

DÁIL ÉIREANN

AN COMHCHOISTE UM THITHÍOCHT, PLEANÁIL AGUS RIALTAS ÁITIÚIL

JOINT COMMITTEE ON HOUSING, PLANNING AND LOCAL GOVERNMENT

Dé Céadaoin, 26 Meán Fómhair 2018

Wednesday, 26 September 2018

The Joint Committee met at 5 p.m.

MEMBERS PRESENT:

Deputy Pat Casey,	Senator Victor Boyhan,
Deputy Ruth Coppinger,	Senator Jennifer Murnane O'Connor,
Deputy Darragh O'Brien,	Senator Grace O'Sullivan.
Deputy Eoin Ó Broin,	

In attendance: Deputy Richard Boyd Barrett.

DEPUTY MARIA BAILEY IN THE CHAIR.

BUSINESS OF JOINT COMMITTEE

Business of Joint Committee

Chairman: Apologies have been received from Deputy Fergus O'Dowd. I propose that we go into private session to deal with housekeeping matters. Is that agreed? Agreed.

The joint committee went into private session at 5.10 p.m. and resumed in public session at 5.25 p.m.

Future of Council Housing: Discussion

Chairman: At the request of the broadcasting and recording services, members and visitors in the Public Gallery are requested to ensure that mobiles phones are switched off completely or to airplane, flight or safe mode, depending on the device, for the duration of the meeting. It is not sufficient to just put phones on silent mode as this will maintain a level of interference with the broadcasting system.

No. 5 on the agenda is the future of council housing. Today's meeting will be split into two sessions. In the first session we will consider the recently published report, 'The Future of Council Housing: An analysis of the financial sustainability of local authority provided social housing'. On behalf of the committee, I welcome the authors of the report, Professor Michelle Norris and Dr. Aileen Hayden.

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 so do, 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.

Before I call Professor Norris, I wish to formally welcome our new clerk, Mr. Pádraig Grant. As we know, Ms Fiona Cashin has gone on maternity leave and we wished her the best last week. Mr. Grant has been with us from the start also and has been here for the last two years. I want to formally congratulate him on his new role. We wish him good luck. We are delighted he is able to stay with us and be such a fundamental part of the team. I call Professor Norris to make her opening statement.

Professor Michelle Norris: I thank the committee for inviting us to discuss the findings of our report on the future of council housing. The opening statement sets out the objectives of the report, explains how it was researched and summarises its key findings and recommendations. The research was funded by two anonymous donors via the Community Foundation for Ireland and we are very grateful to these individuals and to the Community Foundation staff for their support. The project was inspired by the severe shortage of social housing in Ireland currently, and the problems regarding housing affordability and homelessness which this has caused.

In the past local authority-provided council housing would have been used to meet these needs but the past three decades have seen a significant reduction in the traditional role of council housing as the main source of accommodation for low-income renters. In 1994 council housing tenants accounted for 73% of the low-income renting households in receipt of Government supports but this had fallen to just 53% by 2016. In part, this development reflects the decline in housing output following cuts in funding after the economic crisis of the late 2000s. Total public funding for new council housing fell by 94% between 2008 and 2013. It also reflects longer-term issues such as the long tradition of selling council housing to tenants, which dates back to the 1930s. However, fundamentally, it reflects a redirection in housing policy and increased emphasis on using other housing supports for low-income households, such as not-for-profit sector approved housing bodies, AHBs, and Government subsidies for private rented housing, such as rent supplement and housing assistance payment, HAP.

The various housing policy statements which have been published since the 1980s flag several reasons for this increased reliance on alternative means for accommodating low-income households. Among these, the affordability of funding the sector for the Exchequer and the value for money achieved for this investment are the most intractable problems raised. These funding challenges raise questions about the capacity of the Government to fund the delivery of sufficient additional council housing to accommodate applicants for social housing and homeless households, as envisaged in Rebuilding Ireland. They also raise more fundamental questions about the financial sustainability of the council housing sector, its decline since the 1980s and whether this decline can or should be reversed. The research aims to answer these questions by assessing the financial sustainability of council housing and generating recommendations to increase its future financial sustainability so that the supply of dwellings in this sector can be increased in a way which is affordable for the Government and provides a high quality and affordable housing service for tenants.

To implement the research, we carried out an extensive series of interviews with housing policymakers, together with case studies on the funding, management and maintenance of council housing in five local authorities. These case studies examined spending on council housing provision, management and maintenance issues, allocations policy, rental income adequacy, sales of dwellings to tenants and associated policies and procedures. We acknowledge the invaluable contribution of the five local authorities that participated in the study and are grateful for their time. We also held a half-day seminar, hosted by Dublin City Council, at which we debated the preliminary findings of the research with council officials from around the country.

I will now outline the conclusions of the study for the committee. The study indicates that council housing plays a critical role in housing low income groups particularly in urban areas where rents are high, housing supply is limited and subsidies for private rented housing such as rent supplement and Housing Assistance Payments, HAP, are difficult to operate. Approved Housing Body, AHB, social housing provision also plays a valuable role in housing low income households but homelessness cannot be addressed successfully without higher rates of council housing output. The central and local government officials interviewed for this study agreed that funding for new council housing provision had been cut too far during the economic crisis of the late 2000s and was increased too slowly as the economy and public finances recovered afterwards.

The report flags strong concerns about the financial sustainability of the current model used to fund the capital costs of council housing provision. This is currently done using central government grants, which cover the full costs of building or buying council housing upfront in a

lump sum. This model is challenging for the Exchequer to afford, particularly when the public finances are under strain. As a result, council housing output has also been strongly pro-cyclical in recent decades. It has increased as the economy and the housing market has boomed and declined radically during periods of recession. This is inefficient from an economic perspective because investment in council housing reinforced rather than counterbalanced the building bust in the late 2000s. It also achieves poor value for money because spending is concentrated at the peak of economic cycles when land and construction costs are likely to be higher while during recessions, when costs usually fall, funding for council housing provision also declines. The boom-bust pattern of central government investment also generates staffing inefficiencies because many local authorities radically reduced staffing in their housing delivery and design departments when funding for council housing output was reduced in the late 2000s and had difficulties in increasing their staffing again when funding increased during the economic recovery.

A large number of interviewees from the local authorities expressed dissatisfaction with the Department of Housing, Planning and Local Government's speed of payment of capital grants for council housing provision and the extent of its scrutiny of funding applications. They also questioned the value of this scrutiny. However, the Department representatives we interviewed argued that these controls were necessary to ensure adequate oversight of Exchequer investment.

Despite the severe shortage of council housing in many parts of the country, local authorities are still obliged by central government to sell council housing to tenants at a discount of up to 60% of market value. The study highlights a significant dependence by local authorities on income from sales to fund council housing management and maintenance. Local authorities have a perverse incentive to sell council housing on at a loss. In accounting terms, the costs of selling houses to tenants are also disguised because the market value of council housing is not recorded on local authority accounts and the proceeds of sales are recorded as revenue. This system conveys the impression that sales generate a profit whereas the sale price rarely covers the cost of replacing these dwellings.

The revenue costs of council housing management and maintenance are funded by rents paid by tenants which are determined on the basis of their income. This model has significant equity and anti-poverty benefits, particularly in view of the low average incomes of tenants in this sector. However, it is problematic from the point of view of the efficiency of the housing service because there is no guarantee that revenue funding from rents will be sufficient to fund the management and maintenance of dwellings. There is no relationship at all between rents and the costs of providing social housing. The evidence presented in this report indicates that rents do not generate enough money to maintain council housing properly. Almost all of the rental income received is devoted to response maintenance, that is, responding to tenants' maintenance requests. There is under-investment in planned maintenance, that is, the repairs and upgrading that are necessary to protect the fabric of dwellings and improve standards. There is an over-reliance on central government funding schemes for estate regeneration, refurbishment of empty dwellings and to fund repairs to dwellings that would usually be carried out as part of planned maintenance programmes. This is an inefficient and costly approach because the costs of deferred maintenance do not simply accumulate; they multiply. Dwellings that have not been maintained for long periods require much more spending to upgrade than dwellings which are regularly maintained. Arrangements for funding the revenue costs of council housing provision have played an important role in shaping these inefficiencies. The low level of rent charged to council housing tenants and the disconnect between the rents charged and the costs

of the housing service means that local authorities have neither the resources nor the incentive to maintain dwellings efficiently or to ensure they are swiftly re-let when they become vacant.

There was also a strong consensus among the council officials interviewed that there are significant regional differences between the needs of urban and rural local authorities. In the case of authorities with rural operational areas, price pressures were lower, housing could be procured from the market reasonably efficiently and subsidies for private renting households such as HAP and rent supplement operate reasonably effectively. In urban areas, by contrast, the costs of council housing provision and maintenance were much higher, affordability problems for households were much more acute, the subsidies for private renting households were difficult to operate and demand for council housing was much stronger. However, the model for funding council housing is the same in both urban and rural areas, which many interviewees felt was inappropriate. Some representatives of rural authorities felt a more efficient and less intrusive version of the central government grant system would be adequate for their needs in delivering adequate council housing supply. Urban local authority representatives complained that the property tax system redistributes income raised in urban areas to rural areas, which, in practice, means that revenue is redistributed from areas of high housing need to areas where housing need is lower. They argued that urban local authorities should be allowed keep a higher proportion of property tax revenue if it is spent on council housing provision. Some interviewees suggested that together with rents which reflect the costs of housing provision, revenue from property tax could be used to service loans to build council housing. This would approach would help to smooth out the peaks and troughs in investment in this sector and higher rents would incentivise local authorities to ensure their dwellings are quickly reoccupied after tenants leave.

The report sets out a comprehensive suite of recommendations intended to strengthen council housing's financial sustainability in order that the supply of dwellings in this sector can be increased in a way that is affordable for Government and provides a high quality and affordable housing service for tenants. Some of the recommendations address relatively minor administrative and management changes such as requiring local authorities to ring-fence income from rents to spend on council housing, which is not done currently, removing maximum rents from council housing rent determination schemes; and allowing for the compulsory deduction of council housing rents from social welfare payments. The report also recommends that local authorities regularly conduct comprehensive condition surveys of their housing stock and that the local government accounting code of practice be reviewed to bring it into line with international standards of transparency and disclosure for councils' housing operations. It further recommends the valuing the council housing stock and the recording of valuations in local authority accounts as well as the condensing and streamlining of the Department's approval process for new council housing developments.

In terms of more radical reforms, the report suggests suspending the tenant purchase scheme for council housing at least for the duration of the current shortage. It also suggests removing the availability of successor tenancies, that is, the ability of a council housing tenancy to be inherited between parent and child, building smaller council housing units to enable tenants to downsize and free up larger dwellings for larger families, enabling urban local authorities to keep more property tax revenue to spend on council housing, and using income from property taxes on council housing to enable councils to establish sinking funds to fund long-term maintenance. Extending the shared services model was also mentioned. That has been used to reform some local authority services and to organise some council housing services on a regional basis.

There is also a set of more radical suggestions in the report for restructuring of arrangements to fund council housing. These include linking the rents of council housing to the cost of housing provision and not to tenant incomes, making HAP available to council housing tenants who cannot afford pay cost rents to ensure affordability is protected, and enabling local authorities to borrow some or all of the costs of council housing provision and to remunerate these loans using cost rents and the proceeds of property taxes.

Deputy Eoin Ó Broin: I thank Professor Norris and Dr. Hayden for attending and for producing the report. The report is an important piece of research and that is one of the reasons we invited them here. It was regrettable, through no fault of the authors, that some of the media coverage at the time of report's launch did not give a true sense of the recommendations or the depth of the report. I hope we can overcome some of that. I ask them to give a little more detail to the committee on a number of issues.

One of the important aspect is their attempt to grapple with the core issue of how we finance local authority houses on an ongoing basis. Will they elaborate on how that will work? I refer to both the full cost of response maintenance and cyclic maintenance, etc. One of the concerns some of us have, if we accept the principle that the local authority should get the full cost recovery on a month-to-month basis, is the impact that has on the rents tenants pay. Rather than having the HAP model, where a tenant gets hit with a substantial rent bill and then he or she applies for the payment to subsidise it, would it make more sense to continue with differential rent, or a version of it, with the local authority getting an availability agreement payment from the Department of Housing, Planning and Local Government centrally, as approved housing bodies currently do? That cuts out the unnecessary administration of a HAP-type payment system. It would mean the local authority would get cost recovery without having to necessarily jack up the rents significantly for low-income tenants. Would that achieve the same objective as the witnesses are suggesting?

