

Commentary on the Fine Gael/Fianna Fail Framework Document

Focus Ireland, with over thirty-five years of experience working to end homelessness, wants to make a constructive contribution to the debate about the formation and priorities of a new Government.

The publication by Fianna Fáil and Fine Gael of a Framework Document marks a significant step in the public political debate, and we wanted to share our reflections, based on our front-line experience and independent research, with each of the political parties engaged in trying to form a Government, through this process or otherwise.

We have an opportunity now, at a historic time of immense social upheaval and uncertainty, to rebuild and reopen our economy in a way which ensures a sustainable housing system and definitively addresses our housing and homelessness crisis. Everyone in Ireland needs a secure, affordable home — and the public health crisis reinforces the importance of this. For some people, a functioning private housing market is required, including the availability of stable and affordable rental properties. For others, this will involve the availability of secure public homes.

As you will be aware, prior to the General Election, Focus Ireland set out five key areas which we believe need to be addressed to build on the achievements of and lessons learned from Rebuilding Ireland.

Below we explore the Fine Gael/Fianna Fail Framework in the light of these five themes. It is worth noting at this point that the proposal to establish a “National Commission on Housing” has not been included in the Framework. This consensus-building, long-term approach has been supported by a wide range of opinion and interests would fit well with the social partnership themes of the Framework. We believe that such a Commission should form the bedrock of the housing approach of whatever Government emerges.

Coalition Government Framework Document

One pillar of the Fine Gael and Fianna Fail framework document is entitled ‘Housing for All’. The ambition contained in that sentiment, and in many of the policy priorities described, is very welcome.

The next stage of Government formation, whether based on this Framework or through other means, will involve setting out in more detail a shared analysis of the nature of each of the problems, and how and when the ambition can be achieved.

To this end, we have analysed what we believe are the key questions which arise in moving from this set of ambitions to an effective Programme for Government which can deliver on them.

(i) Prioritise the reduction of family homelessness, providing long-term secure accommodation for those in emergency accommodation and preventing new cases of homelessness.

International evidence suggests that clear targets to end homelessness, or particular forms of homelessness, are an essential component of successful strategies.¹ Sometimes the early stages are expressed in terms of ‘halving’ the problem over first phase.

The formulation in the current Framework does not contain the clarity and ambition which will be essential to drive the necessary resources. Equally, a programme to tackle the scale of the challenge must include a shared understanding that families require secure, affordable long-term homes. Unfortunately, the phrase ‘providing long-term secure accommodation’ is ambiguous. It’s important that ‘long-term secure accommodation’ for those in emergency accommodation does not mean Family Hubs, which should only be a very temporary measure. The only lasting solution to family homelessness is secure affordable homes.

Any programme for a new Government must contain an analysis and approach to the Housing Assistance Programme (HAP). HAP has been enormously important as an *immediate* response to the housing and homeless crisis (accounting for 65% of exits from homelessness), but is proving to be hugely expensive when relied on a longer-term measure, growing from €0.4m in 2014 to €276m in 2018, with expenditure for 2019 in the Revised Estimates for Public Services amounting to €423m. 20% of HAP expenditure is accounted for by Homeless HAP.² While providing a welcome exit from homelessness in the short-term, HAP does not increase the overall stock of social housing, nor is it a long-term alternative to secure public housing. It creates further pressure on the private rental market — the main driver of family homelessness — by decreasing the supply available to middle income tenants who do not qualify for HAP.

Many of the families experiencing homelessness are young, single-parent households. These families are some of the most socially and economically vulnerable and marginalised people in Ireland. Tackling social inequality for this group will require ambitious Government intervention and the starting point must be secure, long-term public homes.

A clear, coherent Strategy for Ending Family Homelessness is an important starting point. This will identify clear, agreed objectives, establish ongoing targets, and provide a mechanism for measuring success, failure, or areas in need of further attention.

Issues for consideration:

- Will a new coalition Government commit to ending family homelessness, including setting specific targets for a reduction in the number of families experiencing homelessness, and a maximum time which families can remain homeless without receiving an offer of housing?
- Will a new coalition Government commit to reducing reliance on HAP for families experiencing homelessness and shifting the policy response to the building more public homes?

¹ See for instance ‘Ending Homelessness? The Contrasting Experiences of Denmark, Finland and Ireland’ (2020), O’Sullivan et al, Policy Press.

² Housing Assistance Payment (2014 - 2019). Department of Public Expenditure and Reform (October 2019)

- How will a new coalition Government ensure that ‘prioritising families’ experiencing homelessness does not mean that other groups — including single people and young people — are not left behind?
- Will a new coalition Government develop a specific strategy for ending family homelessness?

