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Chapter Eight

Social Housing

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Introduction

The foundations of social housing provision in the Republic of Ireland can be traced back to the mid 1800s. At this time, in many European countries growing concern about the housing conditions of the low income population - inspired by a range of interests including: philanthropists and social reformers; the emerging labour movement and a belief that housing conditions in urban slums were creating public health problems, impeding economic efficiency and fostering social unrest – led to the creation of systems of State subsidised housing for rent to low income and disadvantaged groups which is known as social housing (Pooley, 1992). Ireland was no different in this regard, with the important caveat that its status as part of the United Kingdom until 1922, meant that the early development of its social housing was shaped by UK legislation, which has bequeathed both countries an atypical system of social housing provision in the wider European context (Harloe, 1995). In addition, the distinctive political concerns of Ireland at that time meant that the early development of social housing in this country also has some unusual features which differentiate it from Britain, and have influenced its evolution over the long term (Fahey, 1998b).

This chapter sketches the most significant trends in the development of the social housing provision in this country from the mid 1800s, until the contemporary period. The opening part of the chapter examines the early housing legislation; explains how it shaped the system of social housing provision and assesses the contribution which social housing providers made to addressing housing need in urban and rural areas. In the second part of the chapter, a more in-depth examination of the development of the social housing sector during the last two decades is presented. This section concentrates on efforts to diversify the methods of providing social housing and the increasing focus on the part of central government on qualitative issues such as efficient housing management and the regeneration of difficult-to-let social rented estates, in addition to its traditional quantitative concern of ensuring that supply of social housing matches need. On the basis of this discussion, the concluding comments to the chapter quantify the achievements of the social housing sector in Ireland and identify some of the key questions facing the sector at the current time.

Foundation and Municipalisation: 1880–1922.

The foundations of social housing provision in urban areas in both Britain and Ireland lie in two policy developments – the gradual extension of slum clearance legislation throughout the latter half of the 19th Century which empowered local authorities to identify, close and clear unfit dwellings, and in legislation requiring the licensing and inspection of common lodging houses, beginning with the Common Lodging Houses Act, 1851, which established the principle of State involvement in enforcing minimum housing standards. The advent of State subsidisation of housing provision to ensure higher standards was a logical extension of these provisions. Subsidies of this type were originally introduced in Ireland under the 1866 Labouring Classes (Lodging Houses and Dwellings) Act, which provided low cost public loans over 40 years to private companies and urban local authorities, for up to half the cost of a housing scheme. Although, this initial housing legislation produced relatively modest outcomes, social house building increased significantly under its successor - the 1875 Artisan's and Labourers Dwellings Improvement Act, which provided low cost public

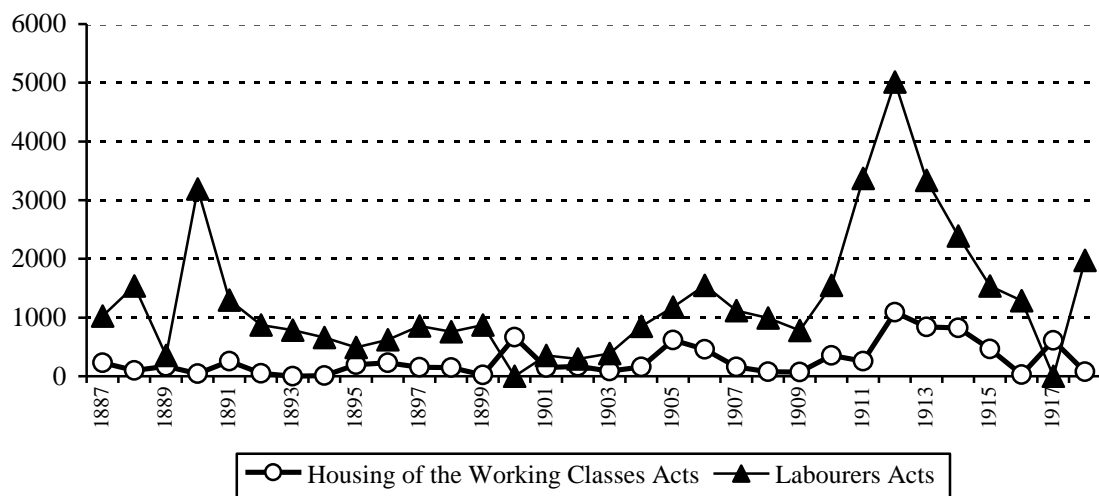
loans to the larger urban local authorities for the clearance of unsanitary sites, which could then be used for new house building.

The majority of output under the early social housing legislation was not by local authorities - in fact, the 1875 Act allowed local authorities to build dwellings only if no alternative provider could be found. Instead most social rented dwellings were provided by a range of non-statutory agencies which can be organised into three categories. These are: philanthropic bodies such as the Guinness Trust (now called the Iveagh Trust), which was founded in 1890; semi-philanthropic organisations such as the Cork and the Dublin Artisans' Dwellings Company, which were run as a business paying a modest dividend of between four and five per cent to shareholders and industrialists such as the Malcolmson family of Portlaw Co. Waterford who built rented housing for their workers (Aalen, 1985, 1990; Keohane, 2002; Hunt, 2000). Not surprisingly in view of the industrial underdevelopment of the country at this time, the number of dwellings provided by this third source was relatively modest. However, with the aid of the low cost loans provided under the housing legislation, together with grant aid from Dublin City Council, philanthropic and semi-philanthropic organisations had built 4,500 dwellings, accounting for approximately 15 per cent of Dublin's housing stock, by the outbreak of World War I (Fraser, 1996). These dwellings were generally high density in design, they took the form of either flats such as the Iveagh buildings in Dublin's south inner city which was built by the Iveagh Trust, or of terraced housing such as Oxmanstown Road in the Stoneybatter area of Dublin's north inner city which was built by the Dublin Artisans Dwellings Company.

In contrast, local authority provision in towns and cities was slower to get off the ground. Ireland's first urban local authority housing scheme was completed in 1879 by Waterford City Council in Green Street, Ballybricken, but Fraser (1996) estimates that urban authorities completed a total of only 570 dwellings in the decade which followed. As Figure 8.1 demonstrates, urban local authority housing output began to increase after the introduction of the 1890 Housing of the Working Classes Act, which provided for more attractive central government loans, and for the first time allowed social house building on green field sites to meet general housing need, as

well as in slum clearance areas. It expanded significantly after the 1908 Housing Act, which introduced even better loan terms and established an Irish Housing Fund which

Figure 8.1: Local Authority Dwellings Built Under the Housing of the Working Classes Acts and the Labourers Acts, 1887-1918



Source: Minister for Local Government (1964)

provided the first direct exchequer subsidy for urban housing, and, in contrast to the norm in countries such as Germany, Denmark and Sweden, from this period onwards local authorities took over from non statutory bodies as the main providers of social housing for rent in Ireland (Harloe, 1995).