I have questions on two other issues not dealt with in the report but I am sure they came up in conversations. They will also be pertinent to our later discussion. We are not just interested as a committee in how the units are properly maintained once they are built and ensuring that local authorities have adequate finance; we are also interested in how we get the units up and running in the first place. There has been much public discussion recently, and we have dealt with it in committee previously, about what happens after planning permission is granted through Part VIIIs and before construction starts - that 18 to 24-month process, if lucky, involving approval from the Department and tending and procurement. Will Professor Norris and Dr. Hayden give us their thoughts on that too? How can that be made more efficient to try to speed up the delivery of social housing? I am interested to hear the thoughts of the witnesses that might have arisen from their research and their own expertise.

Professor Michelle Norris: I shall respond first. I thank the Deputy for his questions. Some of the media coverage of the report was a little disappointing in that there was a big emphasis on proposed increases in rents. The impression was conveyed that the affordability of social housing provided by the council was not a concern but that is absolutely not the case. The report makes the point that many other countries manage to fund social housing in an efficient way, which is also affordable for tenants. Our system manages to fund social housing in a way that is affordable for tenants but which generates much inefficiency. We could achieve both objectives with some reform.

Rents currently are related to income so that is affordable for tenants in most cases. The average income in the local authority sector is low and there are high rates of benefit dependency,

so protecting affordability is important. The problem with having rents related to income is that it is difficult for a local authority to project rental income and, therefore, rental income does not reflect the cost of managing and maintaining dwellings. We know from the local authority officials we interviewed that, in practice, there is inadequate investment as a result in regular upgrading of dwellings and in the more significant upgrading that might be done after 30 years. The expenditure on that is too low because rental income is too low. That means the costs do not disappear. They are generally funded at the end by means of a regeneration scheme, money from the Department or, increasingly, from central grants for increased investment in turning around vacant dwellings and reletting them.

That is an inefficient way of funding the service. It is also a way of dealing with major management and maintenance and upgrading costs that is often destabilising for the communities living on these estates. In many cases, the estates are demolished or significantly refurbished and the communities have to move out. A more efficient way of providing revenue finance to meet management and maintenance costs is simply to link those costs and to charge what are called cost rents. That is the case in the vast bulk of other countries in western Europe. Ireland is unusual in having income-related rents. The concept with cost rents is that they are linked to cost. The rental income can then be projected forward and refurbishment and upgrading can be planned after 15 years as well as more significant refurbishment and upgrading after 30 years.

In many countries, these cost rents are also used to repay loans for the housing. It also puts in positive incentives for efficiency in the system. If a low rent is being received, there are not the same incentives to ensure the dwelling is relet quickly. It is hard to plan for spending on reletting it quickly. In a system like this, it is important to protect affordability by having some subsidy for tenants that cannot pay the cost rents. We suggested using HAP because it is in existence and administered by local authorities. That proposal was just an administrative efficiency proposal. Other ways of subsidising it could be examined. AHBs at the moment get an availability agreement payment from the Department. That payment is linked to 92% of the local market rents. I have never understood the reason that is the case. If there was a payment availability agreement, it could be linked to cost. That would also protect the State from fluctuating rents in the private market. Our concern is to ensure affordability but in an efficient way. I would not have an objection to that.

I will move on to the questions about approval times by the Department and the turnaround times for building new council housing developments. A couple of issues were raised by interviewees. Planning for council housing development has been streamlined in recent years and it is now reasonably fast. Some public procurement issues that apply to council housing, which can slow up the process, and there may be potential for streamlining them. The main concern, however, among the people we interviewed was the level of scrutiny by the Department of proposals and the value of the scrutiny. For instance, some of the issues mentioned included that local authorities employ architects or they contract in architects to design their development. Aspects of that development, however, are then scrutinised by central government architects and reworked.

It is similar for costings. Cost proposals are tightly scrutinised, even though they have been put together by a quantity surveyor. This period of over and back on queries about cost can slow up developments significantly. The local authorities' key issue then was that after all of that scrutiny, the project goes out to tender and the market decides the cost. Questions were raised, not about the value of oversight - it was acknowledged that oversight is needed - but about the benefit of all the scrutiny. I refer to the Department and the local government audit

side of things. They explained the need for accountability in the spending of public money and for proper auditing. There was no criticism of that by the local authorities, it was just the value of the actual scrutiny that is put in place.

Dr. Aideen Hayden: Professor Norris has covered a lot of the issues. Working backwards, one of the things that struck us was an apparent historic mistrust between the Department and the local authorities. Some of the comments made to us were about the ball being kicked backwards and forwards and one architectural team having to go back and redraw because the Department's architect wanted a window in a different location. Many of the local authorities found that sort of thing incredibly frustrating. The point was made on a number of occasions that if some of the larger local authorities have full architectural departments, accountants, audit services and so on, the process should not have to go backwards and forwards. The feeling that large local authorities are second guessed at every turn when time is, in theory, of the essence came across to us as a criticism, in particular from those large authorities. Some of the smaller local authorities felt that for them the best way to do business would be to receive an envelope of funding and be allowed to get on with it. There was a great deal of support for the idea of shared services whereby one would have a regional lead local authority which would provide services to the smaller local authorities. That could also cut out a great deal of the duplication that goes on between the local authorities and the Department.

On the point of oversight, no one suggested the State's money should not be guarded and that every penny should be spent properly. The point was made that, as it stands, there is a great deal of oversight in any event of local authorities. It is not as if they are permitted to spend willy nilly without oversight. In fact, in their opinion, a lot of the toing and froing between the Department and local authorities was unnecessary.

As to the manner in which the lack of rents based on a differential rental basis could be subvented, we are not dedicated to the HAP system, as Professor Norris has said. However, we were of the opinion that while the availability agreement scenario, which is currently there for the approved housing body sector, had short-term benefits on its establishment in 2011, it does not represent good value for the State going forward. It is not good value for the State to commit itself to paying 92% of market rents over a period of 20 years plus. Those are, in effect, only going in one particular direction. It does not go with the principle of what we are proposing, which is that rents should be based on cost and not on what the market will bear. For that reason, HAP seemed to be a reasonable compromise in terms of making up the difference between what tenants could afford and what the cost-rent would be. The important point is that it is a cost rent. It is the cost to the local authority of providing that housing.

There are other issues at which we did not look in the report, including stop transfer whereby local authority stock is transferred into an off-balance sheet mechanism that might allow local authorities to borrow. While we considered them, we did not raise these issues in the report. There is only a certain number of things one can look at in a particular report. The real point is that the system incorporates local authorities, approved housing bodies, HAP, RAS and everything else. They are layers of an onion which have been put one on top of the other. There is no transparency in the way housing is delivered at the moment and, certainly, there are features which could be addressed by changing the model.

Chairman: We are running a little late. I will take a couple of members at a time and I ask members not to repeat questions. I call Deputy Pat Casey who will be followed by Senator Victor Boyhan.

Deputy Pat Casey: I thank the witnesses for the report and recommendations which are concise and easy to understand. Some of them relate to matters which it is already within the power of local authorities to do themselves, including ring-fencing income from housing rents. It is in the hands of local authority members to do that at the moment. One of the recommendations was that income from the property tax levied on council housing could be used to establish sinking funds. It is hard to understand why the councils charge themselves property tax because it is simply a contra entry. They charge themselves and they pay it out. It serves no real purpose and it is not real money in that sense because it is a contra entry in the books. It is not really there to put into anything.

The witnesses referred to suspending the tenant purchase scheme for council housing. Should it be amended or suspended completely? What is the witnesses' medium term view on the tenant purchase scheme? Should it be kept and amended or disbanded? On the long-term funding of local authority housing, I assume the witnesses are looking at the cost-rental model as the most sustainable way to provide local authority housing on a long-term basis. Regardless of how we fund this, the level of funding required to solve the housing crisis is not within fiscal space. The element missing from this is the off-balance sheet model which needs to be controlled. I hope we can find a local authority or State-owned off-balance sheet model which could deliver social housing on a cost-rental model on a long-term basis.

Senator Victor Boyhan: I thank Dr. Hayden and Professor Norris for the very interesting work they have done and the interesting paper they presented today. Conscious of the time, I will focus on some of the things that were said here today. The witnesses referred to the regular conduct of a comprehensive condition service of local housing stock. As someone who has been involved in local government for many years, I know there is a different application for the management of housing stock versus the standard inspectorate that would go with the private sector and with the local authorities. I made contact with a particular local authority recently which told me it did not have the time or resources and, in any event, it was always sure of its own stock. However, it is not always sure of its own stock, which is why we have this problem with the turnaround of a lot of our stock and the length of time it takes to bring a void back. Some of units are in a very bad state. I have spoken to council tenants who say that, in 30 years, they have never had an inspection or an official from the local authority in their properties. The only person who may come is a subcontractor regarding a set of works. Many people just get on and do the works rather than waste time. That is interesting. We should have a level playing pitch and the rigorous inspectorate system we have for the private sector, which is right and correct, should also apply to social housing.

The witnesses talked about suspending the tenant purchase scheme for council housing. They do not quantify that but Professor Norris suggested doing it for a while until we get out of this crisis. I ask the witnesses to tease that out. There are arguments for and against tenant purchase of housing. This is valuable housing stock and people's housing needs change. That is a reality now which it is very difficult to explain to tenants. It is a challenge for housing authorities to say that housing need changes. The witnesses might flesh that out a bit.

The witnesses might be surprised about this but I have major concerns about removing the availability of successor tenancies. I know people who have stayed back and cared for an elderly parent and who may have issues personally. They have put a lot into their homes. It should be remembered that we are not talking about houses; we are talking about people's homes. We are talking about people who live in these homes and about people who are integrated into these communities and who have a right to stay in them. I accept that we have a crisis, but I ask the

witnesses to tease that out for me and to explain their thinking.

I accept fully that there is a lot of merit in the shared-services model. We see that in other sectors in HR, payroll and across the local authority sector where it is done well. Dr. Hayden spoke about a growing awareness of a suspicion between the Department and local authorities. I agree with her more and more. I came here thinking a lot of the issues were for the local authorities, conscious that there were a number of local authority representatives here and that we were hearing one side of it. When one meets departmental officials, they tell one another side. There is a gap there and there is an issue we need to address between the officials in the Custom House who say we have problems and councils saying something else. There is a lot of blame in this business. We need to meet the two and bring them together. The two need to be brought together, and we must find out what the real story here is. The blame game cannot continue. We have to ask why local authorities are telling us that they have substantial lands zoned. I am thinking about Shanganagh Castle and other places around Dublin in particular, which I know well. We need to know what is holding up these developments.

What is the honest assessment of the witnesses in terms of the housing assistance payment, HAP, scheme? We know that many people do not want to take HAP, and their reasons for that. Perhaps both witnesses can share what they really think about HAP and how it can work going forward.

Deputy Ruth Coppinger: I thank the witnesses for their presentations. When I read this initially I was taken aback in terms of the social policy, but I am mindful that we have not been given the full report and that we have only some of the recommendations. I will hold fire for that reason. When I read that there should be a removal of the maximum rent I thought of the situation in Fingal a few years ago where the manager lifted the cap and many people faced huge rent rises. The witnesses are not advocating the removal of the differential rent scheme, but that situation was something similar. The compulsory deduction of council housing rents from social welfare payments was also mentioned. That does not apply to people in the private rental market. When I read the recommendations I remembered the Taoiseach, speaking during questions on promised legislation, saying that Solidarity stand for people who pay for everything being in one estate. He stopped himself and did not go on to say it, but the obvious implication was that people pay for nothing in the other estate.

The term “social housing” has been stigmatised. When I was growing up the term did not exist; I lived in a council house. Nobody called it social housing. It tags people as social welfare cases. Many of the recommendations listed in the presentation concern making tenants pay more and making them pay for the cost of council housing. The reality is that the Government cannot pay the cost of public housing, in the same way it cannot pay the cost of public transport. Certain things need to be subsidised. However, there has been a dramatic change in the type of person living in council housing. In the 1970s people living in council housing were workers, and then, after the neo-liberal type policy of providing a surrender grant of IR£5,000, council estates were turned into ghettos overnight for lower income people. The rents are lower. As an alternative to the plans of the witnesses, the council suggests that public housing could be built in a way that is also accessible to people on higher incomes who cannot buy houses in the private market, which is most people and most workers in the country. Perhaps the witnesses concur with that approach in the full report. In that way higher rents would accrue to the council. I am not saying that the witnesses are advocating such an approach, but some of the recommendations seemed to be in that vein.

The idea of calling for public investment in maintenance was mentioned. There was a dra-

matic cut, of some 92% or 94%, in social housing or council housing provision, which means that the council just does not have the money to do the things that have to be done. Council tenants get a really bad rap, and I feel the need to defend them. In the estate I live in - a mixed estate - some council tenants are paying a management fee of €10 a week to a management company. That fee has been reduced recently. I want to counter the notion that people do not pay for things. Rent and mortgage payments should not eat up the entirety of people's and make their lives miserable. The reality is that council housing saved hundreds of thousands of families from dire poverty. It took people out of the tenements, and I shudder to think what would have happened to my family if we did not get a council house. That fact is not widely broadcast anymore, and it should be. I know that the recommendations were perhaps not the entirety of the views of the witnesses, but I baulked at some of them.

