



Greg Campbell & David Williams  
Partners, Campbell Tickell

## Welcome to CT Brief – Ireland!

CAMPBELL  
TICKELL

Campbell Tickell are no strangers in Ireland. We've been working in the north since 2011, and in the Republic since 2013. Much of our work, both south and north of the border, has been with housing associations. But we have also operated extensively with central government and government agencies, with care and support providers, and with local authorities.

While housing provision and policy have been central to what we have done across Ireland, our work has extended much further, to include regulation, troubleshooting, business planning, strategy, governance, housing demand and development, property maintenance and asset management, human resources, recruitment and more.

This is not to suggest that the situations north and south are

comparable; obviously they aren't, although there is common ground beyond sharing a border and sharing concerns about how Brexit may unfold. Homelessness, poor-quality housing stock for many, and the need for more affordable, high-quality homes are significant challenges across Ireland as a whole. The solutions to these challenges will have similarities and differences. The structure of the housing sectors north and south are quite distinct. For instance, there are more than 500 housing associations in the Republic – Approved Housing Bodies – but just eight with more than 1,000 homes. In the north, there are now just 20 associations, but most are significantly larger.

As our work across Ireland grows, we have been building our team on the ground. Last year, Kathleen McKillion joined us after 10 years at Irish Council for Social Housing. And we are delighted for Nicola McCrudden to join us this October, after four years as director at CIH Ireland. So, welcome to the first issue of CT Brief – Ireland!

To discuss the issues raised in this article, contact  
[greg.campbell@campbelltickell.com](mailto:greg.campbell@campbelltickell.com)  
[david.williams@campbelltickell.com](mailto:david.williams@campbelltickell.com)

### Campbell Tickell

A multi-disciplinary management consultancy, focusing primarily on the statutory and non-profit sectors. We are 19 years old and operate throughout the UK, Ireland and beyond. We have particular expertise in housing, regeneration, social care, sports and leisure, social enterprise and charities.

Our services extend across governance and strategy; financial and risk analysis; regulation; business transformation; trouble-shooting; mergers; development; service user involvement; communications; HR and recruitment.

*“While housing provision and policy have been central to what we have done across Ireland, our work has extended much further.”*

## IN THIS ISSUE

02 Housing challenges across Ireland ▶

03 Can Approved Housing Bodies rebuild Ireland? ▶

04 Rebuilding united communities ▶

05-06 The value of strategic planning ▶

06 CT events diary ▶

07 Future-proofing the Irish Housing Sector ▶

08-09 Radius: lessons learned ▶

10 Making mortgage-to-rent work ▶

11 Supporting the Irish social housing sector ▶

Coming soon...

CT Brief, Charities Edition

Sign up [here](#)



iStock

### Examples of CT projects in Ireland

#### Republic of Ireland:

- Helped the Housing Agency Regulation Office to develop the regulatory framework for AHBs: [Finance and Governance standards](#)
- Advised The Housing Alliance (comprising a number of the largest AHBs) on public sector reclassification

#### Northern Ireland:

- [Investigation for the Northern Ireland Housing Executive](#) into overpayments on planned maintenance contracts
- Working with the Department for Communities on the regulation of Supporting People



Nicola McCrudden  
Senior associate consultant, Campbell Tickell

## Housing challenges across the island of Ireland

CAMPBELL  
TICKELL

It is the tenth anniversary of the financial crash that sent shock waves around the globe.

The impact of the crash was felt sharply on the island of Ireland and we are still living with the consequences. One of the biggest challenges facing us today is how to ensure the supply of genuinely affordable housing. So what are the issues and how are they being addressed?

### North

In the north, there is a mixed picture (see box). House prices are lower than they were 10 years ago. The average house price in Belfast is £132,169, 42% lower than in 2008. Negative equity remains a real problem for the market generally, but especially for mortgage-holders who need to move.

There are positive signs though: more first-time buyers entering the market, and more homes being built. But the problem of affordability remains, particularly for low-income households. The impact of welfare reform is affecting people's ability to pay their rent, and with bedroom tax mitigation measures soon to run out, significant challenges lie ahead.

During the recession, the Stormont Executive continued its capital funding programme for new social housing provision, meaning that people continued to be housed from the waiting list. However, there is widespread recognition that more homes are needed in order to turn the curve on housing stress. In the meantime, Northern Ireland has a thriving private rented market to ease the pressure, but as rents start to creep up and loss of private tenancy emerges as a main cause of homelessness, this option will not be sustainable in the long term.

