community. Nobody is asking that everything be built by the local authority but it needs to be managed, planned and put in place. I believe the public and private sectors can build modern communities on a scale and size necessary to solve it but the primary driver needs to be the local authority sector and it needs to want to do it through a much faster process than I heard indicated today.

Deputy Ruth Coppinger: I have never liked the fact that in the Dáil, the Government fre-

quently blames local authorities for the lack of house building or the housing crisis. Ministers say that they have given local authorities the money and that the Taoiseach has told them to go and work away with that. However, I must say that I am very disappointed by what I have heard today. Basically, local authority managers are saying that they are meeting all their targets and are going to exceed them. Homelessness is doubling. The fact that local authorities are ticking their boxes is no comfort to people out there. Local authorities were once the vehicle for social and affordable housing. It was not just social housing. There was an affordable mortgage scheme for people who were not on the list. It now seems that they are being sidelined by these approved housing bodies. I know the situation in greater Blanchardstown well. There is an acute homelessness problem there because I think it is probably the youngest area in western Europe and it is certainly the youngest area in the country. We also have the highest ethnic mix, which leads to much homelessness as many non-nationals become homeless because they are so reliant on the private rented sector. Representatives from Fingal County Council said it is meeting its targets. The council owns 15.5 acres in Blanchardstown that is zoned. That is all. There is nothing else left. Everything else is in the hands of either NAMA or private developers. No wonder Fingal County Council is meeting its target because it is 1,376. There are 10,000 people on the housing list. My point is that housing targets are being deliberately set low either by central Government or the councils.

I feel sorry for the managers. Obviously, they cannot come in here and give out about the Government but I would love to hear them say that they want more money and to be able to build more houses. Instead, I hear that one third will be construction or acquisition, roughly one third will be roughly approved housing bodies and one third will be private sector. The role of the local authorities is shrinking. How will we house the 100,000 families on the housing list if the local authorities are happy with their shrinking role?

Laying the Foundations is the most up-to-date document. Dublin is where most of the homelessness is found. Why are the targets for Dublin so low? That is where most of the homelessness is found. Fingal County Council will meet 10% of its target. That is what the target is - housing 10% of the people on the list. It is a similar case with Dublin City Council. It really is a joke. We are meant to have the largest housing crisis and the largest response yet we are setting a target of 10% of people on the list being housed.

In respect of acquisitions, Deputy O'Dowd made a point about some of the NAMA offerings. This will become an issue. Everyone is well aware of Tyrrelstown. The tenants have appeared before us. I see another mass eviction on the cards in a Dublin City Council area. I ask the managers to be much more open than they seem to be in respect of acquiring units with people *in situ*. Many of them are on the housing list and they pay a huge amount in rent, but to turn down offers of 100 or 200 units because people are living in them is not good enough anymore, given, and it is not the officials' fault, the Government encouraged this policy of venture funds and investment funds buying property *en masse*. I read earlier that estate agents are advertising for sale properties on Gardiner Street on which the rent can be increased by 49%, and Deputy Wallace mentioned another site earlier. That is what estate agents are offering as the carrot. We have to be open to purchasing these types of units compulsorily or purchasing them through local authorities or agencies. Similarly, I hope Fingal County Council is seriously negotiating to purchase the houses in Tyrrelstown and not just thinking that this will do nothing for its social housing list. Many of the people affected are on the list and if the council does not buy the houses, they will be homeless. I agree that issue must be examined again.

Finally, on the comments by local authority officials, I am concerned as well about speeding

everything up. This is an emergency and the tendering process is a problem. If it were direct build, it could be shortened. However, I refer to this idea of a master plan. I have been on councils and I have sat through discussions on development plans. I do not say we should have shoddy planning by any means but a master plan could take ages. If that is the last site that can be developed by the council in greater Blanchardstown, with a population of 100,000, I would worry about devising a master plan, which could take ages. The development of these sites has to be speeded up.

Deputy Kevin Boxer Moran: It will not be easy to solve the problem. I am a realistic person. I am from the Longford-Westmeath constituency and I know how hard it is to get over the hurdles the county manager-----

Chairman: Is there a mobile phone on somewhere?