Chairman: I ask members to be aware that we are aiming to finish by 6.20 p.m. because we have the local authorities in after that and we cannot go beyond 8 o'clock. If members could ask questions where possible it would be really helpful.

Professor Michelle Norris: I want to clarify the view of council housing put forward in the report. Ironically, the opening statement in the report concerns the value of council housing. Some 22% of the housing stock in Ireland was originally built by local authorities. Only 8% is now in local authority ownership because of sales to tenants. The opening statement in the report mentions the enormous value of their contribution in terms of providing affordable housing to lower income households, and in terms of increasing the housing stock in the country, and the quality of that stock. The intention of the report is not to denigrate the sector but rather the opposite. It asks how we can provide more council housing in a more efficient way.

In terms of the point raised about the HAP, provision of social housing by councils or approved housing bodies, AHBs, is a much more efficient way of providing for low income households because it provides additional supply, counterbalances the market and helps to bring prices - and rents in particular - down, whereas schemes such as HAP do the opposite in that they subsidise rents and help to increase rents in the private market. Also, the costs of council housing, if funded properly, are very predictable for the State in the long-term, whereas the costs of HAP are completely unpredictable. HAP costs will go up as rents go up. A major concern of mine is that the risks associated with the subsidisation of private rents are never called out, whereas there is a lot of scrutiny of the efficiency of councils.

Councils could ring-fence rents, but in practice they do not do so. One of the things raised in the report is the fact that there is enormous variation between local authorities in different parts of the country. In a rural local authority that has a relatively new housing stock because many dwellings have been tenant purchases, the maintenance costs can be low, and it may be the case that rents reflect the maintenance costs more closely. In those cases, income from rents can be spent on other services. That raises an ethical issue in that the rents of relatively low-income households are spent on subsidising other services rather than on their housing. In urban areas it is different because the housing stock is generally older. Flats, for example, which dominate Dublin City Council stock, are much more expensive to maintain, and the rental income achieved is not enough to maintain the stock, particularly in urban areas. As a result, the stock runs down and people end up living in poor conditions in some cases. We also have to go in via a regeneration scheme or upgrading after a long period in a way that is very destabilising and undermining to the communities living there. The report advocates replacing income-related rents with rents that reflect the cost of provision as a way of ensuring that there is an adequate rent scheme to manage and maintain the dwellings and that maintenance can be done on an on-

going basis rather than having to go in with a big regeneration scheme at the other end. In order to address affordability there would have to be a subsidy in place for tenants who could not pay the rent. Linking rents to costs has many efficiency benefits, one of which relates to the off-balance sheet model that Deputy Pat Casey raised. Funding social housing off-balance sheet is very challenging. One of the criteria used by EUROSTAT in making assessments about what is on-balance sheet and off-balance sheet is the level of subsidy from the State being less than 50%. Under the current model whereby the sector is funded by income related rents, it would be almost impossible to achieve an off-balance sheet model. The subsidy from the State would have to be well over 50%. Also, any system funded using loans, which is generally the way the off-balance sheet model is funded, needs a predictable source of income to enable repayment of the loan. Income related rents are not a predictable source of income. It is not that Dr. Hayden and I are not concerned about showing affordability; we are. The point I am making is that we need to achieve affordability in a different and more efficient way than by income related rent.

Reference was made to sales of dwellings to council tenants. Our concern is around the discounted nature of sales rather than the sales *per se*. The fact that the dwelling is sold at a significant discount and well below replacement cost creates inefficiencies. When there is a loans-funded scheme, it is difficult to sell dwellings at a major discount because there is a loan outstanding on the dwelling and that creates further inefficiencies.

Use of successive tenancies varies throughout the country. In rural areas, they are seldom used. The problem with successive tenancies is that they are more common in urban areas. They are more commonly used and people use their right to inherited tenancy. It is more commonly used in urban areas where demand for housing is very high. It raises equity issues for people on the waiting list who are trying to get into council housing.

Chairman: We will pause for a moment. There are votes in the Chamber. Senator Boyhan will take the Chair and continue with the meeting. Next up is Deputy Darragh O'Brien, but we will come back to the other speakers on our return. We will be back by the time Senator O'Sullivan, Senator Murnane O'Connor and Deputy Boyd Barrett have spoken. Is it agreed that Senator Boyhan can take the Chair while we vote? Agreed.

Senator Victor Boyhan took the Chair.

Deputy Darragh O'Brien: I do not mind. I will be quick, if that is okay.

Deputy Richard Boyd Barrett: When we resume, it will be with those who went to vote. Is that correct?

Acting Chairman (Senator Victor Boyhan): Yes.

Deputy Darragh O'Brien: I thank the deputation for the presentation. I was at the launch of the report, which I have read, as well. I thank Professor Norris and Dr. Hayden for being here. I am going to confine my comments. There is a great deal in the report. The deputation has raised serious issues about the sustainability of the current rental model. I do not believe that social housing tenants get a bad rap either, but I believe we can improve the scenario. The housing assistance payment is completely and utterly unsustainable. It will keep eating up our housing budget as it increases. We need permanent solutions. People will see in the budget this year how much additional funding will be available. Obviously, families are on HAP and we cannot simply stop the payments. The problem with aspects of Rebuilding Ireland is that 50% of those deemed housed in the targets are housed through HAP tenancies and that is not a

sustainable model. The deputation is perfectly right to highlight that.

I want to focus on one element. Professor Norris has been able to say many things that some of our friends in the Gallery from local authorities would probably like to say but cannot. One aspect I intend to focus on is condensing and streamlining the approvals process. I am unsure whether the deputation looked into the cap that is set by the Department of Housing, Planning and Local Government on local authorities. They have to submit anything more than €2 million to the Custom House. That is insane. Basically, in my county, Fingal, it probably means a scheme of over eight, nine or possibly ten units has to be submitted. Anything over that will go to the Custom House, join the 59 week merry-go-round and be delayed. What is the appropriate level? Obviously, we need oversight and we do not want standards to be reduced in any way, shape or form. My view was that cap could be up to €10 million. It would let local authorities at it and allow them to build schemes of 40 to 50 units. Did the deputation get any feedback through the conversations and engagement with local authorities? If local authorities were let at it, most of them would be able to deliver more than they are delivering now. That is my firm opinion.

Another point relates to off-balance sheet model. The special purpose vehicle was approved by the Central Bank. The SPV is not in place but the credit union model of investing in social housing was given approval on 1 February this year. Does the deputation see that model operating? If we created a special purpose vehicle for investment whereby local authorities could borrow, would that meet the EUROSTAT requirements relating to off-balance sheet? Is rent going to be the problem?

The deputation is right in that the cost rental model is the only way forward. If it needs to be supplemented for some tenants by HAP in the interim, then that is fine, but we are going to have to be serious about delivering thousands more social homes. That is what I want. We also have to be serious about levels of rent and sustainability. The report is very good and I hope people will listen. I will be back, but I have to go and vote now.

Acting Chairman (Senator Victor Boyhan): We will wait for the answers to those questions. We will push on to the next speaker, Senator Grace O'Sullivan.

Senator Grace O'Sullivan: I, too, was at the launch. The report is a great contribution to the issue of local authority housing. I came back from the Netherlands in 2000 as a single parent with three children and went into social housing, so I know what it is like. As someone said earlier, it is very different from 30 years ago. The demographic has changed and the type of people who need support from the councils has changed. I am very grateful to the local authority in Waterford that facilitated me.

Did the deputation meet Department officials? What was their reaction to the report? The question of succession is something of a bugbear for me. I see it in my area in and around Waterford. There may be a family in a council house. Through the course of the years the children grow up and move out. Perhaps one member of the family is left with an ageing mother who then dies and then a single person is occupying a house that was designed for a family of five. These are some of the inefficiencies in the system. Is the deputation aware of that? Did they come across it while writing the report? Does the deputation have a best example of a local authority from the research? The report covers the future of council housing. Does the deputation have an example of another European country where council housing is being rolled out in an efficient and effective way? Could we look at such an example as a model?

Acting Chairman (Senator Victor Boyhan): We will take Dr. Hayden and Professor Norris. They might like to address those questions first and then we will go to Senator Murnane O'Connor after that. We have some time.

Dr. Aideen Hayden: There were rather mixed views about succession among the people we interviewed. On the one hand there was a desire to ensure we have stability within communities. As Professor Norris has said, it is not practised uniformly throughout the country. Our job as researchers is to reflect the views of the people we interviewed. There is certainly abuse of the succession tenancy situation. Also, as Professor Norris said, there are issues of equity in terms of one person taking over tenancy of a three bedroom house while we have families in hotels. That was simply a response given to us in one of the interviews. We fully accept that succession tenancies create a difficult situation.

The question of succession tenancies was brought up in the context of tenant purchase as well. If we have strong succession tenancies, then, in reality, tenancies never come back to the local authority. That leads to another dynamic of in effect selling houses off cheaply. This is because if the properties are never going to come back to the local authority, there is no incentive on the part of the local authority to keep them within the local authority stock. It is something that we did not embrace in the recommendations but it certainly came up frequently in the interviews. The reliance of local authorities on the proceeds of sales through internal capital receipts has led to a scenario where because they are underfunded to meet their housing functions, they have been using the proceeds of sales of housing to subvent the carrying out of their functions, which is a perverse incentive to sell housing stock.

I am not sure if we should address the other issue now.

Professor Michelle Norris: I will wait to answer Deputy Darragh O'Brien's question.

Acting Chairman (Senator Victor Boyhan): I suggest the delegates answer Senator Grace O'Sullivan's questions.

Senator Grace O'Sullivan: I asked about the best examples from the local authorities and abroad.

Professor Michelle Norris: We have looked at the challenges local authorities face in managing stock effectively. The local authority sector is extremely efficient. There is a 99% collection rate of council housing rents in most local authority areas. The sector is run very efficiently. The point we are making is that it is very difficult to run it efficiently because of the funding model used. The funding model makes efficient management and maintenance very difficult. One of the big issues with it is that it is the same countrywide, whereas the issues faced in urban local authorities are very different from those faced in rural local authorities. Tenant purchase may be perfectly viable in a rural area where the council can easily buy replacement dwellings. They may decide that it is very appropriate because they can replace an older house that has been purchased by a tenant with a newer house that will cost less to manage and maintain. In Dublin, Cork and Galway and parts of the country such as Kinsale where demand and costs are very high the tenant purchase scheme is very difficult to operate because the dwellings are irreplaceable to the council. Governments in the 1960s, 1970s and 1980s spent a lot of money on council housing, but it was then sold off to tenants at a huge discount. The tenants individually benefited, but the State had to come along again in the 1990s, 2000s and now and fund replacement council housing. We are on a treadmill where there is a constant need for reinvestment because the profits are privatised and the costs socialised. Removing tenant purchase would

remove that incentive.

With regard to models abroad, relatively few countries have council housing which is a legacy of our colonial past as part of the United Kingdom. Lots of countries have efficient social housing sectors. Austria is a very good example of a country of similar size that has managed to control house prices and rents, not necessarily by putting in place rent controls but by intervening in the market through increased social housing supply when the market is underproviding and to balance the market. It has done it through a model based on long-term affordable fixed-rate loans which are repaid through cost rents and subsidies for tenants where they need them. A benefit of cost rents is that even though the cost may be relatively high today, for example, the cost of providing an apartment in Dublin, it is eroded through inflation. The Austrian model includes a mix of dwellings, for some of which the costs are high, while for some they are lower. There is also a cross-subsidy built in. In time, if we do not sell off our dwellings, we can manage to provide social housing in a way that is relatively cheap for the State. If we do sell off our dwellings at a discount, each successive Government will need to reinvest. That is the point.

Senator Jennifer Murnane O'Connor: I read the report. We all have concerns, particularly about local authorities.

I raise the issue of rent payments. The reason for the 97% figure is that they scald people. Letters are sent constantly. I have a concern. We are not a bank. I was a councillor for 20 years. As a councillor I worked with the housing department. If one misses one payment, one can be guaranteed to receive a letter from the local authority. The local authority represents the people who most need it. It is not good to constantly send letters. I have said this to the local authorities. We are not a bank and should remember this. I see what has happened as rents have gone up. It depends on how many people are in the household. If there are five people bringing in an income, the rent is based on their combined income. I have dealt with several cases recently where the local authority had not been informed of an extra income and then backdated the payment when it was so informed. I am dealing with tenants who owe thousands and will have to come to some agreement. Some local authority tenants would have a mortgage repayment that would be cheaper than what they are paying to the local authority. Are we losing the sense of what the role of a local authority should be? I am very respectful of the local authorities and will always work with them, but we need to say we are not a bank. That is my biggest concern. The reason 97% of rents are paid is that local authorities send letters.