### South

In the south of Ireland, the economy continues to perform strongly. But

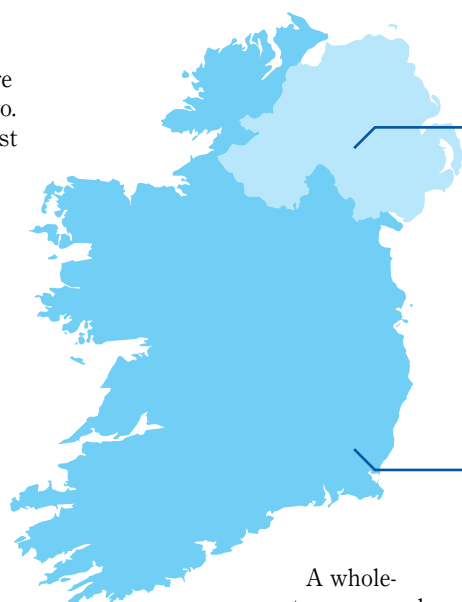
there is a risk that persistently high housing costs could erode competitiveness with higher wage demands (see box). The difference between the 'haves' and 'have-nots' is stark – homelessness levels are unacceptably high and increasing numbers of families are struggling to keep a roof over their heads.

Building homes that are genuinely affordable is the number-one priority.

teams to co-ordinate ambitious build programmes, to manage assets and to sustain tenancies and communities in the years ahead.

None of these problems are insurmountable – north or south. Nonetheless, government interventions, informed by robust evidence, with clear direction and strong leadership, are needed to support the sector to meet what is required.

**“A whole-system approach is required to meet housing need and demand.”**



### Housing costs

#### Northern Ireland

**£132,169** Average house price today  
**£224,670** Compared with 2008 peak  
**£66.61** Average weekly social rent  
**£94** Average weekly private rent  
**1,103** Number of homes built in 2017/18

#### Republic of Ireland

**€159,460** Average house price today  
**€320,788** Compared with 2008 peak  
**€50.63** Average weekly social rent  
**€244.62** Average weekly private rent  
**2,297** Number of homes built in 2017/18

Source of Figures: Dept. for Communities N.I Stats;  
Dept. of Housing, Planning and Local Gov (ROI); Residential  
Tenancy Board's Rent Index

A whole-system approach is required to meet

housing need and demand – including sufficient social and affordable homes to rent and buy. However, more focus is needed to create and support the conditions that will enable Approved Housing Bodies and local authorities to provide significantly more social housing.

### Challenges

The voluntary housing sector is performing well, in difficult times, and there is an appetite for growth. Housing organisations are operating in a more complex funding and policy environment and have had to change. The main challenges are risk – understanding and managing it. Also, developing capacity within

This will be challenging in the face of Brexit and the lack of a Northern Ireland Assembly. Political stability and certainty around finance, costs and delivery mechanisms are essential if we are to deliver positive housing outcomes.

To discuss the issues raised in this article, contact

[nicola.mccrudden@campbelltickell.com](mailto:nicola.mccrudden@campbelltickell.com)



**Kathleen McKillion**  
*Senior associate consultant, Campbell Tickell*

## Can Approved Housing Bodies rebuild Ireland?

CAMPBELL  
TICKELL

**H**omelessness was a central issue at the 2016 election. Housing will again be the main factor on which the next election, due 2021, will be fought. With 85,799 qualified households on waiting lists in 2017, the housing crisis is real, and Approved Housing Bodies (AHBs) have a key role to play.

The government's [action plan for housing and homelessness, Rebuilding Ireland](#) gives AHBs a leading role in the delivery of 50,000 new social homes. Some 33,000 are intended to be new builds (with 20,000 coming from AHBs) and the rest will be acquisitions and leased properties. It is a big ask in the context of high construction costs, skills shortages, infrastructure issues and creaking utility supplies.

So how is the housing sector doing? In 2017, AHBs provided 2,300 new homes, with delivery of 3,800 expected in 2018, rising to 9,000 homes in 2021. This is a huge challenge for a sector with around 33,000 homes in total.

Here are some suggestions on how to continue to respond.

**1 Deliver at scale**  
Collectively the AHB sector is expected to increase its housing stock by around 60% over a five-year period. The sector is unbalanced though, as the majority of AHBs have fewer than 50 homes each (see graphic). While some AHBs will be able to deliver growth, in many cases it may prove impossible to find the necessary capacity, resources and skills to increase at scale.