In the case of the semi-philanthropic companies the reasons for this turn of events are straightforward – the pre World War I economic slump rendered it uneconomic for the main providers including the Dublin Artisans Dwellings Company to continue building (Aalen, 1985). The story of why a larger philanthropic housing movement did not emerge in Ireland at this stage is more complex however. Power (1993: 321) emphasises that the Artisans Dwellings Company and the Iveagh Trust were founded by Protestant industrialists (although neither organisation had either sectarian or proselytising motives), and argues that ‘... it was inevitable therefore that Dublin Corporation, with its Catholic voters and Nationalist councillors would feel forced to do something about the problems of the very poor’. While, Fraser’s (1996) account of the period stresses that these religious divisions frustrated the development of a philanthropic housing movement large enough to resolve the chronic housing problems of Ireland’s urban poor, and that the semi-philanthropic housing providers concentrated on housing the better off sections of the working class such as skilled

artisans and tradespeople. Thus, he argues that the increasingly more generous housing subsidies introduced during the late 1800s and early 1900s, allowed urban local authorities to build dwellings of high standard at lower rents, which encouraged them to expand their housing provision to meet the needs of the poorest sections of society. Either way as Mullins *et al* (2003) explain, from the early 20th century onwards, non-statutory social housing providers were ‘crowded out’ by expanding local authority output.

An unusual aspect of the early development of local authority housing in Ireland in comparison with Britain and most other Western European countries, is the emphasis which was placed on provision for low income workers in rural areas. Initiatives in this regard, began with the, largely unsuccessful, Dwellings for the Labouring Classes (Ireland) Act, 1860, which allowed landlords to borrow from the Public Works Loans Commission to build cottages for their tenants and expanded following the introduction of a series of increasingly more radical rural housing schemes which granted significantly more generous subsidies than those available in urban areas, starting with the Labourers (Ireland) Act, 1883 (as amended in 1885), which subsidised local authorities to provide housing for rent to farm labourers. As revealed by Figure 8.1, this initiative, together with the 1886 Labourers Act, which extended housing eligibility to anyone working part-time as an agricultural labourer, resulted in the completion of 3,191 labourers cottages in 1890 alone by rural local authorities. Output over the following decade averaged at 700 dwellings per year, but it rose again as a result of the Labourers (Ireland) Act, 1906 which established a dedicated Labourers Cottage Fund to provide low interest loans for rural local authority house building, and more significantly, sanctioned that 36 per cent of the loan payments would be met by central government.

Fahey (1998b) links the advent and expansion of the labourers cottage programme with the campaign for the redistribution of land from landlords to tenant farmers which was one of the main preoccupations of Parnell’s Irish Parliamentary Party during the late 19th and early 20th Century. He characterises the labourers cottage programme as a ‘consolation prize’ for the farm labourers who were excluded from the process of land reform, but were numerous enough to warrant the attention of the Irish Parliamentary Party. His argument in this regard, is supported by the fact that

each of the Labourers Acts referred to above was introduced immediately following a Land Act which provided subsidised loans to allow tenant farmers to purchase their farms, and subsidies for house building under the Labourers Acts were strikingly similar to the land purchase subsidies.

The combination of World War I, the 1916 Rising and the War of Independence obstructed any further significant development of local authority housing in the pre independence period. However by the foundation of the State, the structure of the social housing sector for much of the rest of the Century had already been determined in the sense that local authorities, rather than the non-statutory agencies would be the dominant providers. Furthermore, the combination of the various Housing of the Working Classes Acts and the Labourers Acts bequeathed the infant Irish State a very sizeable local authority housing stock, albeit one which the 1913 Dublin housing inquiry revealed to be grossly inadequate to meet the needs of the urban poor (Housing Inquiry, 1914). By 1914, Irish local authorities had completed approximately 44,701 dwellings, in comparison with only 24,000 council dwellings built in Great Britain during the same period (Fraser, 1996; Malpass and Murie, 1999). However, only 8,063 of the Irish local authority dwellings built by 1914 were in urban areas, in contrast to Britain where the comparable figure is 98 per cent of output (Department of Local Government, various years; Fraser, 1996).

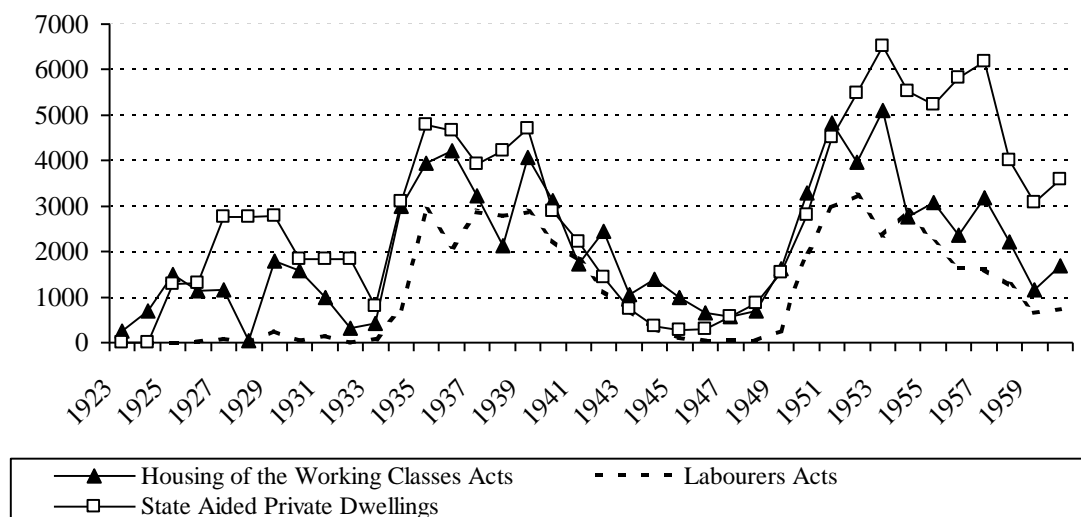
Slum Clearance and Tenant Purchase, 1922 –1960

In the years immediately following independence housing remained at the top of the agenda of the new administration, but the focus of government attention moved from social to private housing. Admittedly additional funding was made available to the social housing sector in the early 1920s under the auspices of the ‘Million Pound Scheme’ which, as its name implies, generated one million pounds for urban local authority house building from a mixture of central government funds, local authority rates and short term bank loans. The Scheme achieved an immediate response, and Figure 8.2 below reveals that, by 1924, it had resulted in the construction of 959 new

dwellings. From the architectural and planning perspective the most significant development built under the auspices of the scheme was at Marino in Dublin where 1,262 houses were constructed in an innovative design, influenced by the British ‘Garden City’ architectural movement which endeavoured to combine the virtues of urban and rural life by life by building suburbs with layouts akin to traditional country villages and ample green space (McManus, 2002).