(ii). Reduce the cost of land to improve the affordability of housing, employing all measures up to and including referenda.

Focus Ireland recognises the central role that excessive land prices have played in Ireland’s recurring housing problems, and we welcome this ambition.

Focus Ireland is a long-term advocate of a referendum which would give greater prominence to the right to housing, vis-a-vis other rights, such as property rights. We welcome the openness to a referendum, but believe its value is too narrowly stated here. The last two Governments have consistently stated that advice from the Attorney General’s office has found that the Constitutional protection to private property rights, means that certain policies are prohibited, even though Article 43 states that private property protection must be balanced with the common good. It is clear from the interpretation of successive Attorneys General that any new, bold policy to reduce the cost of land and improve affordability of housing will inevitably run into the same barriers that have been faced by previous Governments. Rather than a referendum on narrow terms which might empower the next Government in one limited area (such as the cost of land), a referendum on housing should definitively rebalance the constitutional protection of property and empower the Oireachtas to act by way of legislation in the common good. Much like our experience with recent referenda, the Constitution should be a document guiding action while protecting rights, rather than one which becomes used as a defensive bulwark in the interests of some. The next Government has an opportunity to definitively tackle the problems experienced with the balancing of Article 43 by way of a referendum to rebalance the provision.

The process of establishing a referendum will take time, as will the formulation of wording for a new provision. This process must be started sooner rather than later to avoid foreseeable delays in achieving ambitious goals for the housing market.

Issues for consideration:

- Anticipating constitutional barriers to a more ambitious role for the State in the housing market, will a new coalition Government commit to beginning a process for a referendum on a right to housing?

(iii) Empower and fund the Land Development Agency to build homes on public and private land, to deliver new homes for affordable and private purchase, social housing, and cost-rental accommodation.

Under current plans for the Land Development Agency, “all public land disposals must deliver at least 40% of any housing potential on such lands in the form of social (10%) and affordable (30%) housing”.³ The only place in which the new Framework document mentions the building and delivering of new homes is in this section referring to the LDA, which suggests that it is proposed to

³ <https://www.housing.gov.ie/housing/government-launches-eu125bn-land-development-agency-build-150000-new-homes>

use the LDA as the primary mechanism for State delivery of new homes. The ESRI has found that 35,000 new homes will be required every year to meet current demands.⁴ If the LDA will be driving this by ‘placing the State at the heart of the housing market’, this would set a target of 3,500 new social homes — much less than current targets in Rebuilding Ireland of 7,736 new builds in 2020, and 8,907 in 2021.

It is only under this heading that reference is made to building social housing in the document, despite this issue dominating debate during the election. Any new Government not only needs to set targets for the number of new social housing units it plans to construct, but needs credible proposals about how it will finance, plan and construct these unit, and ensure that they are part of viable, inclusive and thriving communities.

Given that borrowing by Approved Housing Bodies, Local Authorities and the LDA are all included in the Government debt calculation, any commitments to invest in housing must explain how these will be funded, taking into account our obligations under the Fiscal Treaty.

Issues for Consideration:

- How many new social homes will be built by a new coalition Government, what will be the annual delivery of these, and how will these be planned, financed and built?
- What is the scale of funding that will be required by the LDA to deliver on these goals, and how will this be financed? How will the incoming Government deal invest in housing within the constraints of the Fiscal Treaty while simultaneously maintaining welfare levels and not increasing taxes.
- What is the optimum ratio of social, cost rental and private market housing to be built on public land by the Land Development Agency?

(iv) Prioritise home ownership and affordable purchase schemes, which will enable more people to own their homes and increase the number of new social houses.

While the sentiments of this section appear welcome, its precise meaning is hard to ascertain. The most likely reading is that the objective to ‘prioritise home ownership’ and ‘increase in the number of new social houses’ are separate objectives, but it is also open to the interpretation that prioritisation of home ownership will enable an increase in the number of new social houses (presumably by allowing more of the private rental market to be taken into social housing, by HAP or lease).

It is also not clear what it means to ‘prioritise’ home ownership in this context – it could mean that it is an important goal, but it could also mean that public policy would return to treating ‘home ownership’ as the preferred form of housing tenure, with consequent implications for tax policy and subsidies. This would be a reversal of the ‘tenure neutral’ policy adopted by Governments since 2011 and would have inevitable negative impacts on other forms of tenure - private rental and social housing.