At the other end of the spectrum though, among the 67 AHBs with more than 50 homes, and in particular the Tier 3 AHBs (over 300 homes each), a number are planning growth of up to 100%. This will also bring major challenges: an AHB that doubles

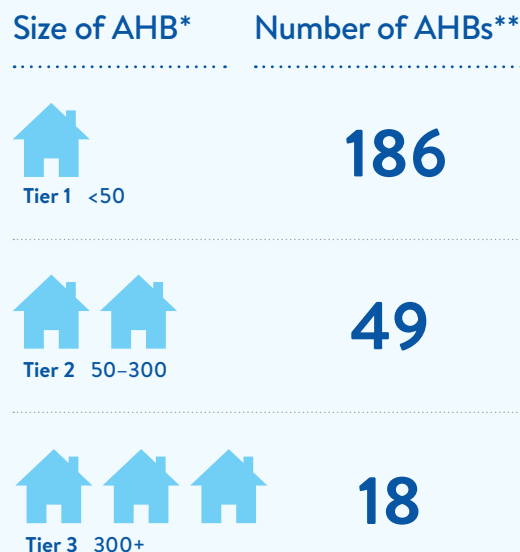
in size over just a few years will need to become a different kind of organisation. And delivery will have to be carried out in collaboration with local authority (LA) partners and developers on sites that facilitate large mixed-tenure and integrated developments.

### 2 Partnership with local authorities for sustainable communities

Aligning with the priorities of local authority partners is essential to target the provision of new homes and determine where these are best located, and what the housing mix needs to be. This will include houses and apartments of different sizes to reflect the national housing list and growing demand for single persons' accommodation, including homeless and older people. Engaging with elected representatives and councillors on issues with local communities will be critical.

**3 Mixed housing/funding**  
The range of demands requires a mix of provision: general needs social housing for families, homes for older people, housing for people with disabilities, homes for formerly homeless people, private renting and owner-occupied developments. Larger AHBs are already preparing to enter the private market renting through a 'cost/affordable rental' model. Some are turning to new sources of private and equity funding for this, reducing their reliance on state funding.

**4 Opportunities**  
It is important now to plan accessible homes that will allow people to age at home, provide housing that remains affordable (through reform of rents) and bring entrepreneurial social enterprise into communities through social and commercial infrastructure.



\*Units or developments plans for fewer than X

\*\*Number of AHBs that have signed up to the Voluntary Regulatory Code

Source: [Housing Agency Regulation Office](#)

**“Housing will again be the main factor on which the next election will be fought.”**

Despite these positive opportunities, challenges remain. A crucial and immediate challenge is the recent reclassification of the largest AHBs as public sector. This calls into question how the new supply programme can be funded, given that borrowing will be on the government balance sheet. A further challenge is the form that statutory regulation will take. On both these grounds, the danger is that state control inhibits housing association activity and ambition. Kathleen has been working with Campbell Tickell in Ireland for the past year. She has been engaged in a variety of projects for the Government's Housing Agency and its Regulation Office, Local Authorities and Approved Housing Bodies.

For more information or to discuss this article, contact:

[kathleen.mckillion@campbelltickell.com](mailto:kathleen.mckillion@campbelltickell.com)





**Clare McCarty**  
Chief executive, Clanmil Housing Association

## How we can build united communities



In Northern Ireland, housing associations have particular challenges when building new homes, emanating from our history as a divided society with segregated housing. For those of us committed to promoting a shared future for Northern Ireland, the aspirations embodied in the shared future agenda in 2011 (now known as [Together Building United Communities or TBUC](#)) were welcome. TBUC is now live, so what progress has been made?

Clanmil and other housing associations have played a key role in this initiative with some real successes. We now see people happily signing up to good neighbour agreements and living respectfully together. However, without political leadership, there is an increasing sense we are backsliding. At a recent housing conference in Belfast a visiting English politician asked, 'why is housing in Northern Ireland still largely segregated?' There was little assurance from the panel that things would change soon.

### Next steps

So where next? In responding to a significant growing housing

need, Clanmil currently has approximately 900 homes in development, being built to the highest standards. These homes are allocated through a Northern Ireland-wide Common Selection Scheme. While it has advantages, the present scheme tends to reinforce division in social housing. It is under review and we await the return of the Assembly to debate and agree the proposed changes.