Deputy Kevin Boxer Moran: It is not mine. I would like to put a question. Much of the focus is on the cities but we cannot forget rural areas. Have the officials put forward proposals to buy land for local authorities that do not have land? Has the land of State bodies such as CIE, which has huge landbanks, been considered? This land could clearly be used for social and affordable housing and even for private housing.

We can all start preaching and practising but the local authorities have been starved of money in recent years. The four CCMA representatives read out exactly what I would find on their website regarding what they tell local authority representatives. We are legislators and we need them to tell us what they would like us to do to speed up the process. We are the people who have to make the decisions. We can all come in here and criticise one another but we are here together as a group trying to find a solution to a difficult problem. Will the local authority officials give us an indication of what they would like us to do to speed up the process? We would appreciate it.

Chairman: Ms Nic Aongusa in her opening contribution referred to the fast-track scheme for developments of up to 15 housing units and a budget of less than €2 million. How frequently is that used? It has been indicated by the Minister that there is capacity to increase the size of the scheme. Have local authorities concerns about entering the scheme whereby if there are unforeseen eventualities, they cannot go back to the Department for additional funding and so on? How is the scheme working? If it were expanded, would it address the concerns local authorities have in respect of risk and so on?

Do local authorities conduct an audit of vacant or unused private accommodation? The committee has been presented with evidence of the number of unoccupied private properties. It would be remiss of me not to relay a comment, having met a group of homeless people with Focus Ireland yesterday. One of the comments they make is about the great difficulty they have accessing the phone service for homeless people. They all tell their own story but one of the comments they make is that when they are dealing with local authorities they would like to try to have a relationship with an individual rather than meeting different people and starting their case every day. I know it is not always practical. They were just some of the things relayed to us yesterday and I thought it would be remiss of me not to mention it in this forum today. What was the point of meeting them if we did not identify some of their issues?

The witnesses have heard a whole range of supplementary questions so perhaps we will start with the Department.

Mr. Dick Brady: I would like to come back to the point about the homeless families that members of the committee met yesterday. I could not let it go without saying that my staff are dealing with homeless families and individuals on a daily basis and as far as I am concerned are dealing with them in the most humane way possible. There may be issues with some of the services but I can safely say that the people we have working in the homeless area are extremely well trained, well motivated and they go the extra mile or whatever it takes in order to be humane and treat the citizens of this city who happen to be homeless in the best possible way.

The issue on phone services is that there is a limited amount of accommodation and when people ring we have to go and find the accommodation. For people on the end of the phone that is an absolute travesty but until such time as we crack the main problem here, which is supply, we will have an over-reliance on a homeless system which was never designed to deal with the level of service users that are coming to us at this point in time.

Deputy Ruth Coppinger: Could Mr. Brady end the self accommodation thing, which is torture for people, if he had more staff? It is really difficult for people to source their own accommodation like that.

Mr. Dick Brady: The issue on self accommodation is not necessarily one of having staff, it is a question of people coming to us at a certain time of the day or night when we have not got anything left on the books. We will continue to try but people themselves can also help by finding a hotel for the evening. That is a first night situation and we generally catch up on accommodation the next day. It is an emergency situation that needs to be worked on in order to ensure a family and children do not find themselves on the side of the street at night but unfortunately that is the position.

Chairman: I thank Mr. Brady. There were a series of supplementary questions. I will start with the Department and finish with the local authorities.

Ms Bairbre Nic Aongusa: In response to the question from Deputy Ó Broin about why we could not have a large scale, local authority led, mixed income, mixed tenure development, I would say that the Minister has indicated he is open to all suggestions in terms of the action plan for housing so we will certainly bring it back and put it into the mix. On the research, I do not have the details of the international research here now but what I would say in response to all of the concerns that have been voiced here about sustainable communities is that the concept is not intended as a straitjacket, it is a guideline to be applied pragmatically and what we really want to do is avoid over-concentration of monotenure and mono-income estates, as Deputy Coppinger mentioned. I acknowledge that there are successful examples of local authority housing estates, which have worked well. It is not just about planning and infrastructure, it is also about management of housing estates and we are very much aware of that. In many cases where the local authority housing estates have been successful, they have been in a broader context of being surrounded by other mixed-tenure and mixed-income areas.