⁴ https://www.esri.ie/system/files/media/file-uploads/2017-11/QEC2017WIN_SA_McQuinn.pdf

The unresolved problem of what is considered 'affordable purchase' has hindered housing policy for the last number of years and would need to be resolved in any programme for government that meaningfully deals with the issue. In General Election 2020, Fianna Fail's manifesto defined

affordable housing as costing no more than €250k — "the average cost of building a two-bedroom social housing unit." Fine Gael's manifesto said that "affordable" homes would be aimed at individuals with an income of less than €50,000 and couples with a joint income of less than €75,000. This is out of the reach of people in need of social homes.

Experience shows that demand-side subsidies which make it easier for individuals and couples to purchase homes on the open market have a negative effect on those at the lower end of the market by inflating house prices. These measures must be balanced by the construction of new public homes for those who will not benefit from these subsidies and who will be locked out of this market.

Issues for Consideration:

- What would a new coalition government consider to be "affordable" housing?
- How will a new coalition government increase the number of new social homes?
- What mechanism (for example, the LDA) will a new coalition government adopt to drive the building of new social homes?

(v) Develop the cost-rental model in all our cities and for student accommodation.

The delivery of cost-rental housing on a significant scale is an important step in tackling affordability in the rental sector. The success of a cost-rental model will, however, turn on the cost of land development. A cost-rental model which pegs the price of rent to high-cost land will need to ensure that rents remain affordable.

Issues for Consideration

- Well-researched proposals have been made by Prof Michelle Norris to transform the delivery of social housing through adoption of a cost rental model, with linked rent subsidies linked to income.⁵ Would a new coalition Government use a cost rental model to transform public housing?
- The question of whether 'cost rental' housing is also affordable in the early years after building depends on land prices and the structure of finance. What steps will an incoming Government have to make to ensure that cost rental housing is genuinely affordable in the short-term?

(vi) Create a new deal for renters, which is focused on providing more long-term security, stable and affordable rents, and greater choice.

While the root-causes of the homeless crisis lie in the failure to build sufficient social houses, its impact has primarily been experienced in the private rental sector. Rising house prices coupled with tight mortgage rules, inward migration, and a lack of social housing alternatives, have placed enormous pressure on the private rental sector. Limited supply combined with high demand has

⁵ Prof Michelle Norris and Dr Aideen Hayden (2018) 'The Future of Council Housing: An analysis of the Financial sustainability of local authority provided social housing' Community Foundation of Ireland.

inflated rents in all urban centres and surrounding areas. Despite these historic rental levels, the market has been characterised by the departure of smaller landlords, who claim renting does not provide an adequate return. Simultaneously there is a growth in institutional investment, almost exclusively in the top end of the market. Balancing these different elements is a complex task, and must start from a perspective of creating a fair deal for both landlords and tenants.

Issues for Consideration

- How will a new coalition Government achieve a balance of renter rights while ensuring that the private rental market remains attractive to investors?
- Will a new deal for renters affect existing constitutional property rights, necessitating a referendum?
- What stance will the new Coalition take to the large-scale institutional investors and REITS, who are providing a considerable portion of the new housing stock but for whom the regime of tax relief and high rents are central to their business model?

(vii) Expand Housing First as an effective way to reduce long-term rough sleeping.

Housing First has been hugely successful in numerous jurisdictions where implemented and is particularly useful for people who are long-term homeless with complex support needs. We welcome the expressed commitment to an expansion of Housing First.

Issues for Consideration

- Will the incoming coalition Government commit to extending the Housing First approach to include groups other than chronically homeless single people, for instance young people and families with complex support needs?
- Will the incoming coalition Government consider transforming the current Housing First programme into an overall Housing First system, which applies key principles across the homeless sector?

One of the five key commitments sought by Focus Ireland during the election campaign was the inclusion of a Specific Youth Homeless Strategy. This commitment was included in the manifesto of Fianna Fáil but is not specifically included in the Framework document. There is however a commitment to a 'Youth Strategy', While such overarching youth strategies have in the past been very poor at addressing the housing problems and homelessness of young adults, we recognise this is a potential place where this important issue can be progressed.

We hope that these observations and considerations are of use in analysing the Fianna Fail/Fine Gael Framework document and will be of assistance to parties or TDs who wish to take this to the next step, or indeed to take alternative approaches. The Framework expresses considerable ambition in many areas. Focus Ireland believes that this ambition is to be welcomed. The task is to work out the policies and programmes which are capable of delivering on that ambition. Of necessity, these can be technical, and we have only had the opportunity to touch on some very complex issues here. We would be delighted to go into further details and provide background research and documentation if that would be of assistance.

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