### Key issues

What are the issues? Segregation of housing in Northern Ireland is particularly apparent in our most disenfranchised and poorest communities, while many better-off areas are mixed. As a society, we do not need to choose between equality in access to housing and shared access to housing. Twenty years after the Good Friday Agreement, surely we can have both? Segregation often manifests as groups 'claiming' ownership of an area by erecting flags or painting kerbstones. Depending on the area, this can have sectarian motivations but is sometimes a result of territorial disputes by groups – including paramilitaries – within one identity group.

**“Clanmil currently has 900 homes in development, being built to the highest standards.”**

**Ballynaveigh Orange Hall hosts South Belfast GAA club: (l-r) Noel Ligget, Malcolm McFarlane, Tim O'Malley and Stephen Biggerstaff**

So, what should we do when flags go up to demarcate areas as 'belonging' to a certain community, or in single-identity developments to convey a message about command and control? What can we do to reassure people when their homes are under threat and the houses are paint-bombed or worse? How many of us would go on living in our home in such circumstances? And how do we re-let the homes when people are too frightened to move in? There is also sectarian graffiti and bonfires, so close to our properties that we have to board them up for safety, and 'displays of strength' where masked people gather to assert control.

### Collaboration

Where should housing associations stand in all this? It would be a big step forward if our statutory partners, other housing providers, local authorities, interested parties and political leaders could work together to find solutions.

There are seeds of change. This summer, Clanmil supported a groundbreaking, cross-community initiative in Belfast, which brought together people from a Ballynaveigh Orange Lodge and Bredagh Gaelic football club in shared activities. This had its roots in a consultation event, which Clanmil ran as part of our shared housing plan. This event – at the height of the marching season – was a huge success and made headlines on local television. It is an example of the drive for change which housing can bring.

There have been successes and great stories to tell. And hopefully there will be more to come when the political momentum is re-established and we can be more ambitious as a society.

**To discuss the issues raised in this article, contact**

[david.williams@campbelltickell.com](mailto:david.williams@campbelltickell.com)





**Brian O'Gorman**  
*Chief executive, Cluid*

## The value of strategic planning

cluid  
housing

**A**s we reach the last year of our current strategic plan and amidst planning the next, it is a good time to reflect on the processes that I have found useful.

### Why plan?

At one level, strategic planning is attempting the impossible. Trying to predict the future when there are numerous influences upon our environment could be seen as naïve or even foolhardy. Keeping this in mind helps counter the misplaced confidence that can sometimes be associated with strategic planning. For me, the value of strategic planning lies in the opportunity to set out the direction of travel.

Success in planning requires consulting stakeholders, examining operational activity as well as emerging trends.

Critically, it is an opportunity to reset the organisation's trajectory and take on board changes occurring in the operating environment, including the current political administration.

Other key considerations include:

- There are those who may wish to see the continuity of programmes they are invested in and;
- Managers may see a new strategic plan as an opportunity to grow their part of the business.



To be successful, the corporate strategy must focus on the overall wellbeing of the business. A strategy is as much about what not to

do as what to do. Ruling out what you will not do is more within your control.

### 1 Planning in a rapidly changing environment

So what does our experience look like at Cluid? Our operating environment changes so frequently that we have opted for a three-year strategy. We believe that five years would just be too long. However, to enjoy any shelf-life the strategy needs to be broad and non-specific. With too many details, a strategy can become irrelevant quickly. The detail and monitoring rests within the business plan and the annual work plans, rather than the corporate strategy.

**2 Strategy as opportunity**  
Strategic planning is a lot of work. However, it creates a platform through which much-needed change can be set.

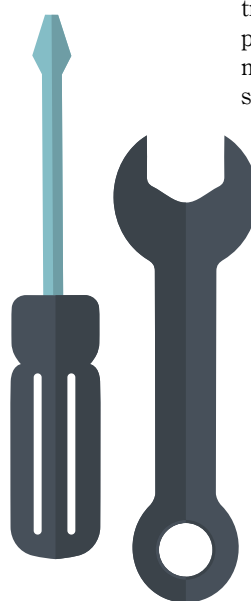


iStock

The multi-year nature of the process enables change to be delivered in stages and presents the opportunity to rethink established truths or discard undelivered programmes. If activities have not progressed, this is a sign that such objectives were not aligned to the corporate culture, or were included to pander to particular interests.