I will ask about the tenant purchase scheme. It did not work from the beginning. It was stopped for a few years and then the new scheme was brought forward. The new scheme is not fit for purpose as there has to be an income of 50% coming into the household. It is not fair. There might be people living in local authority houses who never want to buy their own house. That is fine and we must respect that view. If one has worked all of one's life and has a pension and wants to buy the house after 20 or 30 years, that is an entitlement which I do not think should be taken away from any person. Adding the 50% income criterion has done a disservice to people. People have come to my clinic whose children have been reared and who now have a little pension. They were able to enjoy life and wanted to buy their house, but they do not qualify. I had another person come to who had won money and wanted to buy his house, but because he was not working he was not able to buy it. I totally disagree with this. If someone has been a good tenant, done up his or her house and never engaged in anti-social behaviour, it is unfair to take that right away from him or her. It is unjust and I do not agree with it. Perhaps 80% of people will not want to buy their house and we are respectful of that decision. We are like the AHBs because they do not do it. We are turning that corner and like Clúid, Respond and

Tinteán which do not allow tenants to buy their houses. Every time a tenant wants to do something, he or she has to ring and find out. I do not think that is good. The entitlement should not be taken away. The scheme is not fit for purpose and needs to be looked at. It is unfair to have a rule about having an income of 50% before someone's case is even looked at. Loads of people have applied and been told that they qualify, but they still have not received any word about it. I am not here to criticise any local authority as I worked in the system, but there is never a timescale. If someone goes into the local authority with a form and has qualified, for how long does he or she have to wait? There does not seem to be a timescale. It is something that needs to be addressed.

I want to talk about the local property tax. People are only surviving, about which there is no question. Particularly in rural Ireland, including in my area of Carlow, people are only making ends meet. Increasing the tax is not good, but I know that we have to get finances. If one talks about repairs and the money coming in, the problem is there is a different system for carrying out repairs in every local authority. One local authority will carry out four or five repairs in a house. It might fix the windows and doors, put in a kitchen or fix a leak. Other state they do not do any of this because their funding is too low. They will only fix electrical problems or roofs because they are health and safety issues. If a roof is leaking, they will fix it.

The delegates mentioned a seminar held with county managers. There is a need for a policy across every local authority. It is very unfair that some local authorities are not receiving the same money as others, which means that they are not carrying out the same repairs. It is causing conflict. I am not blaming the local authorities, but a policy needs to be put in place. I will be addressing that with the local authorities.

There are massive issues with HAP, as previous speakers have noted.

Acting Chairman (Senator Victor Boyhan): While the Senator's comments are very interesting, she might ask specific questions of the witnesses. The focus of the meeting is the report.

Senator Jennifer Murnane O'Connor: I do not think HAP is working. It only allows an increase of 20%, and that is as far as it goes, across the board. To take an area like my own, Carlow is not in a rent pressure zone although all areas should be in a rent pressure zone at this stage, Carlow in particular, given two neighbouring counties are in a rent pressure zone, which is very unfair. What way do the witnesses believe we should go with this? While the 20% discretion is there, should there be a clause for, say, medical issues or hardship? Would the witnesses recommend that?

I believe local authority mortgages are the way forward. Local authorities could do a really good job of giving mortgages but, again, the problem is there is no timescale and people who apply have to wait six to eight months. Do the witnesses believe this should be no more than four to six months, and if people get it, they get it, and if they do not, they do not? I could ask many more questions but I will come back in later.

Dr. Aideen Hayden: Working backwards, I will deal with HAP, which was also raised by Senator Boyhan. I was asked why people do not take up the HAP scheme when they are eligible for it. They do not take it up because it is in the private rented sector, which is incredibly insecure, and they would only get the security that a tenant in the private rented sector would get. Being realistic, we are all aware there are enormous difficulties in the private rented sector, although we are not here to discuss that today, so I will not go into it. That is the first point.

Second, with regard to rent collection and local authorities, from the local authorities we spoke to, it was certainly our view that they have an enormous sense of responsibility and obligation to their tenants and see themselves very much as the authority of last resort - in other words, there is nowhere to go beyond a person's local authority. They are not in the business of evicting tenants and that is the bottom line. While we do have evidence of very high levels of collection of rents, we also have evidence of very high levels of rent arrears and collecting rent arrears is a difficulty for local authorities. A number of local authorities made the point to us that they are not in a position to go to court, even where rent arrears are quite significant and where the tenant is not interested in co-operating or facilitating the local authority. In some instances, they really are stuck between a rock and a hard place.

Senator Jennifer Murnane O'Connor: Carlow County Council is very good and it does not bring them to court. The problem is that people get letter after letter. It is not right to bring them to court, and Dr. Hayden is right on that. The only way the councils can get rid of a tenant is due to rent arrears and they are not allowed to get rid of a tenant for anti-social behaviour or anything like that. I agree with Dr. Hayden on that.

Dr. Aideen Hayden: I cannot talk specifically about the methods that local authorities engage in with regard to letter writing and so forth but, as I said, it was certainly our view that local authorities take their role very seriously as housing authorities, and they certainly feel a significant duty to their tenants.

With regard to the tenant purchase scheme, yes, there is a very significant difference between the current incremental tenant purchase scheme and the previous, historical tenant purchase scheme that has been *in situ* since the 1960s or 1970s.

The Senator mentioned the approved housing bodies and, again, we are reflecting the views that were given to us. There was a diverse set of views on the whole issue of tenant purchase. Some interviewees were very much of the opinion there was no difficulty whatsoever in selling dwellings as long as they could be replaced. The difficulty was with the level of discount, not the principle of tenant purchase. Many very positive things were said about tenant purchase and the impact tenant purchase has had historically in giving people a stake in their community and so forth. However, the point was also made that, in the current environment, where most local authority estates are not as large as they were in the past and are small-scale estates, it is not possible to re-state those properties in the market either through Part V or any of the other methods. Given the level of the crisis we are currently in, the overwhelming position of the people we interviewed was for a suspension of the scheme in the current environment.

Professor Michelle Norris: Will I answer Deputy Darragh O'Brien's questions?

Acting Chairman (Senator Victor Boyhan): As many members are waiting and a number of votes are taking place in the Dáil, it would be no harm if you could answer Deputy Darragh O'Brien's questions. At least we would have that on the record of the House. I am conscious that people are here and we have a long evening ahead. If you can recall the detailed questions, you might proceed to answer them. Is that agreeable?

Professor Michelle Norris: Yes. I think there are only two issues. The first is the proposal for the deduction of rent from social welfare payments. That is really to address the issue affecting local authorities whereby, on the one hand, they have very high rates of collection but, on the other, they find arrears very demanding or impossible to deal with, and they are loath to seek possession of the dwelling in the courts. That is the reason for the proposal.

In regard to Deputy O'Brien's question around trying to fund an off-balance sheet model for the provision of social housing or council housing, there are two issues that need to be taken into account in a plan of that type. The first is the source of the investment. The Deputy mentioned the Central Bank has approved funding from the credit unions, which would certainly be a non-State source of investment, so it would fulfil that side of the equation. The second issue is the source of revenue. One would need a situation where less than 50% of the revenue is coming from Government, and cost rents would be a way of achieving that, particularly if council housing was let in a way that took account of the need to have financial sustainability of the estates, not just having this based solely on need. At the moment the income limits for access to social housing cover people at the lower end of medium earnings but, in practice, because there is such a long waiting list for council housing, the vast majority of people getting allocations are people on social welfare. As several people have pointed out, that is quite different from the position a number of years ago. If dwellings were let to a mix of people, whether on social welfare or on lower incomes, who would pay the cost rents themselves, we could easily end up with a situation where less than 50% of the revenue coming into the development from rents was subsidised by the State. That would allow it to be off balance sheet, which is the model used in the rest of Europe.

Senator Jennifer Murnane O'Connor: I believe that is wrong. If there are children in a house, all of it is taken into consideration.

Acting Chairman (Senator Victor Boyhan): I am conscious of time. We will proceed with Deputy Boyd Barrett, so we can keep the flow.

Deputy Maria Bailey resumed the Chair.

Deputy Richard Boyd Barrett: I thank the witnesses for the report. There is a lot of interesting stuff in it, including tables, statistics and facts. Obviously, I welcome some of the recommendations the authors have made, particularly the fact they argue for the merits of social housing and the point that the AHBs do not have the capacity to deliver and that there is an excessive reliance on them. However, I have to take the authors up on a number of issues where I have a bone to pick, I am afraid. They seem to be using terms like "move away from income-related rent", and I have to say this is a significant problem for me. I do not buy the idea, although I am not even sure of the economics of paying for council houses and believe we need to look into it. A lot of this has to do with how long the cost is spread over. If we insist that it pays for itself within 30 years, we are going to have to charge high rents. It will pay for itself over a long time. There are all sorts of issues with maintenance, the exact calculation of how much rent comes back and the changes in the demographics of those in council housing and the consequent changes in the amount of rent coming back to local authorities.

I ask the witnesses to comment on the failure to raise income thresholds, which is one of the big problems. They should be raised significantly to achieve the social mix about which the Government keeps talking. In some instances, the Government uses the social mix to justify the privatisation of public land. That is not the way to deal with the problem of council housing paying for itself, which has been mentioned by the witnesses, or to get the social mix. We should not abandon income-related rents. We should have a much broader mix of incomes in council housing. I would go further by asking why anybody who wants to live in a council house should not be able to do so. This is the case in many European countries. I ask the witnesses to comment on that.

If we say that some people are eligible for council housing because of their income and

other people have to go to the private market, surely that automatically creates a stigma. Why should we not provide, in line with the requirements of differential rent, that one can pay a fair proportion of one's income towards one's rent regardless of whether one has a low, medium or high income? That would be a fair system. If anyone were allowed to apply for council housing under such a system, we would get higher revenues from council housing, which would then cover some of the maintenance issues that have been mentioned. I ask the witnesses to comment on that.

I always think context is important for framing a debate like this about the financial viability of council housing. Notwithstanding the important work the witnesses have done here, surely it is important for us to ask questions about the alternative that is being presented at the moment. I refer to the financing and economics of the social housing model that is being pursued at the moment under Rebuilding Ireland. Of the 137,000 social houses that are supposed to be delivered under Rebuilding Ireland, some 80,000 will come under the HAP scheme, some 4,000 will come under the rental accommodation scheme and some 10,000 will involve leasing. The vast majority of these social housing units will be sourced from the private sector and, therefore, will be vulnerable to whatever the private sector chooses to charge the local authority for them. While there may be problems with the economics of social housing, it is superior to the current approach in terms of the cost-to-value ratio for public money. Perhaps the witnesses will comment on that.

Chairman: I will give Professor Norris three minutes to wrap up.

Deputy Richard Boyd Barrett: I should also have mentioned that I disagree with Professor Norris on successive tenancies.

Professor Michelle Norris: We will have to agree to disagree on that one.

Deputy Richard Boyd Barrett: Is there not a strong case for successive tenancies in the interests of maintaining the coherence of communities, rather than having communities turning over all the time?

Professor Michelle Norris: Such a strong case does not exist in the context of the current housing shortage. I agree with the Deputy that the provision of social housing and council housing is fundamentally much more efficient than relying on HAP and the subsidisation of private rents. The use of mechanisms like HAP and rent supplement creates many risks for the State. As rents are unpredictable, the subsidy that will be required in the future is also unpredictable. These mechanisms create lots of other knock-on problems. They contribute to rent inflation, which creates problems for other people in the private rental market. My position is that more social housing is inherently more efficient. The issue is whether the way in which the social housing sector is funded can be reformed in a way that makes social housing easier to provide and to manage more efficiently. There is evidence that income-related rents for the current cohort of households in council housing do not even cover the management costs, let alone the costs of provision.

The Deputy is correct when he says that the characteristics of people in the council housing sector have changed radically since the 1970s. There are now many more low-income people and people on benefits in the sector, which has a depressive impact on rent receipts. There is a strong argument for letting to a wider range of income groups. Even within the current income limits, many of the local authorities we have studied have moved towards time-on-the-list methods for allocating social housing, rather than allocating based solely on need. This has led

to a wider range of income groups going into council housing. That would be a mechanism for addressing the concerns of policymakers about large concentrations of lower-income households. It would also increase the revenue to the sector. I agree with the Deputy, but not on income-related rents. I think income-related rents are the problem.

Deputy Richard Boyd Barrett: Would Professor Norris like to comment on successive tenancies?

Professor Michelle Norris: The problem with successive tenancies is that they are rarely taken up in rural areas where demand for housing is low. The primary take-up is in urban areas where demand for housing is higher. The system of successive tenancies is not sustainable when there is a severe shortage of council housing in urban areas.

Deputy Richard Boyd Barrett: What if it leads to the eviction of family members?