However the subsidies proffered under the Scheme proved to be exceptional for the time as legislative developments in 1924 revealed that private rather than social housing was the primary concern of the new Cumman na nGael government. The Housing (Building Facilities) Act, 1924 introduced substantial subsidies for private house building, which covered approximately one sixth of the usual building cost at the time (Roche, 1982). As Figure 8.2 illustrates, these grants triggered a dramatic increase in private building, and the vast majority of new private dwellings built after 1924 availed of the grants (Minister for Local Government, 1964). In contrast local

Figure 8.2: Local Authority Dwellings Built Under the Housing of the Working Classes Acts and the Labourers Acts, and Private Dwellings Built with State Aid, 1923-1960



Source: Minister for Local Government (1964)

authorities' social house building programme was reined in as central government proved unwilling to continue the programme of long-term subsidisation of local authority house building initiated under the 1906 Labourers (Ireland) Act, and the 1908 Housing Act, or even to treat local authority housing more favourably than private construction. Instead, the Housing (Building Facilitates) (Amendment) Act, 1924 offered amounts similar to private grants for urban local authority house building, although the 1925 Housing Act tilted the balance in favour of local authorities by reducing the private grants while maintaining the standard grant level for urban local authority housing and extending this subsidy to include labourers cottage schemes.

Difficulties in raising bank loans combined with the high cost of this source of finance, inhibited local authorities from undertaking large-scale building programmes during the second half of the 1920s however, and output only began to increase significantly in 1929, when the government decided to restore the practice, suspended since 1922, of providing local authorities with low interest State loans for house building. As a result, output of urban local authority dwellings rose to 1,789 in 1929, although building under the Labourers Acts remained low and only 385 dwellings were completed by rural local authorities between 1923 and 1930. Output from the latter source was not a major cause for concern as housing need in rural areas had diminished as a result of earlier labourers cottage building programmes, however even this expanded level of output proved insufficient to meet housing need in the towns and cities. A survey of housing need in urban local authority areas undertaken by Government in 1929 found that relatively little progress has been made in clearing the slums and addressing housing need among the poorest households and as a result some 40,000 new dwellings were required in these areas. McManus's (2002) detailed study of housing in Dublin between 1910 and 1940 reveals that as well as inadequate housing output, this situation is related to concerns on the part of the local authorities about generating adequate revenue income and minimising outgoings in order to meet loan charges, as a consequence of which most of the local authority dwellings built in Dublin during the 1920s were allocated to relatively affluent working class families, and/ or as in the case of the aforementioned estate at Mario were sold to tenants soon after completion.

The findings of the 1929 survey spurred government into radical action and the result was the Housing (Miscellaneous Provisions) Act which replaced the slum clearance provisions of the Housing of the Working Classes Act, 1890 with new, more effective procedures and also replaced the policy of State assistance to public house building by means of lump sum grants that had prevailed throughout the 1920s, with annual subsidies towards loan charges, which Roche (1982: 224) assesses as ‘ ... generous for those depression times’. Although the 1931 Act laid the foundation for the radical expansion of local authority house building over the rest of the decade, several of its provisions never came into effect. They were superseded by the Housing (Financial and Miscellaneous Provisions) Act, 1932, introduced by the first Fianna Fáil government which took office that year. The 1932 Act further increased the central government subsidies to loan charges for public house building introduced by its predecessor and provided for even more generous subsidies in the case of dwellings constructed for households displaced by slum clearance programmes, together with subsidies for private house building.

O’Connell (1994) argues that the particular mix of subsidies introduced by the 1932 Act played a key role in determining the long term role of social housing in Ireland - the majority of the population would be housed by the expanding private sector with the help of state subsidies, while the refocusing of subsidies to local authorities on slum clearance meant that they would in future concentrate their efforts on housing the poorest section of society. In the short term however, as Figure 8.2 above demonstrates, these subsidies also resulted in a marked increase in local authority house building. Output under the Housing of the Working Classes Acts rose to a pre World War II high in 1936 when 4,215 dwellings were completed and building of Labourers Acts schemes was also revived and peaked in 1939 which saw the completion of 2,867 rural dwellings. A total of 48,875 local authority rented dwellings were constructed between 1933 and 1943, as compared to the 9,994 units completed in the previous decade. Although local authority output began to slow in the late 1930s and early 1940s as a result of government concerns about capital expenditure and the impact of World War II, in comparison with private sector output during the war years it still remained relatively buoyant. In fact, 1933 to 1943 was the only decade in the history of the State in which house building by the local authority sector exceeded private sector output.

Some one third of the local authority rented dwellings built during the 1930s and 1940s were constructed by Dublin City Council as part a massive inner city slum clearance programme. Since the Council first became involved in social house building a lively debate had raged in architectural and political circles in Ireland concerning the propriety of suburban or urban locations for social housing. Most of the units built by the Council in the 1920s were standard houses, however Herbert Simms who worked as City Architect during the 1930s and 1940s was a proponent of urban locations for social housing, and as a result a large proportion of the dwellings constructed during his tenure were located in inner city areas, including: Hanover Street, Cook Street Chancery Street and Townsend Street (McManus, 2002). These dwellings were generally four storey blocks of flats, the perimeter of which followed the existing street pattern with communal courtyards at the rear which provided access, play space, clothes drying areas and storage. From the 1940s Dublin City Council redirected its efforts to suburban housing development but the estates it constructed during this time such as: Crumlin, Donnycarney, Cabra and Ballyfermot bore little resemblance to the garden suburbs advocated in the 1920s. They were large in size, relatively low density and of similar, monotonous design with little or no landscaping.

As O'Connell examines in more detail in Chapter Two of this volume, from the perspective of local authority housing, the 1930s are also notable for the introduction of a universal right of purchase for tenants of labourers cottages, replacing the previous system whereby local authorities could at their own discretion, apply to the central government to establish sale schemes. This reform was initiated on the recommendation of a commission of enquiry on the subject which reported in 1933, and legislated for in the 1936 Labourers Act, which obliged all county councils sell their labourers cottages using a system of annuity payments which were set at a generous discount from the original rent. Like many other distinctive aspects of housing policy in this country, the impetus behind the introduction of rural tenant purchase, three decades before this scheme was extended to include urban tenants, and some 45 years before the British government introduced a similar universal right to buy for all council tenants, lie in the land reform movement. Fahey (1998b) argues that the de Valera government was finally forced to concede to the sale of labourers

cottages – after many years of lobbying from tenants, because its 1933 Land Act had made significant reductions in the annuities payable by tenant farmers who had purchased their holdings. Furthermore, he contends that the way in which ‘land reform continued to influence the substance of housing policy ... gave Irish public housing a character that in some respects was unique in Europe’ (Fahey, 1998b: 10). As mentioned earlier in this Chapter, the influence of land reform during the nineteenth century had conferred the Irish social housing system with a uniquely rural character, but in the twentieth Century, the land reform inspired advent of tenant purchase, would contribute in the long run to the reduction of the social rented stock in this country to a low level, in comparison with most other northern European countries (Harloe, 1995). As this scheme was initially confined to labourers cottages, this contraction impacted first on rural areas. By 1964 approximately 80 per cent of the 86,931 labourers cottages built by that date had been tenant purchased, whereas only 6,393 urban dwellings had been sold by then (Minister for Local Government, 1964).