### 3 Board leading renewal

During 2017/18, our board reviewed its structures and operation. The annual assessment of skills and competencies was widened, and a consultant commissioned to help the board review its own performance and membership. Changes introduced by the Housing Regulator in December 2017 required amendments to our memorandum and articles, providing the platform for a substantive review.



Continued from page 5

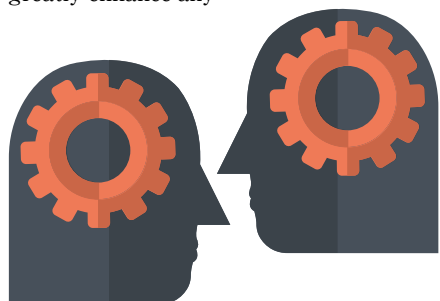
This has resulted in changes to the:

- Membership of the board;
- Structure of the board committees facilitating oversight;
- Governance documents, including the memorandum and articles; board members' handbook; and core governance documents.

As the ultimate owners of the company, the changes illustrate the board's commitment to delivering the organisation's mission. The value of the board is in bringing the external world into the organisation and driving the renewal process.

## 4 Looking outside: external stakeholder consultation

External stakeholders need to feel free to express their views of working with the association and there is a far greater chance of this being accomplished, when carried out by an external adviser. The process, when carried out well, will greatly enhance any



strategy. For this component, we engaged Campbell Tickell as our advisers.

The choice of which external stakeholders to talk to is also critical. This is not about being seen to consult with each constituency, rather hearing the views of influencers, whose ideas will shape the future during the forthcoming strategic period.

## 5 Looking at alternatives: strategy visits

Over the year, three strategy visits were organised to other housing organisations. These were grouped by our three core areas of activity: new business; property services; and housing services.

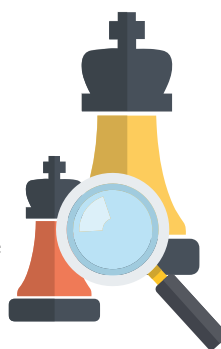
The value of visiting other housing organisations with our management team and several board members is inestimable. The visits challenge thinking, showing glimpses of the future as well as assurance about what we are getting right. Cluid regularly host such visits, from both non-profit and local authority housing staff to encourage mutual learning.

## 6 Strategy informed by activity: internal consultation

Carrying out extensive internal consultation at a regional and team level takes a lot of time; however, it is worthwhile.

If the strategy is to be well informed, it must be based upon the experience of those

***"If the strategy is to be well informed, it must be based upon the experience of those working at the coalface."***



working at the coalface. Further, to be implemented, the strategy needs to be accepted by staff. This is more likely to take place if they can see their views expressed in the document and they feel that their concerns have been listened to.

These sessions involve robust debate. To ensure objectivity as CEO, being accompanied by our policy lead ensures the discussion is not too operational.

There is always a dilemma as to whether I carry out the consultation. Being CEO could work against openness during a consultation. However, by being involved, I am hearing first-hand, the experiences of staff working on the front line. In addition, the staff know that their views are being listened to.

To discuss the issues raised in this article, contact

[david.williams@campbelltickell.com](mailto:david.williams@campbelltickell.com)

## Recommended reading on strategic planning:

Mike Hudson - *Managing without Profit*

Adrian Poffley - *Income to Impact*

David La Piana - *Non-Profit Strategy Revolution*

Henry Mintzberg, James Brian Quinn & Peter Drucker. All wrote extensively on strategic planning, mainly with the private sector in mind.

## THE DIARY

### NIFHA Annual Conference 11-12 October | Limavady

NIFHA'S 2018 Annual Conference takes place in the Roe Park Resort, Limavady. Aimed at senior professionals working for or in partnership with housing associations in Northern Ireland. Campbell Tickell is conference lunch sponsor this year. CT partner, Greg Campbell will be speaking on Day 2 about the policy implications of the Grenfell fire and the impact on social landlords.

### ICSH Finance & Development Conference 25-26 October | Kilkenny

The 2018 Finance and Development Conference reflects the need to drive forward the delivery of social housing to the scale and extent that will provide homes under the objectives of Rebuilding Ireland. Eoghan Murphy, minister for housing, planning and local government, will provide a keynote address. Campbell Tickell is sponsoring the drinks reception.

### Campbell Tickell's Risk and Assurance Workshops 15 November | Manchester

22 November | London  
These workshops are aimed at chairs, chief executives, non-technical board members and directors responsible for governance. We will cover the key questions non-technical board members need to ask, and more.