Dr. Aileen Hayden: I will be brief. When we asked in the interview process about the issue of raising income thresholds, we were told that as long as there is choice-based letting and there are other systems of allocation based on need, increasing the thresholds will make no difference unless an appropriate quantum of housing is available. This brings me back to the purpose of the compilation of our report. We compiled our report to see how we could increase the quantum of council housing within the housing system. It can be seen somewhere in the body of the report that our opinion is that to bring balance to the housing system, approximately 30% of all housing needs to be provided through local authorities or public housing providers. That is the bottom line of where we are coming from with this.

Chairman: I thank Dr. Hayden and Professor Norris for coming before the committee. I found their report and their presentation in Buswells Hotel valuable. We will take it from there. I apologise for the inconvenience of the vote during their presentation. I propose that we suspend for a few minutes to allow the next witnesses to take their seats. Is that agreed? Agreed.

Sitting suspended at 6.47 p.m. and resumed at 6.54 p.m.

Rebuilding Ireland - Action Plan for Housing and Homelessness: Discussion

Chairman: No. 6 on the agenda is funding and delivery of public housing under the Rebuilding Ireland action plan. In our second session, we will meet representatives of the local authorities. I welcome Ms Margaret Geraghty and Ms Mary Egan from Fingal County Council; Ms Breege Kilkenny and Mr. Joe Lane from Wicklow County Council; Mr. Joe MacGrath and Ms Sinéad Carr from Tipperary County Council; and Mr. Brendan Kenny of Dublin City Council.

I draw the attention of witnesses to the fact that by virtue of section 17(2)(l) of the Defamation Act 2009, they 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 thank the local authority officials for their patience and forbearance as we are an hour late getting to them. I apologise for keeping them delayed. There may be votes called during this session but we will deal with that should it happen. We have a plan B in place. There is a bit of difficulty with PowerPoint so we will go straight to questions.

Deputy Ruth Coppinger: I wanted to address some questions to the team from Fingal County Council. I thank them for the detailed presentation they supplied to the committee. The initial part of their statement outlines the scale of housing need in Fingal. Fingal has more than 250,000 people and is the second biggest of the local authorities. It is a diverse borough but with a significant housing crisis, which may be concentrated in particular parts of the council area but it affects everywhere. Let us take that as read.

It is mentioned in the statement that the council is surpassing its housing targets. Any uninitiated person reading that would choke on her corn flakes. The homelessness crisis is getting worse. The statement later refers to 600 families with whom the council is in contact who are either in emergency accommodation or have received notices to quit. That is a huge chunk of the homeless families in the country and it is an increase on the figure from the previous council meeting, which was reported to me by our councillors. Why did the Department of Housing, Planning and Local Government and the council set the target so low? It would seem to me to be a conspiracy on the part of the Department to set low targets that are going to be achieved. It is not doing anything to make inroads into the housing crisis.

My other question concerns the Land Development Agency, LDA. The presentation states that the LDA has identified two sites in the Fingal area on which the agency intends to focus immediately to open up and unlock the potential to yield more than 1,000 units between both sites. The presentation names the two sites. I suppose the council is a passive recipient of Government policy in that sense but is there a point at which council management can say it does not agree, for example, with an action that is effectively privatising 60% of the housing that would go onto one of its own sites? Have the council officials had that conversation with the Minister at all? One of the sites mentioned is Churchfields in Mulhuddart but that is not in the plan. It is in Damastown in Mulhuddart. The proposal is to put 1,000 to 1,200 dwellings there, which I support and called for before the council officially came up with its plan, and did a lot of work to suggest what the mix of that would be. This would be one of the most significant developments that Fingal could undertake. Blanchardstown is a centre of homelessness. This site, the last significant piece of council land in the area, is crucial. There is some land in Dunsink but that area is not considered part of Blanchardstown as such. I wager that most of the people who are showing up in the Fingal housing figures are from the greater Blanchardstown area. Has Ms Geraghty discussed this site with the Minister? When I raised this issue with the Minister of State, Deputy English, he did not know anything about it, yet he states his Department is in weekly meetings with local councils.

Ms Geraghty states that it is proposed that the lands will support approximately 1,200 units with a tenure mix of social, affordable purchase, cost rental, older persons accommodation, etc. While I agree with having a tenure mix, the devil is in the detail. How much social housing should be on the site? What does Ms Geraghty mean by the term “affordable purchase”? Does she mean an affordable mortgage scheme provided through a local authority or the scheme introduced by the Government, under which people secure a mortgage which can be used to

purchase anywhere in the country? What does Ms Geraghty mean by the term “cost rental”? This has not been discussed on the local authority. I certainly have not heard from our councillors that it has been discussed. I note it has been advocated in many quarters. I would like to hear a plan setting out the mix the local authority has proposed to the Minister.

On the Church Fields site, Fingal County Council’s submission states: “The site is infrastructure constrained and requires construction of new distributor road, green infrastructure and upgrading” of another road. It continues: “A submission for funding under the Serviced Sites Fund has been made in order to fund this infrastructure.” When was that submission made? When will a response issue? The submission states that construction will not commence until the final quarter of 2019. Why must this take so long? The local authority started work on this almost a year ago when meetings were first held with councillors to get feedback. To hear it will be almost two years before anything will happen in an area that is a homeless black spot is simply not good enough. I know the area extremely well because I live right beside it. While another road is needed, roads can be built quickly in this context. Could a road not be built at the same time as housing construction, rather than waiting for all of that infrastructure to be developed before any work commences? This is an emergency and there is an imperative to move rather than wait for two years.

Is it Ms Geraghty’s view that there should not be private housing on this site? The reason I ask is that this is the local authority’s last chance to make a significant inroad into the housing problem in Dublin 15.

On the costing on this particular site, my understanding is that Fingal County Council has €160 million in its budget for social housing. How much of that is ring-fenced for this project and the other two major projects? How much will the development overall cost? For how much has the local authority asked the Department? Are there other sources of funding available? The reason I ask is the process seems to move interminably slowly. I understand the council agreed to Clúid Housing developing a much smaller housing project about two years ago and nothing has happened. It must not take a decade to develop this site. There is an imperative to move quickly.

Chairman: I received apologies from Deputy Darragh O’Brien who had to leave to meet an Egyptian delegation with the Ceann Comhairle. It is a reciprocal visit. Deputy O’Brien wanted to convey his apologies, especially to the representatives of Fingal County Council, that he could not stay for the meeting.

Senator Victor Boyhan: I welcome all the representatives of local government in attendance. After two and a half years as a member of this committee, I am conscious that we have a housing crisis. We do not need to keep repeating that. To set the context, we have 10,000 people, including 3,600 children in emergency accommodation, and 100,000 on the social housing lists of the 31 local authorities. Those are the facts and we do not have to keep rehearsing them.

I am not here to explain the position on behalf of the Department but it has tried to convince us that it is trying to streamline the entire process. There is always a conflict regarding how housing will be delivered. Local authorities are different and we should not try to homogenise them. I acknowledge and support this difference. If we are to strengthen local democracy, we must support the executive of our councils and the executive must support the elected members in determining policy. Ultimately, the local authorities must have regard to Government policy and, regardless of whether we like it, Rebuilding Ireland is the name of the game at the moment.

I have read all the submissions from Wicklow County Council, Fingal County Council, Dublin City Council and Tipperary County Council and they are very professional. I am as much a critic of local authorities as anybody else. When one is no longer a member of a local authority one sees it somewhat differently from when one was a member. I acknowledge the calibre and quality of the reports that were submitted to the committee in advance of this meeting. It is important to say that because far too often one hears from the Department or somebody else that the local authorities are too slow. We then have the local authorities telling us it is an issue with the Department. The whole process needs to be streamlined.

I was extremely disappointed with the targets. They are not realistic and not good enough in the context of the numbers I mentioned. The witnesses may think differently. We had great fanfare and publicity about the three wonderful summits that took place in the Custom House. We do not hear much about what comes out of them, however. I do not know how all that is measured. However, I have conversations with officials and the committee meets the Minister regularly. For example, we will meet him at some length on Thursday in this very room when we will question and challenge him and his officials.

There are a few issues I would like to ask about. Are the social housing targets fair and are they being met? I presume I can only ask that of the local authorities represented at this meeting. In some cases, they are not stretched enough but there may be good reasons for that, for example, resource or personnel issues. There may be a range of reasons but I would like to hear them and have them placed on the record. This is where we do our business and this meeting is an opportunity for the local authorities, as much as it is for us.

What are the main challenges facing the housing sections of local authorities? I am aware that officials at the coalface of housing are under immense stress and encounter very difficult cases. That must be acknowledged. However, one can understand why there is a tension among those who have been on a housing list for years.

What shortcomings are there in the relationship between the local authorities and the Department? Do the local authorities need greater supports? We keep hearing that money is not a problem but the local authorities are slowing the process. We all know we have to get more houses built quickly.

I thank the local authorities for their position papers, including the comprehensive data provided. The submissions are different and it is interesting to see the different models that are applied. Are the housing targets realistic or could local authorities do much more with greater resources? What are the shortcomings? Do the local authorities need more assistance from the Department? Is the Department a hindrance? Are there better ways of generating synergies? Should we be talking about regional synergies for the development of housing?

Deputy Eoin Ó Broin: I thank the local authority officials for coming in. I appreciate how busy they all are.

My questions are different. Many of us are trying to tease through with the Department, whose officials will appear tomorrow, how we can fix some of the difficulties in the system to increase or speed up the output or remove logjams that many of us believe are in the way of the delivery of houses. My questions are related to that rather than the individual programmes, if that is okay. First, the new housing need assessment figures have been released and show a drop of approximately 14,000 households on the list last year. The increase in HAP tenancies during that same period of time was 14,000, unsurprisingly. I know not everyone who has come off

the individual housing lists has gone on to HAP. Some have gone into council tenancies, while some have come off the list, but it shows that at the net level of real social housing need we are not reducing that figure in any meaningful way. My concern is with the overall figures. I talk about real social housing need as including families on HAP and RAS, as they are in short-term insecure tenancies, and on the latest figures there are approximately 130,000 households. If one looks at the Rebuilding Ireland targets up to 2021, in terms of the real social housing with everything private sector stripped out, there are only 43,000 additions to the social housing stock owned by approved housing bodies and local authorities. I am trying to understand whether it is the Department not allowing the targets to move beyond what I consider to be the low-levels they are at currently or whether there are other constraints that are preventing local authorities. In my local authority in south Dublin, there is a list of approximately 5,800. When RAS and HAP are added there is a real need of approximately 9,700 but the local authority and approved housing bodies will provide only 2,500 units over the coming years. What are the constraints on local authorities having a target of increasing the real social housing stock to make it more in line with the level of real need out there?

Second, there is the thorny question of the cost of the delivery of real social housing units, and I know every scheme is different with different factors. The problem is that I received answers from the Department to parliamentary questions a month or two ago which stated the average all-in developmental cost for real social housing was approximately €200,000. A couple of weeks later, as part of our budgetary scrutiny, the Department of Public Expenditure and Reform gave us figures of approximately €216,000, even though it is meant to be working off the same developments. I received reconciled figures from last year on the Part V units, and particularly in Dublin a significant gap is opening up between local authority or approved housing body costs and the cost of the part fives, up to €240,000, €260,000 or €280,000.

There is also the media reportage, which I am not sure is accurate or not, about the unit costs for St. Teresa's Gardens. I do not know if that is the unit cost or if there are other costs like site contamination works and so on. Will the witnesses give a sense of where we are on the output cost for what I would call real social housing units, owned by local authorities and approved housing bodies?

My other question ties in with the Professor Norris's and Dr. Hayden's report. The approval process frustrates all of us, and I am sure it frustrates all the folks in the councils. How can we shorten it? The Part VIII units are now down to 14 weeks, or whatever it is in statute. The construction is the construction but the approval, tendering and procurement still take 18 or 24 months, or longer. The Minister for Housing, Planning and Local Government is on record saying yesterday on the radio that it cannot be shortened. Surely it can be shortened at the approval end. Is there not a way to use more local authority or regionally shared service framework agreements for social housing builds, in the same way that is done for maintenance contractors? That would be a way to avoid having to go out to tender for every single job. Is there a way of doing that? Would there be an upper limit to what the framework agreement would allow companies on the shelf and so on?

On multi-annual funding, it would make eminent sense to say to the local authorities that if their target is X over four years, there is the envelope of funding. Would that make a real difference and, if so, how would it work?

I know Mr. Tony Flynn is in the newspaper today talking about the value-for-money analysis of any projects costing more than €20 million. Will Mr. Kenny talk us through the practicalities of that? Is it necessary and how much of it is an impediment to delivery? Should we make

a case here that there are better scrutiny mechanisms for the funding, rather than having that?