Despite this high level of sales however, in absolute terms the number of local authority rented dwellings did not decline during the next decade, as the rate of new building remained high. The 1948 White Paper *Housing: A Review of Past Operations And Immediate Requirements*, estimated that 100,000 new dwellings were needed – 60,000 of which should be provided by local authorities and 40,000 by the private sector (Department of Local Government, 1948). In order to achieve this, the 1948 Housing (Amendment) Act further increased central government subsidies for local authority house building. As a result, local authority output increased more than tenfold between 1948 and 1954, and although it fell back somewhat towards the end of the 1950s, output for the 10 years 1950 to 1959 totalled 52,767 dwellings – more than double what had been achieved during the previous decade. Notwithstanding this impressive level of construction however, in relative terms the share of total housing output contributed by local authorities fell in the 1950s. This is because, contrary to the predictions of the 1948 White Paper, private building increased even faster than public sector output. By the time local authorities had reached their target of 60,000 new dwellings in 1963, just over 68,000 private sector dwellings has been completed – over twice as many as had been envisaged in 1948. This development, which was largely a consequence of a series of Housing Acts offering ever higher

subsidies to private builders, marked the start of a long-term trend which has not only persisted, but has accelerated in the decades since the 1950s.

Modernisation and Decline, 1961-1979

In common with wider Irish society and the economy, during the 1960s the local authority housing service modernised in a number of respects. For instance, housing law was reformed, rationalised and updated and local authorities began to utilise modern building techniques in their housing developments. More significantly, during the 1960s and 1970s the local authority rented tenure began to contract in size, and it became apparent that local authorities would play a more modest role in housing the population of modern Ireland than they had in the past.

The rationalisation of the public housing legislation was achieved at a single stroke by means of the 1966 Housing Act. This act replaced more than fifty earlier legislative provisions with a simple statement of powers enabling housing authorities to deal with unfit dwellings and districts within their operational areas; requiring them to assess local housing needs regularly; to devise a programme of building dwellings for people unable to adequately house themselves on this basis; to allocate these dwellings according to a scheme of letting priorities which should give preference to households in greatest need of housing and enabling them to manage these dwellings and to sell them to tenants. Indeed such is the extensive scope of the Act that to this day, most aspects of local authority housing administration still fall under its remit and it is referred to in the subsequent housing legislation as the 'Principal Act'. The 1966 Act also had an important modernising function, as it encompassed all levels of local government and thus marked the end of the tradition of separate legislation governing urban and rural public housing which had prevailed since the 1800s. Although, this aspect of the Act is not as innovative as it ostensibly appears. Rather it is the culmination of a thirty year long trend whereby new housing laws tended to make identical provisions for urban and rural areas, the extent of which was such that by 1966 only three significant outstanding differences between the two codes

remained for the Housing Act to abolish. These are: the lack of a universal right of purchase for urban tenants, minor divergences in land acquisition procedure and procedures for the repossession of dwellings (Minister for Local Government, 1964). As well as rationalising and modernising the public housing legislation, the 1966 Act instituted a number of reforms to local authority housing management, the most important of which relate to rent setting. The Act empowered the Minister to regulate the rents levied on local authority dwellings and since 1967 all local authority housing rents in Ireland have been calculated on the basis of the tenant's household income – an arrangement which is colloquially termed 'differential rents'.

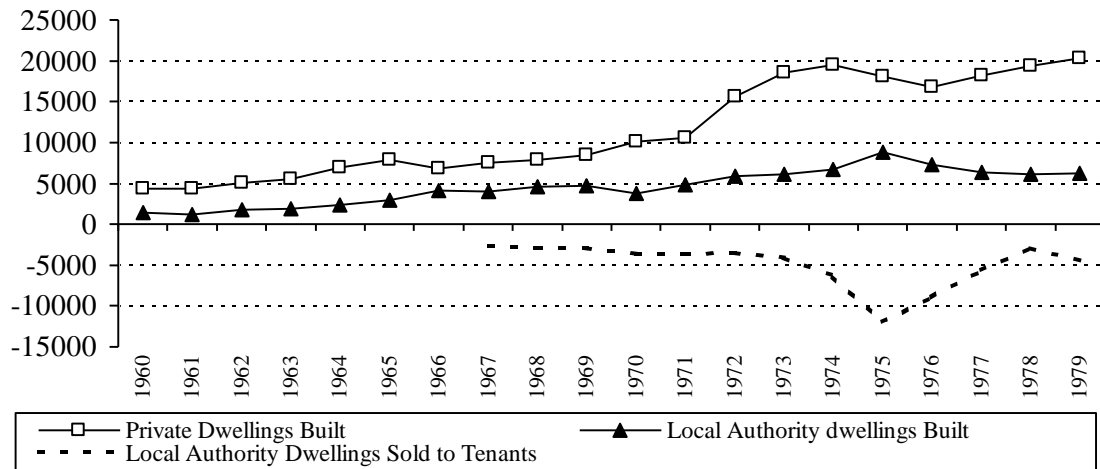
Another interesting reform introduced in the 1966 Housing Act is the provision of additional state subsidy to housing authorities constructing blocks of flats of six or more storeys. This subsidy was part of a series of initiatives introduced by central government during the 1960s and 1970s to encourage the use of modern building techniques, which it was envisaged would help to rapidly expand housing output to meet the demand created by the growing population and the economic boom at that time (Minister for Local Government, 1964). Many of the housing schemes constructed using these modern methods were built by local authorities. A semi-prefabricated or 'system' building technique was used in the construction of mixed estates of houses and three storey flats at Mayfield, the Glen and Togher for Cork City Council. While Dublin City Council employed a similar system of pre-cast concrete panels to build Ireland's only high rise estate at Ballymun and a lower rise version at St Michael's Estate, Inchicore (Power, 2000).