Regarding the 18-month to two-year process, rather than putting a timeline on how long the approval process might take, I would be more focused on outcomes. My hope would be that we will achieve the targets. I am confident we will achieve the targets I outlined earlier - the numbers of starts that will be in place at the end of this year and the number of those that will be in place by the end of 2017, as we foresaw and as we funded back in 2015.

Regarding how many projects are approved, our records show that there are 16 live capital projects in the Dublin City Council area, for example, with over 600 units under way. Deputy

O'Dowd said the needs of people who are homeless are not being acknowledged. However, in fact all our efforts in terms of social housing strategy are about meeting the needs of people who are homeless.

Deputy Fergus O'Dowd: Put them in the houses that are offered; that is the rhetorical question.

Ms Bairbre Nic Aongusa: Ultimately it is a question of supply.

Deputy Fergus O'Dowd: The supply is there and they did not use it.

Ms Bairbre Nic Aongusa: The other thing we have done to address homelessness is the rapid-build approach where we have additional units over and above the units in the capital programmes of the four local authorities.

On the question of the one-stop shop, the idea of having a single authority to address housing was considered. Informally we discussed it in the Department. We considered the length of time it would take to put in place the structures for a new organisation. With agreeing budgets, agreeing structures and pulling staff in, the experience in the public service is that there was a risk that all the energy would go into creating the new structure, rather than getting on with the job.

Instead the Department without the need for formal structures has a cross-divisional team which is pulling together internally the expertise across the Department to focus on the measures required for the housing action plan and also, of course, as the Minister mentioned, pulling together all the resources across Government in the Cabinet sub-committee and the senior officials group. That is the way we are going. While I appreciate what Deputy O'Dowd said about the NBA in the past, the NBA as it existed no longer exists.

Deputy Fergus O'Dowd: The skills are still there. It is the skills that we are talking about.

Ms Bairbre Nic Aongusa: We are pulling together the skills.

Deputy Brophy talked about anecdotal evidence of very long delays. We have outlined how we want to improve things and we are in the process of doing so. I think we got some acknowledgement from the local authorities that projects have been progressing. If there is any project about which he has concerns, I would be happy to take details from him at any stage and we can follow it up.

I will ask my colleague, Mr. Philip Nugent, to comment about the AHBs and their capacity or otherwise to contribute to developing and delivering on the social housing strategy. I think they have capacity and the capacity can be built, but I would be the first to acknowledge that they do not represent the entire solution. The reality is that there is no magic bullet here; we need to go for a range of different proposals and solutions.

Deputy Coppinger mentioned that local authorities are frequently blamed for lack of progress. I wish to put on the record that we are not blaming local authorities for lack of progress and I did not blame anybody.

Deputy Ruth Coppinger: I was not talking about Ms Nic Aongusa, but about the Ministers.

Ms Bairbre Nic Aongusa: Nor do I believe local authorities are being sidelined. Clearly

from the time of the social housing strategy, local authorities are back centre stage in building social housing. Again the reality is that they do not represent the entire solution; it has to be multifaceted.

While, as officials, we do not comment on the merits or otherwise of policy, a number of comments were made about the policy of relying on the private sector. Something the committee should take into consideration if it is making recommendations is that the social housing strategy we had of local authority, approved housing body and private sector housing, was in part as a result of the availability of funding. We have a limited amount of Exchequer funding. The members will have heard from my colleagues in the Department of Finance and the Department of Public Expenditure and Reform about the constraints on Exchequer funding. So the approved housing bodies can be off balance sheet. The private sector can do its piece. We have a limited amount of Exchequer funding. All of those things need to be taken into account in consideration of that particular issue.

Deputy Moran asked whether local authorities could buy lands, including Iarnród Éireann. My colleague, Mr. Colin Ryan, will speak about our land strategy because we have been examining those issues.

The Chairman asked about the Department's €2 million scheme and the extent of its utilisation. It has only been in place since January so it is early days yet. We have had a number of inquiries from local authorities. The reaction has been mixed. Some local authorities do not see it as an option but other local authorities have welcomed it and are interested in using it. To date, we have had no formal applications.

