

Dublin with the CODEMA agency and in emergency accommodation provision with the Dublin Housing Executive.

If granted, the necessary powers and funding, the agency would be a powerful mechanism to coordinate planning, design, financing and construction expertise and it could overcome existing impediments to action at individual local authority level.

At present, individual local authorities face a number of major roadblocks to housing development; approval for access to sufficient HFA funding, an expenditure constraint imposed by government deficit fiscal rules and local authority accounting methods which do not recycle existing social housing revenues back into additional housing procurement and maintenance.

Local authorities are for the most part self-financing. Just 36% of total local authority funding comes from central government and this is a situation which has evolved from being majority central government financed. In turn, this dramatic reduction in funding has led to a boom and bust response to housing, with major knock on implications for the capacity of local authorities to plan ahead for future housing demand and to retain staff in housing functions.

In a major departure from the current reliance on the Department of Housing, Planning, Community and Local Government, municipal agencies would have direct borrowing access to the Housing Finance Agency. It would also reduce the five year, four stage development process for local authorities in bringing projects from inception to completion.

Subject to Eurostat accounting rules, it is possible that expenditures incurred by the municipal agency would not be classified as part of general government expenditure. This would depend on a roll out of the cost rental model for a share of publicly developed housing, whereby rent is set according to recovery of the cost of construction.

Ultimately, the primary purpose of these municipal agencies must be to move beyond the sole provision by local authorities of social housing and to provide for the development of mixed income public housing.

We need to change the model away from the current 'all or nothing' approach which means that those just above the social housing thresholds get no help with their housing costs.

Development of mixed income housing by Municipal Housing agencies would offer a new type of rental option to households, both in terms of cost and duration of tenure.

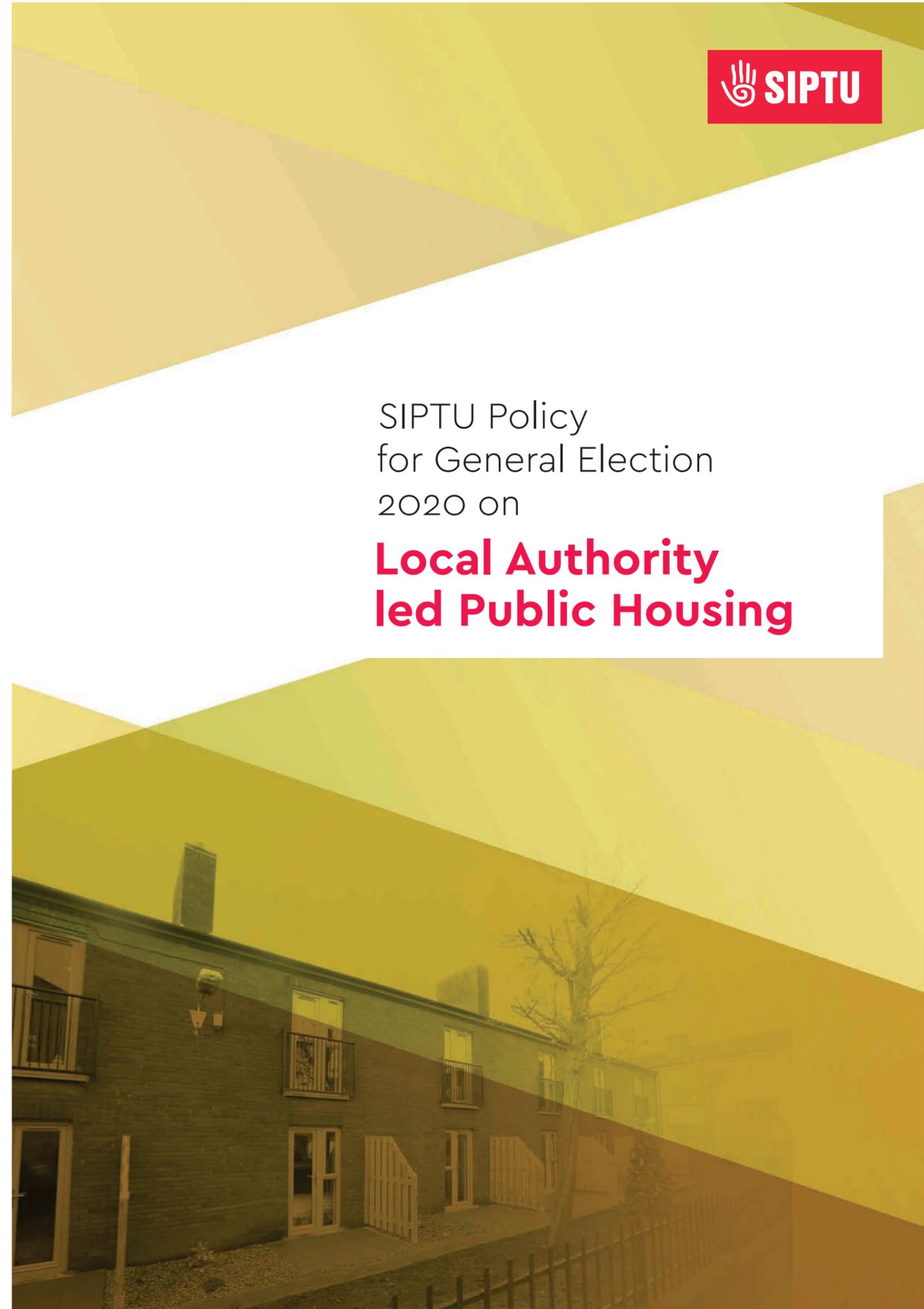
³Source: own calculations from Whitaker Institute, NUIG Database of Local Authority funding.