In comparative terms, Irish local authorities' embrace of modern building methods was belated - these techniques were in common use in other European countries since the end of World War II, especially among exponents of the modernist architectural movement. Furthermore, it was short lived - ironically Ballymun was completed in 1969 just seven months before the collapse of the Ronan Point tower block in London signalled the beginning of the end of the high-rise experiment in Europe. However, Dunleavy (1981) argues that in the public imagination these system built public sector dwellings have assumed an importance disproportionate to their modest numbers. In many European countries, the unpopularity of high-rise estates among tenants, and the well-publicised structural problems of many system built dwellings, have contributed

to the ‘delegitimation’ of the social rented tenure as a whole - in the popular imagination local authority housing was no longer seen the best solution to poor housing conditions, and it was increasingly seen as the cause of them. As well as problems related to design and construction, the image of social housing was also undermined by negative media attention and by a series of studies, inspired by the so called ‘rediscovery of poverty’ in the social sciences during the 1970s, which found that poverty and social problems were increasingly concentrated in this tenure and highlighted the intractability of these problems (for instance: Reynolds, 1986). Barlow and Duncan (1988) relate the stigmatisation of the local authority rented sector to the wider growth of ‘tenurism’ in Britain at this time, as housing tenure became associated with other social phenomenon and a causal relationship was increasingly assumed between the two. This concept demonstrates that the increasingly negative image of the social rented sector in recent decades, has implications not only for public policy relating to the tenure but also for its occupants. The people who live in social rented accommodation are often as stigmatised as the estates in which they live

Finally, as alluded to above between 1961 and 1971 the percentage of the national housing stock rented from local authorities fell from 18.4 per cent to 15.9 per cent and it would fall further to 12.7 per cent by 1981 (Central Statistics Office, 2004b). As Figure 8.3 demonstrates, to some extent this phenomenon is due to the continued fall in the relative contribution of public sector building to total housing output during these decades. Although the local authority housing output rose during the 1960s and 1970s, private sector completions grew at a much faster rate. Another significant factor in the decline of the tenure, is the steady rise in number of sales of dwellings to tenants after the 1966 Housing Act extended the tenant purchase scheme to urban local authority housing. At this stage tenant purchasers were offered a reduction on the market value of the dwelling for every year of residency subject to a maximum discount of 30 per cent in urban areas and 45 per cent in rural areas. Figure 8.3, also highlights a sharp rise in tenant purchase sales between 1973 and 1979 to the extent that they outstripped new building, which is due to the introduction of additional discounts for tenant purchasers in the former year (Foras Forbartha, 1978).

Figure 8.3: Local Authority Dwellings and Private Dwellings Completed and Local Authority Dwellings Sold to Tenants, 1960-1979



Source: Department of Local Government (Various years) and Department of the Environment, Heritage and Local Government (Various Years).

Note: No figures are available on sales before 1967; figures from 1967 to 1970 both Labourers Act dwellings sold and all dwellings sold under the 1966 Housing Act; figures from 1970 onwards include dwellings sold under the 1966 Housing Act, only. Details of dwellings which were sold in urban areas at the discretion of local authorities after the enactment of the 1966 Housing Act are not included in this graph, therefore it slightly underestimates the true level of sales.

Residualisation, Regeneration, Diversification, 1980-Present

The last two decades have, more than any other since the foundation of the State, been characterised by radical change in the social housing sector. The title of this section encapsulates the key developments during this turbulent period as the residualisation of the tenure, coupled with efforts to regenerate it and to diversify the methods of social housing provision.

Residualisation refers to the tendency for the social housing sector “...to cater for an increased proportion of deprived people and to cater more exclusively for this group” (Lee and Murie, 1997: 7). The concept was initially devised as a result of the aforementioned growing interest among housing researchers in the late 1970s, to explain the increasing level of poverty in this tenure in the UK, which until the 1940s, had been dominated by skilled manual workers and lower middle class families (Malpass, 1990). In contrast to their British counterparts, apart from a brief period in

the 1920s, Irish local authorities have generally charged low rents and to let to disadvantaged groups (Fraser, 1996; McManus, 2002). Therefore it is reasonable to assume that the local authority rented tenure in this country has always been more or less residualised. However, in common with the UK, the available evidence indicates that the level of residualisation of local authority housing in Ireland has worsened considerably over the last two decades.

This evidence is presented in Table 8.1, which demonstrates that, between 1987 and 1994, the number of local authority tenant households with incomes below 60 per cent of the national average grew from 59.1 per cent to 74.6 per cent. Nolan and Whelan (1999) report that this process of residualisation was particularly acute in urban areas. The proportion of urban local authority tenants with incomes below 60 per cent of average rose from 53.2 per cent in 1987 to 77.2 per cent in 1994, whereas the equivalent figures for their rural counterparts are 63.9 per cent and 71.2 per cent respectively. Additional research by Murray and Norris (2001) on Dublin City Council tenant households indicates that this trend continued during the latter half of the 1990s. They found that in 2001 73.1 per cent of Dublin City Council tenant households had incomes below 60 per cent of average, as compared to 27.2 per cent of the general Irish population.

Table 8.1: Income Poverty Among Households by Tenure, 1987, 1994.

	% of Households with Incomes Below 40% of Average		% of Households with Incomes Below 60% of Average	
	1987	1994	1987	1994
Owned Outright	16.8	18.1	30.0	37.8
Owned with a Mortgage	6.7	8.7	2.5	14.6
Local Authority Tenant Purchased	17.8	21.8	27.5	41.6
Local Authority Rented	37.4	49.8	59.1	74.6
Other Rented	14.4	15.1	27.7	34.0
All Households	17.0	18.8	29.1	34.6

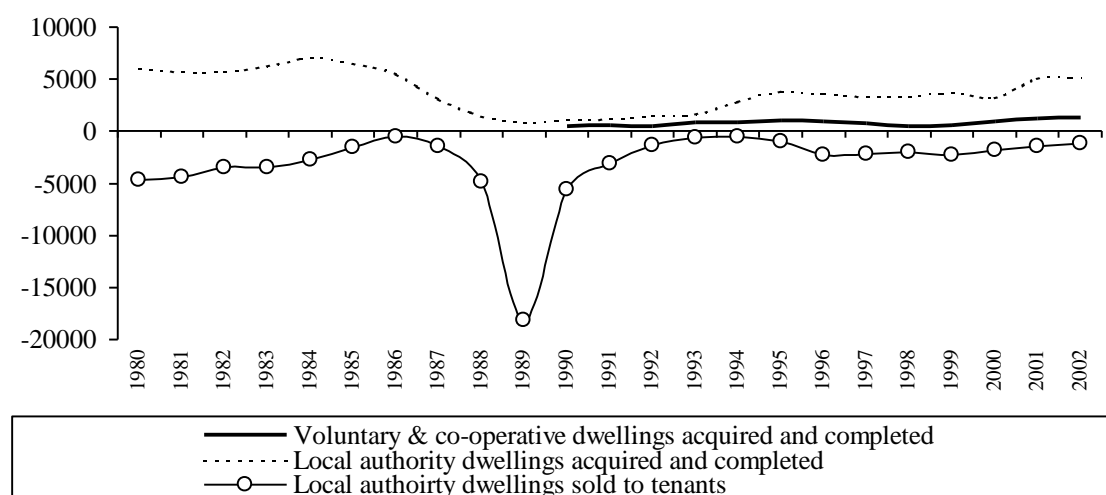
Source: adapted from Nolan, Whelan and Williams (1998).