We are all talking about affordability. We are talking about cost-rental, affordable purchase and various models. I know there have been significant breakthroughs in Dublin city and I commend the work on St. Michael's estate. Notwithstanding the criticism of some politicians, it is an innovative project which this committee should support. Could we get an update on that? I presume the recent political antics will have no impact on Dublin City Council, DCC, ploughing ahead with that, as its elected members want. In the case of the other local authorities, however, am I wrong in thinking there is a frustration that central Government is still not coming up with a clear affordable housing scheme for cost-rental or affordable sale? Is that an impediment to the councils? The €25 million allocated in budget 2018 for Ó Cualann-type developments to offset the costs by approximately 75%, which then became €75 million, is still unavailable to the council, as far as I understand. Is that the case, and is the council part of the discussions about that? What do the witnesses think we, as a committee, should argue with the Department in the run-up to the budget to try to get the affordable bit, or whatever model is considered appropriate, up and running? On the basis of what I see, St. Michael's may be the first one but it will be several years before any of those units is available to rent, which seems a real problem. I do not blame the council - it is a departmental issue - but I would like to hear the witnesses' thoughts on it.

Deputy Richard Boyd Barrett: I will follow on from what Deputy Ó Broin said with a point I made to the Minister for Finance, Deputy Donohoe, today about Rebuilding Ireland. It is borne out in the DCC table, which was helpful with targets and completions under the various headings for social housing both for the past three years and the years projected ahead.

The vast bulk of what we hope to deliver in social housing in Dublin is HAPs. The Government keeps saying we will wean ourselves off HAPs, but the councils' targets would suggest we are not weaning ourselves off but rather ramping up HAPs. That is current expenditure out from the council rather than capital expenditure upfront with rental revenue coming in over time. Does it bother the councils that their current expenditure, according to these targets, on money going out to the private sector in the form of HAPs and RAS, will rise even if the targets are met? It will cost the councils more, and they are vulnerable to whatever the private sector decides to charge them, particularly in terms of HAPs. One can argue that there might be a leasing arrangement over a longer time, but on HAPs and RAS the councils are prey to the markets. What do the witnesses think about that? Should we not move in the opposite direction? While HAPs might be a temporary necessity, over time we should wean ourselves off HAPs and see the direct provision of council housing increase and HAPs reduce. If we do not, apart from anything else it will cost us a lot. I ask that based on the DCC figures but it is a question for anybody.

When I look at the targets for HAPs, I wonder if the councils believe they can materialise. In Dublin city for 2017, the targets are 1,579 for homeless HAPs and 1,000 for general HAPs, while for 2018, the target for general HAPs is to go up to 4,000, with 1,000 for homeless HAPs. It is thereafter to be consistently 3,000 for general, and 1,000 for homeless. They almost seem like notional figures we are pulling out of our head to meet certain targets. Can we deliver on them? I do not want us to deliver because we should wean ourselves off HAPs, while ramping up the council housing construction. Even if we set that debate aside, is it realistic to imagine we will get them when the experience we are all getting is that it is hard for people to find HAPs with the current rent situation? Even the HAPs that are secured are not secure because HAP tenants are being evicted. There are probably more than are being evicted, but the tenancies are

not secure. I would like to hear the witnesses' concerns about that.

I note the voids restored by DCC are quite a high figure as well, while a high figure was rejected for voids. There has been much debate about this so could we clarify that those voids are also turnovers, if the witnesses know what I mean? They are not just houses that have been sitting there forever and there are 800 projected every year. If that is true, it implies there are 5,000 or 6,000 empty council units in Dublin City Council. That is obviously not the case. Is it not misleading to say these are voids restored by Dublin City Council? They are not voids and there is a difference between a real void, which sits there without justification for long periods, and of which there are definitely some, and properties that are turnovers because someone dies or a tenancy ends and the properties must be refurbished and so on? Is it not also fair to say that in those cases, the figures are even more misleading as sometimes voids may result from the fact we de-tenanted certain blocks to knock them down and replace them with fewer units than were in the original development? Is the category not just very misleading? There is a suggestion these are additional units that we can clock up as part of our targets for delivering on social housing.

I am pulling my hair out trying to figure out why certain sites do not move. There is a ping-pong game going on between the Minister and the local authorities about whose fault it is that certain sites do not move. My pet theory is there is a battle ongoing over the economics of the development of these sites. The councils are being told that they if they want to develop a site for public and affordable housing, they must tell the Department how the project will wash its face, economically speaking. That leads to pressure either to sell a bit of the land to finance the public and social bit of the site or to have some involvement from the private sector. That delays things and tied to this is the debate about what is affordability and how that level is set. Is this part of the delay in getting these sites moving? It is very frustrating trying to figure it out. The elected representatives of local authorities are saying they want the site developed and public and affordable housing but nothing happens, with both the Department and the local authority giving different explanations for this.

Deputy Ruth Coppinger: Would the Chairman mind if my questions are answered first as I must go? I got my name in early for that reason.

Chairman: That is okay.

Ms Margaret Geraghty: I will address Deputy Coppinger's concerns and I will ask my colleague, Ms Egan, to discuss some of the specifics relating to the Church Fields development. Fingal has a housing list with many people on it, although it has reduced in recent times. It is a matter of record that we have provided 3,422 units of social housing since 2015 and, from that number, 979 homeless families had their homeless circumstances alleviated. It is important to contextualise that. Some of the key elements of the homelessness issue relate to the fact that people in Fingal are experiencing vulnerability with respect to lettings in the private rental sector. Approximately 70% of the people who come to our housing office find themselves in a homeless situation relating to a notice to quit. It is something we are working to address.

I can give some summary numbers for our plan for the various landbanks we have. We have set out in our report the landbanks we are bringing forward for development over the next few years. We are looking at delivering a mixture of between 1,700 social and 1,700 affordable units. There is a very real need for us to have an affordable housing scheme and for details to emerge with respect to the cost rental scheme. We look forward to both of those emerging and that will assist us in how Fingal puts together its own affordable scheme.

Currently in Fingal, the Rebuilding Ireland loan is proving very popular because house prices in the area are at a certain point. There is quite a bit of private development going on, with more than 72 private sites under development. There is considerable interest from people who are low to middle-income earners in Fingal who can avail of a Rebuilding Ireland loan and who can purchase a house. As we move towards trying to work to mixed tenure communities, I see the Rebuilding Ireland loan, as well as a forthcoming affordable housing scheme, being of benefit to us.

In terms of overall funding by the council, particularly with housing as a key priority for Fingal County Council, 63% of our overall capital budget is focused on housing, with 27% of the overall revenue budget focused on housing. There is a significant commitment on behalf of the executive and members in Fingal towards funding the housing programme. Professor Norris raised matters in her presentation, and we provide a significant pot of funding from our rents each year for the maintenance and improvement of our housing stock. We have a range of cyclical maintenance programmes that have been ongoing over recent years and they will continue in future. Fingal has increased its overall housing stock by 64% since 2006. With regard to the rent yield and ongoing maintenance and improvement of stock into the future, our continued contribution from our revenue budget into a sinking fund to maintain our stock is a key priority.

With respect to timelines for development, one of the big issues facing Fingal and the land it owns has been infrastructural constraint. This means roads, water, waste and green open space community infrastructure. In short, it is infrastructure in the broadest sense, so I am not just talking about one road. If we are to bring sites to the market that can achieve the density that these kinds of landbanks can provide to the housing system and that will be required of us in terms of meeting overall density requirements for housing, we must look at ways of being able to bring a product to the market that can be built at a sustainable price and sold at an affordable purchase level for people seeking their first homes in many cases. The announcement on the serviced sites fund has been very important in this regard. We were asked if we had specifically made an application in that regard. We put in four applications to the serviced sites fund totalling €18 million. We are very optimistic we will get funding, and Church Fields in Deputy Coppinger's constituency is our primary site with respect to the serviced sites fund.

Deputy Ruth Coppinger: How long will that take? There has been an application but have the witnesses heard back from the Department or anything? It is something we can put to the Minister tomorrow.

Ms Margaret Geraghty: The closing date for the applications was the end of August and we submitted the applications by then. We were advised the first tranche of funding would be announced before the end of the year. We are very optimistic about the Fingal schemes as we have advanced those schemes through many of the preliminary stages. We hope to benefit from that funding. Equally the local infrastructure housing activation fund, LIHAF, funding for Donabate was instrumental in our being able to start the work on bringing that landbank forward for development. Some of the site constraints can also relate to contamination and other issues. We are optimistic, however, from our conversations with the Department, that we have put in four very strong bids for the serviced sites fund and hope for a positive announcement.

In respect of the timeline for development, to take an example, from the time we start thinking about building an extension to our home, bring an architect in to work on it, figure out what services and planning permission are needed, go to tender and get a builder, it can be quite a while before the new room is built. Scale that up to the big landbanks and that is what

we are talking about. A range of baseline studies is required for housing developments such as environmental impact assessments, appropriate assessments and directives on habitats and otherwise that must be met. There is green infrastructure that must go in and we must ensure that the schemes we design take account of all those issues. In line with that there is the approvals process that we must go through and our Part VIII planning process. Fingal is very lucky in that respect. We have brought almost 30 Part VIIs to the chamber and have had the full support of our members on all of them. To shorten the timelines, we try to do much of the work that needs to be done on a site in parallel with the planning process. There is a risk attached to that in that we might not get planning permission or the councillors might accuse us of prejudging their decision. It is a balance and we try to bring that forward and work with the councillors on that.

The real challenge is having to go through a public procurement process which does take a very long time. That is a frustration that my colleagues here will echo. We are working to see what opportunities there are in the process through other types of licence arrangements or otherwise that we can use to bring sites forward incrementally. There is value in that work and we continue to explore. I will ask Ms Egan to respond to the question on Church Fields.

Ms Mary Egan: Church Fields is a large landbank in Dublin 15 and the only significant landbank that we have left in that area. We had our first briefing with the local area councillors last December. We brought the almost finalised land management plan to them on 5 July. Since then we have been working on moving forward in tandem with the Part VIII road infrastructure and the green infrastructure. The first phase of the housing will be brought to the councillors' area committee next week. It is for 25 units, a small element on which we can start straight away. Our focus all the way through has been how soon can we get the process started.

This is the process in motion. We have had three briefings with our local councillors and we have had a meeting with the community stakeholders for this project to date. It is quite a significant project. There has been some work done on the land management plan. We now have the blueprint on how the site would be developed. We have applied for the serviced sites fund, which will enable us to provide the infrastructure, and we will be considering developing significant numbers of social and affordable housing. Affordable means affordable for purchase or cost rental, whatever model fits best, and the rest of the range in respect of accommodation for older people, people with disabilities and anything else that fits into the profile of the site. We will consider all options. We are not closing it to any particular streams. Our focus is on delivery, and we will bring the first phase through next week. From last September to the October area committee this year is significant progress.

Deputy Ruth Coppinger: Twenty-five units seems very small. I know things have to be done in phases but 1,200 houses will take a decade at that rate. Would the planners not go for a bigger first phase?

Ms Mary Egan: The first phase is the part we can build without the infrastructure. We will be bringing forward further parts of the site as we can build them out and see our way through in terms of infrastructure.

Deputy Ruth Coppinger: Ms Egan said that would be in 2019.

Ms Mary Egan: We hope that next year we will bring through a further Part VIII, but that depends on the further studies that must be carried out on site. The first 25 can be brought in straight away. That is why we are bringing that element of the site straight through.

Mr. Joe Lane: When we started originally, we worked off average sizes and many infills. These were brownfield lands. Between 2015 and 2018, the average size was 14. It takes the same length of time to build a small unit as a big one. That is when we increased the unit size. We are in partnership with many more approved housing bodies. Over the next three years our local authority build would be approximately 40% of the total. In the rest there would be turnkeys, 13% approved housing bodies, 9% voids, 3% public private partnerships, PPPs, 11% joint venture projects, 20% Part Vs, and approximately 5% acquisitions. We spent a significant length of time on stage 1 to prevent problems being created during the later four stages.

Ms Breege Kilkenny: In Wicklow we prepared our social housing supply strategy in line with the Rebuilding Ireland programme, and the social housing supply element comes specifically under Pillars 2 and 3 to accelerate and build the new homes. The first thing we did in Wicklow was to undertake a local authority landbank assessment. This indicated that, even if we were to develop on every piece of land that the local authority owned and that was zoned for housing, we would have only approximately 800 units. Given the numbers on the social housing needs assessment, it was very clear from the outset that Wicklow could not address the housing needs on its own. We applied a multifaceted approach. We had to build up our in-house team. We developed partnerships with the approved housing bodies, engaged with the private sector under the Part V turnkeys, and have a PPP development in Wicklow town. We also procured some architect-led teams to advance our larger schemes, and we are working with the Department to expedite delivery through that four-stage approval process. We are also engaged in purchasing and leasing of units. We considered every avenue to provide social housing for the people of Wicklow.