SIPTU Policy
for General Election
2020 on

Local Authority led Public Housing

SIPTU is the largest trade union in the country representing over 200,000 workers across almost every sector of the economy. We are organised across the island of Ireland.



The incoming government must;

- Set out a firm commitment which recognises that local authorities must play a central role in the provision of public and affordable housing.
- Ensure that local authorities be given additional funding and powers to have the responsibility for the design, funding and building of public housing.
- Ensure that maintenance apprenticeship programmes be rolled out across each local authority to generate trained staff to service existing and new local authority housing stock.

Housing is the most immediate crisis for our country

Failure to meet existing housing demand combined with rising demographic and employment growth means that an increasing number of people find themselves in unsustainably expensive private rented accommodation or overcrowded housing with no short-term prospect of being able to get long-term secure housing.

Reliance on the private sector to resolve the housing shortage has been tested and has failed.

What is even worse is that favourable tax arrangements have been established and sustained by successive Governments which enable real estate investment trusts (REITS) which allow very large global equity firms to acquire and develop thousands of apartment dwellings. This has produced a situation where the living arrangements of thousands of people are being concentrated in the few equity funds buying up large tracts of apartment developments. Decisions made to sell up these developments could jeopardise the living arrangements of many tenants and expose them to eviction or expensive legal action.

We believe that the amount of public and affordable housing required to meet the current demand can only be delivered through a massive local authority led investment programme.

SIPTU believes that there are two parts to this increased role;

- planning for future housing demand and providing accordingly over the medium-term and
- direct responsibility, control and management by local authorities of the design, funding, building and operation of the public housing programme.

Together these combined powers will ensure that local authorities can lead housing provision in their respective areas the coming decades.

This is not a new concept

One hundred years ago, the fledging Irish Free State managed to build 2,000 social houses between 1922 and 1924 catering for a population that was almost two million less than what we have now. From the foundation of the State until the 1970's, Local authorities were responsible for up to a third of total housing output in this country. The structure of how housing was produced in the first sixty years of the State offers key lessons for a solution to this major problem now.

Regulation of local housing markets by local authorities is not enough

Local authorities are vested with a series of regulation and service provision powers in the area of housing, ranging from the planning, provision and allocation of homeless accommodation, traveller accommodation and social housing, designation of residential zoning status, compilation and enforcement of the derelict site register. Yet Local Authority capacity and power in the area of social housing has been weakened by thirty years of funding cutbacks. In addition, it's capacity to plan future housing provision in appropriate locations has been undermined by reliance on part V provisions.

Build up the maintenance function of Local Authority housing Sections

The current system of outsourcing the housing maintenance function is broken. What exists is an expensive system of contracting of maintenance services that ultimately fails to deliver the necessary planning and quality or quantity of service. An alternative system is required.

Across the thirty-one local authorities in the Republic of Ireland, there is significant ongoing maintenance work required to ensure that social housing stock remains fit for purpose. Instead, staffing levels in the housing maintenance functions of local authorities have been reduced to skeletal levels. This has pushed local authorities to rely on private contractors for much this work. And yet, thousands of social housing tenants report exceptional and unacceptable delays in basic and very necessary housing maintenance.

This situation is made worse by paltry planning across local authorities for future maintenance. Norris and Hayden (2018) report that condition surveys of housing stock is not widespread and of the ones that do undertake it, very few undertake it at regular intervals. Norris and Hayden also highlight that while international practice suggests 65% of maintenance budget should be spent on planned maintenance, in Ireland that share is closer to a quarter of that budget.

And where planned maintenance is undertaken, it is largely done by contractors. In a 2017 National Oversight and Audit commission study on maintenance activity across local authorities, 66% of the €98m in contractors' payments were for planned maintenance. All this has led to an

inefficient system, where the outsourcing of planned maintenance work has become the norm rather than a temporary back-up service in the event of an under-capacity within the local authority system.

SIPTU believes the following must happen;

- Maintenance apprenticeship programmes must be rolled out across each local authority to generate trained staff to service existing local authority stock.
- Central government must increase the spending line for local authority maintenance. While local authority rents are typically used to fund maintenance and the management of council stock, this funding is not ringfenced and, across many local authorities, rents form a part of the general revenue stream.
- Provision of planned maintenance must be by directly employed local authority staff. They will ensure continuity of quality of service, local intelligence on quality in housing stock and cost effectiveness. If local authorities are to expand their range of housing stock of future years, it is critical that the necessary skills base is built up to deal with planned maintenance across a variety of housing types.

Direct control of design, funding and build

Despite plans for a ramping up of local authority housebuilding, the pace of delivery of public and affordable housing remains unacceptably slow. Furthermore, the constraints imposed on local authorities means that they do not have the freedom to build public housing – a model of housing that would provide housing for all those who wish to access housing and pay according to their means.

SIPTU believes we need to expand capacity to directly design, fund and oversee the building of public housing. The standard model of developer-led, contracted out house-building delivered on behalf of local authorities is both grossly expensive. It typically involves the sale of state lands or houses build on that land for big profit margins and it fails to deliver on sufficient numbers in public housing. In order to speedily and comprehensively build up this capacity, we believe the establishment of Municipal Housing agencies across a number of local authorities could have a major impact on the procurement and delivery of mixed income public housing. The precedent for local authority co-operation already exists in the area of energy sustainability across the four local authorities in

¹Norris M. & A Hayden (2018). "The future of Council Housing." Report for the Community Foundation of Ireland.

²National Oversight and Audit Commission (2017) A Review of the Management and Maintenance of Local Authority Housing. Dublin: NOAC.