The research on residualisation relates its development to either or both of the following issues: the broader socio-economic environment of the time, and to housing policy and social housing management. Although there is no consensus in the literature as to the relative import of these different issues (Malpass, 1990).

In relation to the former of the two, Nolan and Whelan's (1999) analysis indicates that the economic crisis of the 1980s had a strong negative impact on Irish local authority tenants, who they reveal as likely to have low educational attainment, work in unskilled manual jobs, be headed by a single parent or a pensioner and therefore are at high risk of social security dependence and of poverty. By contrast, Murray and Norris' (2002) research on Dublin City Council tenants concludes that in addition to the socio demographic characteristics of these households, residualisation patterns can be also explained by the characteristics of the neighbourhoods in which they live. Specifically, they highlight the lower levels of income poverty amongst tenant households living in inner city areas which accommodate a mixed income population and contain a large number of amenities and employment opportunities, and the higher level of income poverty amongst tenants living in large local authority estates on the periphery of the city which dominated by low income households.

In relation to housing policy, Forrest and Murie's (1988) research in the UK identifies the relative size of the local authority rented tenure as a key cause of residualisation and as Figure 8.4 below demonstrates in Ireland, the period since 1980 has seen dramatic change in this regard. From the mid 1980s, the number of new local authority dwellings built fell steadily, to a post World War II low in 1989 when only 768 units were completed. In the face of a marked increase in waiting lists in social housing, which rose from 17,564 households in 1991 to 48,413 households in 2002, local authority housing output increased to steadily throughout the 1990s, reaching a high of 5,074 dwellings in 2002 (Department of the Environment, Heritage and Local Government, various years). However, it has remained well below 10 per cent of total new house construction, which is significantly lower than in the period 1930 to

Figure 8.4: Local Authority and Voluntary and Co-operative Dwellings Acquired and Completed and Local Authority Dwellings Sold to Tenants, 1981-2002



Source: Department of the Environment, Heritage and Local Government (various years).
 Note: data on voluntary and co-operative dwellings completed prior to 1990 are not available.

1980 when the local authority house building comprised an average of 20 per cent to 30 per cent of total output (Fahey and O'Connell, 1999). Low levels of building reduced the number of dwellings available for letting, and because local authority dwellings are allocated on the basis of need, it is reasonable to assume that only the most disadvantaged households have secured tenancies during the last 20 years.

Figure 8.4 also reveals that the level of tenant purchase of dwellings increased substantially between 1987 and 1991, spurred on by extra discounts for buyers introduced in 1986 and 1988. This trend is important because sales have a twofold residualising effect. By reducing the number of dwellings available for letting they stimulate an influx of disadvantaged people into the tenure. Furthermore, as Table 8.1 above demonstrates, because tenant purchasers tend to be wealthier than public renting households (although they are still poorer than other owner occupiers) sales also promote an exodus of better off households.

In addition the process of residualisation was exacerbated by the advent of the '£5,000 Surrender Grant' scheme in October 1984. This scheme, which allocated €6,349 to local authority tenants and tenant purchasers who were prepared to surrender their dwelling and to buy a home in the private sector, was intended to free up dwellings

for letting without incurring the cost of new building. Blackwell (1988a) reports that by the time the scheme was abolished in March 1987 a total of 7,700 surrender grants were paid out – accounting for 6.5 per cent of the entire public renting population at the time. A study of the effects of the grant in the Dublin area, which was carried out by the housing advice agency Threshold (1987), confirms that practically 100 per cent of the families who took advantage of the scheme were in employment, and the residualising effects associated with the departure of these households from public sector estates were compounded by the fact that many of those who moved into the dwellings vacated under the scheme were at high risk of poverty such as lone parents or single unemployed men.

On a more positive note, by the mid 1980s growing central government concern about social problems and poor living conditions in residualised local authority sector estates, inspired the instigation of a number of measures intended to regenerate these areas, mainly by means of refurbishing the built environment. Irish developments in this regard reflect similar initiatives in several other EU member states. Power (1999: 147-148) points out that France, Germany and Denmark all launched ‘estate regeneration’ programmes between 1978 and 1987 involving: ‘... renewed intervention to restore physical, financial, organisational and social viability to mass estates’ in the social rented sector. The in-depth *Investigation of Difficult to Let Housing* carried out by the British Department of the Environment in the late 1970s inspired a veritable ‘alphabet soup’ of social housing estate regeneration schemes, starting with the Priority Estates project (PEP) which was established in 1979 and soon joined by programmes such as Estate Action (EA) and the Housing Action Trusts (HATs) (Burbridge, *et al*, 1981; Power, 1987; Pinto, 1993; Evans and Long, 2000). In many European countries, including Ireland the increased prioritisation of investment in the regeneration of existing social rented estates was paralleled by retrenchment in output of new social rented dwellings, which was in turn corresponded with the delegitimation and stigmatisation of the tenure highlighted earlier in this chapter.

The first of the Irish estate improvement schemes – the Remedial Works Scheme, was established in 1985. It funds improvements to dwellings and to public space in run down estates, and targets in particular estates built before 1940 and the system built

estates of the 1960s and 1970s which were mentioned earlier in this chapter. Remedial Works funding has been exploited with considerable enthusiasm by local authorities, and in the period 1985–1999 a total of 16,520 local authority dwellings, accounting for approximately 16.6 per cent of the current national public housing stock, were refurbished under its auspices (Norris, 2001). In the mid 1990s Dublin City Council also developed an Area Regeneration Programme. This involves the once-off upgrading of high density older housing complexes in various locations around the city and is linked to the development of a robust arrangements for estate management. It is primarily directed at flat complexes in the inner city and is co funded by the City Council and central government (Norris and Winston, 2004). In more recent years efforts have also been made to attract private sector funding for regeneration projects, by making investment in designated local authority estates eligible for tax relief under the 1998 Urban Renewal Act. The best known application of this mechanism in practice is in Ballymun, where Dublin City Council has set up a designated company called Ballymun Regeneration Ltd, which is tasked with planning for and managing the demolition of all of the tower blocks and their replacement with conventional housing and low rise apartments, organised around a new town centre, which will contain private rented dwellings, social rented dwellings provided by voluntary and co-operative bodies, shops, offices and a hotel (see: Ballymun Regeneration Ltd, 1998a and 1998b). The rebuilding of the local authority dwellings and the provision of other the social housing in the estate will be funded directly by central government, but it is envisaged that most of the town centre will be developed by the private sector. In addition, Dublin City Council has recently announced plans to regenerate Fatima Mansions and several other inner city flats complexes using a public private partnership arrangement whereby a developer will demolish the existing social housing and construct replacement social rented dwellings coupled with units for sale to home owners and private landlords.