Mr. Philip Nugent: As Ms Nic Aongusa said, what we need is a multi-strand approach to what is a massive supply challenge. This means we need all hands to the wheel. We need the local authorities in the game, the private sector delivering and we also need approved housing bodies, AHBs, to deliver. Approved housing bodies traditionally have been reliant on a 100% capital funding model. The 2011 housing policy statement envisaged an enhanced role for AHBs, which required them to move quickly from being 100% capital funded to a long-term finance model. To be fair, the State asked them to move in a truncated timeline of a couple of years to a process that has taken 20 years or more in other jurisdictions. It is important to acknowledge the very quick transition that many of the AHBs have made. It is true that AHBs are not a panacea in that they will not on their own deliver the level of units required. At the same time, they have the capacity, and have shown this in the past, to deliver thousands of units annually and we should accept those thousands of units. The AHBs have an important role to play. It is worth acknowledging that the larger AHBs, in particular those that have engaged with the HFA funding model and have achieved certified borrower status, have a significant contribution to make.

Mr. Colin Ryan: On the land issue, there are a number of strategies that have to be examined in the context of the release of land, in particular by CIE and other State agencies and bodies, which issue was raised earlier with the Minister by Deputy O'Dowd. The Minister has given an undertaking to look at how that can be brought to bear at appropriate locations. While there are issues around commerciality and location the matter is currently being followed up.

Mr. Eugene Cummins: On the Chairman's question regarding the housing units and the €2 million scheme and if the local authorities have any concerns in that regard, in response to an earlier question on risk appetite I made the point on behalf of my colleagues throughout the country that financial risk and overruns must be shared by all stakeholders.

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Chairman: The concern is that local authorities on signing up to the scheme are taking the burden of the risk.

Mr. Eugene Cummins: In some cases. In others, that will not be the case. It is important for everybody to accept that there is a risk appetite that has to be borne by everyone. The entirety of risk cannot be transferred to the local authorities. We have discussed that issue with the Department.

It is important to highlight what we do not want. We do not want to repeat the mistakes of the past. We certainly do not want families being reared in one bedroom and two bedrooms in hotels. I can assure the committee that we are aware of what such people go through. As Deputy Coppinger knows, what they go through is most disheartening and upsetting. What we want is to see all the players involved again in the business of providing houses, including the banks.

Deputy Moran made the point that local authorities are not awash with money. In terms of buying land, the Department is working with us. In terms of identifying sites and land on which social housing can be built the Department is working hand-in-hand with us. In the next few days we will be bidding for land in Roscommon even though demand there is not huge.

There are certainly significant numbers of unoccupied private properties around the country, including the holiday homes with which we are all familiar. Each local authority would not have a separate audit of them but we do have an idea of the numbers because of some work done by the Housing Agency. In the next few months, as the census results return, we will have a complete picture of that and we may be able to have some action on it at some stage. Deputy Coppinger commented on the shrinking role of the local authorities. Our role relating to social housing provision did shrink some years ago but that is clearly not the case now. The provision of social housing is a primary function and purpose of all local authorities in the State.

Mr. Owen Keegan: The only point I wish to make is in response to Deputy Ó Broin's suggestion on whether we would be prepared to bring forward complete development of sites. We have identified a number of sites in our ownership, properly zoned and serviced but that need site development works. Our members have stated there must be a 30% social housing element and it looks much more possible we will get funding for that. There is then the question of bringing forward the balance of that site. We see that as a combination of cost rental and affordable units. We will certainly look at that.

Chairman: Thank you. That concludes our meeting. I thank the officials from the Department and I know some of them had a very long day because they were here this morning. I also thank the members of the County and City Management Association for their attendance, presentations and, to be fair, their direct and honest answers with the committee. They have been very helpful and informative.

To my colleagues on the committee, that concludes our session with witnesses and next Tuesday morning we will meet at 10.30 a.m. to start drafting a report. I thank everybody who has attended.

The committee adjourned at 5 p.m. until 10.30 a.m. on Tuesday, 7 June 2016.