We commenced our social housing supply strategy in 2015 and prepared a priority list 1. This was developed under the original national document housing strategy 2020 under the previous Government. This consisted of 12 schemes, four of which will be delivered this year within the next couple of months, providing a total of 45 units for 2018. A further eight schemes on our priority list 1 will be commenced in 2018 with delivery expected in 2019, bringing our overall priority list 1 close to 200 units by the end of 2019 under this phase. In 2016, we revised our social housing supply strategy following publication of the Government's Rebuilding Ireland document. We developed a priority list 2, which consisted of an additional 22 schemes. Of those, 12 will consist of six rapid builds and six of traditional builds commencing early in 2019, with the other ten schemes commencing before the year end.

As Mr. Lane alluded to, we learned from the first phase and moved away from small infill schemes that yielded only a small number of units towards rapid build on larger sites giving a larger number of units. The smaller infill schemes were consolidated for collaboration with the approved housing bodies, and we directed our efforts and resources towards achieving the Part VIII through the council and contracting the administration to outside architects and consultants.

Wicklow has been given a target of 1,225 social housing units by the Department but, with the work we have put into our social housing strategy, Wicklow will reach beyond this to 1,327 units. We will exceed Government targets by 102 units by 2021.

As well as our own local authority build programme, a multifaceted approach for social housing supply will be provided through other mechanisms. That will include some remediation work, our existing stock voids and, as Deputy Boyd Barrett said, many of these will be re-lettings.

Through direct negotiation with the developers on our own behalf and by the approved housing bodies, AHBs, the amount of turnkeys and social housing under Part V is significant in Wicklow through acquisitions and partnerships with the AHBs for schemes under the capital advance leasing facility, CALF, and local authority land. That will yield an additional 250 units.

Under Wicklow's social housing supply strategy from 2015 to 2021, the local authority new build will consist of 677 units and other mechanisms will provide 650 units, giving a total of 1,327 units. Essentially, 50% will be our own construction and 50% will be built through other mechanisms. That does not include HAP or RAS.

Mr. Joe MacGrath: I will refer to some issues that were the subject of questions. The committee has representatives from four different local authorities before it, with four different sets of circumstances. I might present a slightly different picture in Tipperary, a large county with a drive time of about two and a half hours from north to south and with a dispersed population. Clonmel is the largest town in the county but there are seven or eight towns with a population of more than 4,500. That brings its own challenges in meeting housing needs. We must adapt Rebuilding Ireland and its five pillars to address the critical need and build for the future. It probably goes without saying that the local authorities, from chief executives, to directors of services, to engineers and everyone else, are fully committed to the delivery of the targets that are set in Rebuilding Ireland.

The Department had significant dialogue with each individual local authority about the targets set for them. The targets have been made clear and it is important to have targets. It is important to have a set of targets which clearly indicate if we are going some way towards meeting our needs. I would not like anyone to think that the target is treated by the local authority as a ceiling. We plan to go beyond those targets. We have outlined, in our opening statement, the overall target of 625 units in Tipperary for 2021. We now believe that will come in somewhere in the region of 769 units. That is 144 ahead of target. We have added the point in our presentation, albeit at a very early stage, that there are some 300 units in early discussion - some turnkey, some AHBs - with which we are also involved. It is important to say that targets are targets. We are confident that those targets will be achieved and surpassed. We do not treat them as a ceiling. We are ambitious not only to achieve our targets, but go beyond them. It is important to say and that ambition would be shared right across the local authorities. I acknowledge the kind comment that was made acknowledging the submissions.

My colleague, Ms Carr, might want to come in on some of the other details, but if I was to highlight a concern in Tipperary in the context of future housing provision and existing housing provision in a rural town, it would be in relation to the existing and future provision of private housing within the county because there has been little or no activity in terms of private housing development within the county for many years. The CSO figures for 2017 show a figure of somewhere in the region of 187 private housing units, with fewer than 30 of those within scheme development. We see the need to address that issue. We have had discussions with the Construction Industry Federation, CIF, at local level about the reasons for that. One of the reasons is the cost of providing the house versus the sale price. One can buy a three-bedroom house in Clonmel, Nenagh or Thurles for €170,000. That is very good value. Our strategy had been to pursue the purchase of housing to address the immediate need, recognising that new houses have to come in after that, but the actual purchase price is in the region of €170,000 or €175,000. The CIF advises that the price would need to rise to about €220,000 to make it economic compared with the build cost. That is an issue.

It is not all about big developers building developments of 200 or 300 units in Tipperary.

The backbone of social housing provision in many counties is small and medium-sized builders who build schemes of ten, 15 and 20 houses. They tell us they are struggling to get access to the funding to start working a site. Those are the main constraints for the private sector.

That said, there have been encouraging preplanning discussions in recent months about future housing provision. There is a higher level of engagement about turnkey developments as well. It is to be hoped that corner can be turned. I assure the committee that Tipperary County Council is focused on its responsibility to deliver and exceed Rebuilding Ireland targets and is ambitious to do that.

My colleague might wish to comment on some of the particular issues.

Ms Sinéad Carr: There are one or two other areas that were not picked up on and suggestions as to what could be improved and what could be made more efficient.

People have asked what our relationship with the Department is like. It is very good. I will give Aidan O'Reilly a plug on this. He has been excellent in helping us with removing blockages in the system. Can that be speeded up further? I think it can, although the Department may have a different view. The four-stage process has speeded things up and assisted in delivery, but it could be pulled back to a two-stage process. I say that because there is a development plan with guidelines for standards and density that must be complied with by local authorities. There are templates from the Department on unit costs and design and densities that can be tied in. That can be done and should be thrashed out at the early stages of designing an estate and an agreement reached. One then goes through Part VIII and knows what one has as a result of that. When the tender comes in, that is the construction price of the development. Local authorities cannot tell the cost until it is tendered out and it is at that stage local authorities could re-engage. That would help speed up the process.

There has been discussion around whether the Part VIII should be reduced, or whether special proposals could be brought in to get rid of Part VIII altogether. I do not agree with that. I think there is a significant role for community members.

Tipperary County Council is putting a lot of Part VIIs through the system. Many of them are in the very early stages and have been addressed very well by members of the council. There is beginning to be a bit of a pushback from communities. It will take a bit of time to get buy-in from the community on the new schemes, but that needs to go through.

The other issue, from the point of view of a rural authority, relates to the tendering process. There are fewer people tendering for our product, maybe because of where we are. Sometimes the regional frameworks do not necessarily work out in our favour. One might only have two individuals or contractors tendering for a particular proposal. I ask members to be mindful of that.

In terms of the query raised on voids and turnaround, we would probably treat them differently. If the work involved is under a certain amount we are able to turn around our dwellings pretty quickly and we can get tenants in. Where dwellings require more work, and where there is a significant delay, we consider the dwellings to be voids and there is always going to be a certain number of them every year. The funding from the Department assists us in speeding up the delivery on the output of those, so it is important.

We were asked what are the potential challenges coming down the road. It depends on what part of the county one is from, but one of the things we are coming up against at the moment is

that when a contractor is on site there is a struggle with the lack of people with the right skill sets on the ground. The cost of blocklaying is increasing. It now costs between €1.50 and €2.50, depending on what part of the county one is from. Contractors are struggling to get blocklayers. There are probably some pinch points in the system which we must seek to address.

In terms of the HAP and RAS schemes, for my sins, I was in housing perhaps ten years ago and I am back in it again now. Back then we did not have a level of flexibility between the different streams to deliver housing. Having four or five delivery streams has been very useful, in particular in the current crisis, and that is to be welcomed. I am inclined to agree with what was said by Professor Norris and Dr. Hayden. Direct build by local authorities and other housing bodies is probably a more sustainable way to go, but there is a role to some degree for the HAP and RAS schemes as well because they do assist.

In response to Deputy Boyd Barrett's question on whether HAP numbers are increasing, the situation is very different in each county. Our HAP numbers are decreasing, but we still have a target of two per week from the Department but we are coming in at 11. That is an improvement compared to where we were three years ago when we probably had one of the highest rates of sign up to HAP tenancies. The number currently is approximately 460 whereas two years ago we had approximately 900. There has been a rebalancing in that regard

Deputy Eoin Ó Broin: Is Ms Carr saying the council has lost half of the HAP tenancies over that period?

Ms Sinéad Carr: No, it is new HAP sign-ups that I am talking about.

Mr. Brendan Kenny: I will respond to some of the questions that were asked. The target for Dublin City Council is very challenging. It is 9,094. When we saw that it frightened the life out of us. I have heard it said that the target was too low. It will be a major challenge for us to achieve that, but it is our aim to do so and exceed it. If we go back to the Department tomorrow and say we can exceed that we will be very happy. The Department will not prevent us increasing that.

One of the challenges for us is land, which is not mentioned often enough. There is a perception that the local authority has a lot of land. We have 120 ha in the city, 93 ha of it is already in the housing delivery report, and the balance of it is in the Ballymun, Cherry Orchard and Darndale areas where there is a huge concentration of social housing.

Senator Victor Boyhan: How much land is there?

Mr. Brendan Kenny: It is 120 ha, of which 93 ha is in the housing delivery report Senator Boyhan has in front of him. The balance of it is in areas such as Ballymun, Cherry Orchard and Darndale. Despite the crisis, it would not be appropriate or sustainable for us to build high rise or high density social housing in those areas so we have to look at other options. Therefore, we are fairly constrained, but it means in 2021 we will have very little to no land left.

The other challenge is around the process. Our relationship with the Department is very good. We are in contact with officials there on a regular basis, perhaps too often, but we have a very good relationship with them. We do not want to get into any kind of blame game. The Department turns around approvals very quickly. I have seen some in recent times being turned around in as little as 24 hours. There are no logjams there at all.

In some cases the prices are coming in very high. I can talk about that later. Serious ques-

tions are being asked about why the price is so high. If we engage or make a phone call the situation can be turned around again with 24 hours or a couple of days. We do not have any difficulty there.

It would be helpful if the four-stage process could be reduced to two or three but there are three or four stages in any process. We have to do capital appraisal anyhow. We have to do a cost estimate in any case so it does not take too much time to get it to the Department and to turn it around. The overall process is horrendous in terms of the time it takes to get a contractor on site. Once we get a contractor on site things move very quickly. For ordinary housing in recent years it takes three years from the time we start doing the feasibility study to the time we get houses built. When we built the rapid-build houses last year we cut it down to 50% of that time, which shows it can be done. It is not just a problem with public procurement.

Deputy Eoin Ó Broin: Is that a reduction in the total development time or just the construction time?

Mr. Brendan Kenny: The total process from start to finish. Once we get a contractor on site the works tends to go very well, even though one gets the odd hiccup. The public procurement process is very difficult and I do not see any way it will be changed. It is national policy and EU policy and it involves a significant amount of administration. The timescale is one thing but the administration involves the assessment of tenders, which come in in big boxes and it takes experts weeks to assess them. The planning process includes surveying the site and Part 8 planning. We are now doing emergency planning for most of our rapid-build schemes. Of course that reduces the democratic deficit but it takes six months off the process. In view of the crisis we think it is well worth doing that.

Deputy Eoin Ó Broin: What is the comparable timeline for Part 8s in Dublin City Council?

Mr. Brendan Kenny: It is six months.

Deputy Eoin Ó Broin: Part 8s take six months from start to finish.

Mr. Brendan Kenny: Yes. When we avoid the Part 8 and use emergency planning powers we take six months off the timescale, so we think it is well worth doing that.

Deputy Eoin Ó Broin: The council takes six months off the timescale when it uses emergency planning.

Mr. Brendan Kenny: Yes, we eliminate the six months that would have been required. My view on HAP is that it is a great scheme. It has been hugely successful in Dublin. There are 40,000 HAP tenancies in the country, 9,000 in Dublin, and DCC has 60% of those. The level of evictions from HAP is very low. There is an element of security of tenure. I know it is not long term but generally people are very happy with the accommodation they get. In some cases, in their view they can get accommodation in better parts of the city or county.

There has been too much reliance on the private sector, but we had no option. There was no alternative in recent years because it takes so long to build. HAP has been very successful in that context. It is our ambition to gradually reduce the number of HAP tenancies. The reason the figures are so high in the delivery report is because we have taken over the rent supplement. They are not new HAP tenancies. That is something we have to do and that has increased the figures. We did 240 homeless HAP tenancies in July and 130 mainstream tenancies. That is a total of 370 for just one month. The properties are still out there and the market is very much

alive. It is a powerful option for the city council at the moment. We are probably too much reliant on it but it works very well. Without it, we would be in much bigger trouble than we are in at the moment.

Deputy Richard Boyd Barrett: Does Mr. Kenny think it will be easy for the big tranche of transfers from rent allowance to the HAP to happen? In other words, does he think there will be resistance from landlords to the transfer?

Mr. Brendan Kenny: No, we do not think so. We think they are waiting for it to happen. In recent years our concentration has been on new HAP tenancies to cater for people on the housing list and who are becoming homeless. We do not think there will be an issue in that regard.