By the 1990s the attention of policy makers shifted from the regeneration of individual local authority estates, to the reform and renewal of the entire local authority housing service, and indeed of the social rented tenure in general. The advent of this new policy agenda was first signalled in the 1991 housing White Paper - *A Plan for Social Housing* (Department of the Environment, 1991). This policy statement differed significantly from the housing white papers which proceeded it –

the latter were mainly concerned with estimating the numbers of people in need of social housing and making provision for this demand to be met, principally by means of local authority building, whereas the former presented a strategic analysis of all potential methods of accommodating low income households by the private sector, local authorities and the voluntary and co-operative sector. Furthermore, on the basis of this analysis, *A Plan for Social Housing* proposed a number of reforms to mechanisms for housing these groups, which it admitted ‘imply significant changes in the traditional role played by local authorities’ (Department of the Environment, 1991: 30).

The most significant of the changes identified in *A Plan for Social Housing* involved widening the traditional role of the local authority housing service to include ‘.... a new facilitating and promotional role aimed at improving and speeding up access to housing’ (Department of the Environment, 1991: 30). In order to enable local authorities achieve this *A Plan for Social Housing*, announced a series of new measures which local authorities can utilise to enable low to middle income households to buy a home of their own as an alternative to renting from a social landlord. In addition, it emphasises that a key aspect of this new enabling role will be encouraging higher levels of building by voluntary housing associations and co-operatives. As was mentioned earlier in this chapter, agencies of this type had built a large number of dwellings in the late nineteenth century, but for a number of reasons they did not emerge as major social housing providers for most of the twentieth century. However, as Figure 8.4 above demonstrates that this began to change in the early 1990s when voluntary and co-operative housing output, particularly of accommodation for special needs groups such as elderly, disabled or homeless people began to increase substantially. Mullins *et al* (2003) link this revival to the establishment of the capital assistance scheme in 1984. This was the first dedicated funding scheme for voluntary and co-operative housing providers and previous to its establishment these organisations were funded by local and central government on an *ad hoc* basis. *A Plan for Social Housing* announced an increase the limits for funding under the capital assistance scheme; the introduction of new arrangements to fund the provision of communal facilities in voluntary and co-operative estates and the establishment of a capital loan and subsidy scheme, which provides an ongoing management and maintenance allowance to these organisations for each dwelling

provided together with capital funding towards the costs of construction. In order to qualify for this funding the Housing (Miscellaneous Provisions) Act, 1992 requires voluntary and co-operative housing providers to gain approved status from the Department of the Environment Heritage and Local Government. Brooke (2001:12) reports that the Capital Assistance Scheme ‘... is used primarily although by no means exclusively for special needs housing’ for people who require additional supports in addition to housing, while the Capital Loan and Subsidy Scheme is used mainly for general needs housing for those who have no additional support needs apart from housing. As is outlined in Figure 8.4 above, as a result of these reforms voluntary and co-operative social housing output increased further during the late 1990s, with output under the Capital Loan and Subsidy Scheme growing especially quickly.

As well as examining alternative social housing providers, *A Plan for Social Housing* also cast a critical eye over the quality of the service provided by local authorities to their own tenants. For instance, it raises a number of concerns about the management and maintenance of local authority estates, making the point that the quality of these service must be improved if public investment in public house building and refurbishment is to be protected. A more detailed analysis of the standard of local authority housing management followed in a 1993 memorandum from the DoEHLG to local authorities on the preparation of the statements of policy on housing management which they are obliged to produce under the terms of 1992 Housing (Miscellaneous Provisions) Act (Department of the Environment, 1993). The introductory section of this memorandum, sets out what O’Connell has termed (1999: 60) a ‘devastating catalogue of weaknesses common in local authority housing management’, the most significant of which are: lack of long and medium term planning which is compounded by inadequate management information and insufficient monitoring of the information which is available; over centralised management structures which prioritise administrative issues over communication with tenants; inadequate co-ordination of different housing management functions; prioritisation of cost reduction over value for money and customer service; over reliance on the Remedial Works Scheme as a solution to the problems of unpopular estates and chronic inefficiencies in the maintenance service.

Central government concern about the quality of local authority housing management inspired the introduction of a range of ameliorative measures during the late 1990s (Norris and O'Connell, 2001). Some of these had an enabling orientation, insofar as they aimed to assist local authorities to improve their housing management performance through the provision of guidance, training and targeted grant aid, while others can be categorised as enforcement tools, which set benchmarks of required performance and established systems to monitor local authority housing management performance. The Housing Management Initiatives Grants Scheme, which was established in 1995, was the first of the enabling measures to be introduced. It provides grant aid towards the cost of practical pilot projects intended to improve housing management and since its establishment it has funded over 130 projects most of which are concerned with involving local authority tenants in housing management, and decentralising housing management to focus more on the needs of individual estates and communities rather than solely on the administration of the housing stock as a whole (Brooke and Norris, 2002). Soon afterwards, three further significant enabling measures were initiated by the Department of the Environment - the Housing Management Group which produced two reports setting out the broad framework which the reform of public housing management should follow; the Housing Unit which was set up in order to provide social housing management guidance, information and training and the Housing (Miscellaneous Provisions) Act, 1997 which gives local authorities additional powers to deal with tenants and squatters in public sector dwellings who are committing anti-social behaviour (Housing Management Group, 1996, 1998; Housing Unit, 2000, 2001a, 2001b, 2001c, 2003a, 2003b, 2004). Examples of the enforcement measures introduced during the past decade include: the Department of the Environment and Local Government (2000e) circular *LG 9/00* which instructs local authorities to monitor their performance in specified aspects of housing management and to publish this information in their annual reports, and a range of reforms to the Remedial Works Scheme which made funding conditional on detailed monitoring and evaluation of projects (Department of the Environment and Local Government, 1999c).

A Plan for Social Housing also highlights '... the need to avoid building large local authority housing estates which have, in the past, reinforced social segregation', and suggests that as an alternative, local authorities should build smaller schemes in

mixed tenure areas and consider purchasing dwellings in private estates to add to their rented stock (Department of the Environment, 1991: 11). In more recent years, the Planning and Development Act, 2000 has provided local authorities with additional options for combating social segregation by mixing different housing tenures in new estates. Part V of this Act obliges local authorities to amend their development plans to incorporate housing strategies which should detail out how future housing demand within their operational areas should be met, including the need for social housing to rent, provided by both local authorities and voluntary and co-operative agencies and for affordable housing for sale at below market value to eligible households. Local authorities can require that up to 20 per cent of land zoned for residential development locally is employed to meet the social and affordable housing need identified in this assessment. The 2000 Act requires property developers to transfer the necessary proportion of dwellings, land or sites to local authorities as a condition of planning permission, although the Planning and Development (Amendment) Act, 2002 also allows developers to meet their obligations in this regard by providing monetary compensation and/ or dwellings, land or sites in an alternative location. The DoEHLG guidelines implementation of the 2000 Act specifies that among these options 'Provision of houses with the agreement of the developer... is the preferred route from the point of view of achieving social integration' and that 'The number and location of these houses should be as such to avoid undue social segregation and foster the development of integrated communities (Department of the Environment and Local Government, 2000c: 23). As a result of this measure, it is likely that in the future a significant proportion of new social housing output in this country will be located in estates which are mixed tenure – i.e.: include owner occupied dwellings, bought on the open market or by means of the affordable housing scheme, together with dwellings rented from local authorities, from other social housing providers housing providers and from private landlords.

Concluding Comments

This sweeping review has sketched the key trends in the development of social housing provision in Ireland since its foundation in the late nineteenth century until the present day. The changes in the institutional structures for providing social housing are among the most significant of these trends. Non-statutory providers were dominant during the early history of the sector, for most of the twentieth century local authorities were the principal providers of social housing but in recent years social housing has been provided through a mixture of both arrangements. In addition the chapter also highlighted the growth of the sector until the 1960s and its steady contraction since then in relative terms and its related residualisation.

The achievements of the social housing sector in Ireland are rarely extolled and it is worth devoting some space to delineating them, because they are impressive in both quantitative and qualitative terms. The data on local authority house building presented in this chapter indicate that between the 1887 and 2001 local authorities in Ireland constructed approximately 300,000 social housing units, 102,789 of which remained rented by 2001, while Mullins *et al* (2003) estimate that between 12,000 and 13,000 dwellings were rented from voluntary and co-operative housing providers in 2001 (Department of the Environment, Heritage and Local Government, various years). Social housing rents related to the income of tenants and the Household Budget Survey reveals that the amounts levied are generally extremely low (Central Statistics Office, 2001a). In 1999-2000 local authority tenants devoted only 7.4 per cent of their household expenditure to rent, as compared to 21 per cent in the case of their counterparts in the private rented sector. Consequently, social housing plays a key role, and largely unacknowledged role in combating income poverty in Ireland. Despite the acute residualisation of the social rented sector and the problems in relation to the quality of accommodation provided in some run down and system built local authority estates examined earlier in the discussion, Fahey's (ed) (1999) study of seven diverse local authority housing estates in different parts of the country reaches largely positive findings about the quality of life enjoyed by the residents of these areas. On this basis he concludes that: '... local authorities have made a fundamental contribution to social progress and social cohesion in Irish society through the

expansion of housing provision and the raising of minimum standards of housing among the less well-off' (Fahey, 1999b: 3). In addition, some 200,000 of the dwellings originally constructed by local authorities have been sold to tenants and data from the 2002 census indicate that dwellings make up 20 per cent of the owner occupied housing stock (Central Statistics Office, 2004a). The local authority rented sector has therefore make a major contribution to expanding the level of owner occupation in Ireland to well above the European Union average and also to distributing home ownership relatively evenly across the income distribution spectrum, in comparison to other types of wealth (Norris and Shiels, 2004; Fahey, Nolan and Mâitre, 2004a).

Despite these impressive level of social housing output during the period examined in this chapter, the 2002 census reveals that only 6.9 per cent of the national housing stock was rented from local authorities, and Mullin's *et al* (2003) figures regarding social rented units provided by voluntary and co-operative organisations quoted above, indicate that a further one per cent of all dwellings were rented from these agencies (Central Statistics Office, 2004b). This level of local authority renting is far smaller than in 1961, when 18.4 per cent of all dwellings were provided by this source. Moreover, it is significantly below the mean level of the social renting in EU member states which stood at 13.4 per cent during the 1990s and much smaller than the norm in other western European nations such as Denmark, the United Kingdom and the Netherlands for instance where 17 per cent, 25 per cent and 38 per cent respectively, of all housing is rented from social landlords (Norris and Winston, 2004). The sharp rise in house prices, falling participation of low income households in the housing market and growing numbers on social housing waiting lists since the mid 1990s, raise the question of whether the social housing sector in Ireland is now too small to cater for those in need of housing and the sector now requires expansion. The recent National Economic and Social Council (2004) report on *Housing in Ireland: Performance and Policy* recommends that the total social housing stock should be increased to 200,000 units by 2012 – which would require an increase of 40 per cent on stock levels in 2004. Moreover the report points out that this question in turn raises additional issues such as whether the tenant purchase scheme for local authority housing should be continued and about mechanisms for funding of social house building.

In relation to the former issue it is worth noting that the method of funding the sector in Ireland is unusual in the wider European. Between 95 and 100 per cent of the construction costs of social housing schemes in Ireland are funded directly by central government, as are all the costs associated with land acquisition in the case of the local authorities. In contrast among EU member states, only the UK provides significant capital grants for social house building, in France and Finland building is funded by interest subsidies towards the cost of state loans, while in Sweden and Denmark most funding is generated from the private sector, mainly by borrowing (Stephens *et al*, 2002). Significant expansion of social housing output in Ireland may require the use of alternative mechanisms of funding such those employed in these countries. In addition, as Redmond and Norris discuss in Chapter Nine, the relative generosity of capital funding for social housing building in Ireland is counterbalanced by shortage of revenue funding. Which is also an issue that must be addressed if standards of housing management are to be improved.

Finally the other key question which faces the social rented sector in Ireland at the present time relates to its institutional structure. As explained in this chapter over the history of the sector the institutions which provide social housing in Ireland have changed but since the mid 1990s both local authorities and voluntary and co-operative housing organisations have been involved in the provision of this housing. This aspect of social housing in Ireland is also unusual in the wider European Context. Stephens *et al* (2002) report that in Sweden and Finland 95 per cent and 63 per cent respectively of social housing is provided by municipal housing companies which, are separate from but under the control of local authorities. In Denmark and the Netherlands the voluntary and co-operative sector provides most social housing, while in Germany the private sector is heavily involved in social housing provision. Apart from the United Kingdom and Ireland, local authorities in most European Union member states play only a minor role in the direct provision and management of social housing and in the former country the role of local authorities in this regard has been reduced significantly since the 1980s as a result of a moratorium on new house building by local authorities and the transfer of a significant amount of local authority stock to alternative landlords (Mullins *et al*, 1993). This raises the question of whether local authorities in Ireland will continue to be major providers of social

housing in the future or whether the institutional structure of our social housing sector will come to more closely reflect the norm in other European countries.