Some costs were mentioned in the national media in recent days about high costs in St. Teresa's Gardens working out at €500,000 per unit. I do not know where that came from. It is totally wrong. However, it is very expensive. The overall contract is worth €18.9 million, which works out at €351,000 per unit.

Deputy Eoin Ó Broin: Obviously only a portion of that is the build cost and another element is the rest of the development costs. That is very high. It is even higher than a lot of the Part Vs.

Mr. Brendan Kenny: It is.

Deputy Eoin Ó Broin: What is packaged in that unit cost?

Mr. Brendan Kenny: Our sites in Dublin City Council are difficult. There is a particular problem with contamination on the site that is adding to the cost. Up to that our highest cost related to the regeneration in Dominic Street. It raises affordability issues if it costs us €351,000 to build a unit without any land costs.

Deputy Eoin Ó Broin: I ask Mr. Kenny to provide a breakdown of that figure of €351,000 because it could not all be build cost.

Mr. Brendan Kenny: The build cost is approximately €300,000.

Deputy Eoin Ó Broin: How much?

Mr. Brendan Kenny: Approximately €300,000.

Deputy Eoin Ó Broin: Why is it so high? That is higher than private sector build costs for comparable units.

Mr. Brendan Kenny: Those are the costs coming from the tender. The average build cost in our construction programme in the city is €297,000 but these are much higher and all the signs are that they could increase further.

Deputy Eoin Ó Broin: Is that because they are multi-unit developments or additional costs due to height or is there some other reason?

Mr. Brendan Kenny: No, most of the units in St. Teresa's Gardens are houses. There is a small number of apartments.

Deputy Eoin Ó Broin: I apologise to the Chair for pressing this issue.

Chairman: There was recent disagreement on this issue on the airwaves. I am happy for it to be clarified.

Deputy Eoin Ó Broin: Although each project is different and none of the data therefor are particularly comparable, the data provided by the Society of Chartered Surveyors Ireland, NAMA and even the Department of Housing, Planning and Local Government indicate that build costs for houses, rather than multi-unit apartments, are in the region of €140,000. Costs such as site servicing, land offsets and so on then push the price up to €180,000 or €200,000. How does Mr. Kenny explain the difference between those figures with a build cost of approximately €140,000 and his estimation of build cost, excluding site servicing and land offsets, as being €300,000? That is a phenomenal gap.

Mr. Brendan Kenny: The Deputy is not comparing like with like. Our projects often involved building in an open area and great difficulty with health and safety, traffic and contractor site access. The builds sometimes take place in difficult areas. That was the cheapest price of tenders from seven contractors, which shows the level of difficulty involved. These projects are quite individual.

Deputy Eoin Ó Broin: The price differential is not due to building materials such as bricks and mortar being different from those used for a house built in the suburbs at half the cost. Rather, Mr. Kenny is stating it is due to the conditions in which the build takes place.

Mr. Brendan Kenny: That is part of it. Another factor is that local authorities build top quality units. They often go above guidelines and standards and provide better quality than does the private sector.

Deputy Eoin Ó Broin: I completely agree with that. I tabled a parliamentary question on the matter some weeks ago. The reply details the average construction and all-in developmental costs over the past 12 months for one, two, three and four bedroom houses and apartments of various sizes and indicates that the average build cost for the houses is €140,000. I do not dispute the figures given by Mr. Kenny but, rather, am trying to understand them.

Mr. Brendan Kenny: The average cost of the rapid-build houses we constructed last year was €200,000, which is a far lower cost. We will shortly commence work on volumetric rapid-build apartments and expect that cost to be considerably lower. The cost of construction varies.

Chairman: The build cost is site specific. The same type of house could be built on two very different sites and the tender for one site would be far higher for obvious reasons. The same builder may not bid for both projects because a build is too complicated or the overheads or risk would be too high, as well as the difficulty of skills shortages. Construction cost varies depending on the area and that all contributes to the cost of a house. There is much confusion on that issue in the public domain and it is great to have it clarified here.

Mr. Brendan Kenny: Build cost is very much site specific. Most of our sites are brownfield rather than greenfield sites in the city centre or urban area. They are difficult and complicated sites. We will have a new framework in November for contractors for rapid build which will be available to every local authority in the country and should speed things up.

Work on St. Michael's Estate is proceeding apace. I hope houses will be built there sooner than the seven years mentioned.

Deputy Eoin Ó Broin: I said seven months, not seven years.

Mr. Brendan Kenny: Sorry, I thought the Deputy referenced seven years. We are motoring ahead on that project. It is 30% social housing and 70% full-cost units.

On sites not moving, every site in the city is moving. The big issue is to get approval at local and council level. I am not aware of the Department of Housing, Planning and Local Government delaying a project. Rather, it tries to progress them as quickly as possible. It is sometimes difficult to get approval at local level.

A point which is sometimes forgotten is that the Department pays for social housing. It does not normally pay for affordable housing, which means the local-----

Deputy Richard Boyd Barrett: I ask Mr. Kenny to, please, say that again.

Mr. Brendan Kenny: The Department does not normally pay for affordable housing. That means that the local authority must borrow to fund the development, which can raise issues for the local authority. Borrowing is necessary for cost rental builds, which means that the money must be recouped. For example, we are borrowing from AIB to fund the cost rental units being constructed on St. Michael's estate.

Deputy Richard Boyd Barrett: The council does not need to borrow to construct public housing.

Mr. Brendan Kenny: Correct.

Deputy Richard Boyd Barrett: However, if a scheme involves affordable housing, the council must borrow to fund that construction.

Mr. Brendan Kenny: Yes.

Deputy Richard Boyd Barrett: That complicates matters, to put it bluntly.

Chairman: It is self financing in the long run.

Deputy Richard Boyd Barrett: With the greatest of respect, I did not ask the Chairman.

Chairman: I am asking for clarification.

Deputy Richard Boyd Barrett: I am aware of the political views on this issue. I want to know if Mr. Kenny is stating that because the council must borrow money for affordable housing it is a more complicated process than building public housing, for which the Department provides the funding.

Mr. Brendan Kenny: It is more complicated but it is doable. Such schemes must be viable. The local authority must recoup the money spent on affordable housing. Some local authorities are not in a strong borrowing position.

Deputy Richard Boyd Barrett: Consequently, it is more straightforward to get work on a site under way and houses completed if the development comprises 100% council housing because the local authority only needs to go to one source for funding.

Mr. Brendan Kenny: Yes, it is. However, it is not sustainable to build large-scale social housing estates-----

Deputy Richard Boyd Barrett: That is an ideological view.

Mr. Brendan Kenny: It is. We are not going to build 1,000 social housing units on a site such as that in O'Devaney Gardens, which formerly had 600 apartments and on which 1,000 are being constructed. That would be a big mistake. We must try to get a mix.

Deputy Richard Boyd Barrett: I understand that. That is an ideological issue. I find it very interesting that if one just builds council estates, one can get it done more quickly because it is a simpler process. To me, that says everything.

May I ask Mr. Kenny or the other witnesses one further question? On Part V developments and the 10% we get from them, the delivery level is incredibly low. In 2017, approximately 388 units were delivered under Part V. I find that somewhat extraordinary. It either indicates that the vast majority of private building is in developments of fewer than ten units or that very little private development is taking place. I would like to hear the witnesses' opinions on that. Mr. Mel Reynolds has strongly argued that very little private development is taking place and that developers are receiving planning permission and doing all sorts but not actually building houses. He stated that local authorities should step in and ask for the 10% in land, rather than wait for the 10% of completed units that might never be delivered or might be delivered very slowly. What are the witnesses' views on that issue?

Chairman: Senator Boyhan has indicated that he has a question.

Senator Victor Boyhan: I am conscious that the session is coming to an end and I wish to take this opportunity to thank the witnesses. More important, it has become obvious that the committee is seeing the issue from a different perspective from theirs. I have no doubt that departmental officials are following these proceedings because they monitor everything that goes on at this committee and they do a good job. There is a disconnect and that is a big problem. Differing views are being put forward by the Minister and his officials in the Custom House, the witnesses this evening and the county managers. I have learned a lot tonight. Mr. Kenny put forward a very strong case. I am now aware of the problems he is facing. Other Dublin City Council officials to whom I have spoken told me a totally different story, which is very interesting. Several county managers, or chief executives as they are now called, have told me that they are frustrated by the process. Some council officials listening to these proceedings will tell me the witnesses are to blame. I do not want there to be a blame game but that is the reality. I will tomorrow make clear to the Minister that the next housing summit should take place in the Oireachtas and be televised in order that the public know what is happening. It is one of the greatest scandals. I like to be positive about things but 100,000 people are on our social housing lists. There are 10,000 people in emergency accommodation of whom 3,500 are children. We have 31 local authorities and city councils. Sr. Stanislaus Kennedy said at a conference last week that we are worse off under Rebuilding Ireland than we were two and a half years ago. That is the reality of it. The figures speak for themselves.

I do not intend speaking much about Rebuilding Ireland tomorrow. I will be directing all of my comments directly to the Minister on a whole new narrative that I have spent some time preparing. I hope he will engage with us on that tomorrow. I think the next summit should be between us; it should be the politicians, the councillors and our good selves. Too much is going on of blame gaming and too much is going on in other rooms. The public does not see what is going on and does not buy into it. Tonight there are children and families in homeless accommodation. There will be people walking the streets tomorrow trying to fill in a few hours. It is a scandal. I am not blaming the local authority officials; I am terribly impressed with their presentations. Tomorrow afternoon I will be saying to the Minister and his officials that it is about time we all sat in and talked about this in a public forum and let the public see what is going on.

I thank the witnesses for their engagement.

Mr. Brendan Kenny: On the voids, they are not long-term voids but casual vacancies. They are the turnovers, as the Deputy said. The long-term voids are all gone. We have some long-term empty apartments for example in O'Devaney Gardens waiting to be demolished and that is it. These are, for us, anyhow, 800 units that become available each year. In our situation, because our property is very old, if we get a house in Ballyfermot or Cabra there may not have been any kind of cyclical maintenance done on it for 30 or 40 years so it is a case of bringing it up to date. If it becomes vacant, we take the opportunity to refurbish it and then, even though it is not an addition to the stock, it is a new house for a family on a housing list. They are casual vacancies.

Deputy Richard Boyd Barrett: I thank Mr. Kenny. I also had a Part V question about taking the land upfront and the council building on it rather than waiting for completed units from the private sector.

Mr. Brendan Kenny: The private sector is not building fast enough at all; it needs to do more. That is something we would be reluctant to do. We can do it under the legislation but our view would be that we would prefer to see the market doing it and getting on with it and then us delivering the Part V, the 10% that goes to us. That is the easiest way. In fairness, we are getting developments in parts of the city that never got them before, the likes of Ballsbridge, the docklands, Donnybrook and areas like that. They are making a big contribution and it is getting bigger. I am not sure about us going down the line of taking the land. It could be complicated and I do not think we could do it any quicker.

Deputy Richard Boyd Barrett: The councils would do it quicker if the developers were sitting on it.

Deputy Eoin Ó Broin: On the voids, we have had Mary from the Department discussing this and we have been around the houses. My understanding is that the bulk of them are casual vacancies; they are just the ones that cost over €40,000 to refurbish because of the lack of cyclical maintenance. Am I to take it from Mr. Kenny's report that those 800 units are the re-lets that are coming out through that process? Is it not the case that when the Department presents its annual output figures of additions to the stock, it is including some of those properties? We get the new builds, the acquisitions, the regenerations and the voids. We have had this conversation with the Department. Of what it is including as new output on the voids, some are expensive casual re-lets, some are long-term vacant, and some are the two into ones that Dublin City Council has been doing. Some of those are slipping into the departmental figures we get at the start of every year, are they not?

Mr. Brendan Kenny: I am not sure, to be honest. We put the figures out in a very transparent way and bring this report to the councils each month. It is in the public domain. We allow people to interpret it in any way they want.

Deputy Eoin Ó Broin: Let me ask the question in another way. In the 2017 output figures that the Department gave us at the start of this year, telling us about additions to the stock, there were figures for voids including figures for Dublin city. Is Mr. Kenny saying that all the voids Dublin City Council did last year are expensive casual re-lets and that there were no long-term voids among them?

Mr. Brendan Kenny: No, there were no long-term voids.

JOINT COMMITTEE ON HOUSING, PLANNING AND LOCAL GOVERNMENT

Chairman: We have run over time. I apologise for delaying the witnesses getting home. I thank them all for attending this evening's meeting. We have all found it really useful and hope to meet like this on an ongoing basis - with different local authorities; we will not be dragging this evening's witnesses in every time. It is very useful to have ongoing communication with the committee so that we hear it first-hand. I look forward to continued engagement with the local authorities.

The joint committee adjourned at 8.15 p.m. until 2 p.m. on Thursday, 27 September 2018.