To find out more, visit [www.campbelltickell.com/events-listing](http://www.campbelltickell.com/events-listing)





**Donal McManus**  
*Chief executive, Irish Council for Social Housing*

## Repositioning the Irish housing sector for the future



**W**hen considering the future direction of the housing sector in Ireland, you need to look at the direction travelled and how financial capacity can be used to widen its role, beyond delivering traditional social housing. So what has the journey been to date?

The Irish Council for Social Housing (ICSH), the federation of housing associations in Ireland, was established in 1982, primarily by several interested non-profit housing bodies in Ireland. These organisations felt Ireland was missing out on what was happening in the rest of Europe, where the not-for-profit housing sectors played a more central part in meeting the housing needs of their citizens.

Currently the ICSH has more than 250 members providing social housing for families, single people or special-needs groups. It has changed its governance structure over the years to reflect changes in the sector. It now comprises a 15-member elected council and a nine-person board, a third of whom are independent members.

### Growth

From the late 1990s the social housing sector has quadrupled in size, from around 8,000 homes to an estimated 33,000 owned or managed by end of 2018. The sector, until 2008/9, had relied on large grants and state loans: a fairly low-risk model, similar to local housing authorities. This annual capital investment had increased to almost half a billion euros per annum in 2008. The highest output for the sector at that time was more than 2,000 new homes delivered in 2009, just before the height of the economic crash.

### New funding regime

The biggest changes within the

**"In 2017 the sector achieved its highest-ever development performance, with 2,300 new homes delivered."**

**In the past 20 years, the Irish social housing sector has grown from 8,000 homes to 35,000 by the end of 2018**

sector have occurred since 2010. The sector and the ICSH had to plan for the introduction of a revenue-based funding regime, from the previous capital-based programmes. Overnight, this reduced some state loans and grants from almost 100% to 30% state support. The remainder of the loan was to be accessed by housing associations, bearing responsibility and risk. These changes have led to the need for increased financial capacity and expertise within housing associations' board and staff. Access for significant loans and private finance has had to be scaled up.

New regulatory requirements since 2013 have focused on supporting additional private and loan finance into the sector. While other countries, including the UK, have progressively moved to mixed finance since 1988, the Irish housing association sector has had to fast-forward this in around five years.

### Planning for the future

Where does this leave the housing

sector now and what are the priorities for the future? Since 2010, ICSH strategic plans have reflected this new environment, incorporating new strands of delivery such as government targets for housing delivery (see box).

One delivery strand includes a smaller number of larger and growing housing associations, who have stronger ambitions for increased delivery, both in social housing as well as in other forms of intermediate renting.

The other strand includes associations who are more focused on supported housing delivery and housing management.

Despite all the enforced change, some outcomes have been positive. In 2017 the sector achieved its highest-ever development performance, with 2,300 new homes delivered through construction, acquisition and leasing. More loan finance and investment is available, although primarily from one major source: the Housing Finance Agency (HFA), including the European Investment Bank (EIB).

Continued on page 8 →



### The ICSH role

To assist the future of the sector, ICSH will be advocating on these key overarching issues:

1. The continuation of targeted land assembly programmes, which is a major risk factor in a burgeoning wider housing sector.
2. Dedicated intermediate rental programmes for mixed tenure.
3. Increased funding choices.
4. Assisting local authorities with their Part V developer obligations.

Continued from page 7

Work still needs to progress further in increasing the spread of finance options, but the prognosis for the sector is good.

### Challenges

Reclassification of 14 of the larger Tier 3 housing associations (Approved Housing Bodies) as part of a local authority sub-sector, for national accounting purposes, has created a significant challenge. Being able to access large levels of finance that would not be placed on the state's balance sheet was previously part of the sector's unique selling point. Temporarily at

**“Work still needs to progress further in increasing the spread of finance options.”**

least, this is no longer the case.

So how is this being tackled? The Eurostat definition on reclassification has allowed the sector to examine two interlinked strategies. This first repositions the sector (or part of it) to help those from different income groups, who require affordable housing, but are less dependent on full state support and financing. The level of state financing, past and present, was one of the central parts of the reclassification decision.

Secondly, it has provided the opportunity to reassess the terms and conditions of existing funding

schemes, some of which were designed for one-off projects 30 years ago, and not necessarily for large-scale development programmes for developing associations in 2018.

With all these changes, strong stakeholder management and a clarity of roles and responsibilities will be central to this new direction for the ICSH and its members.

To discuss the issues raised in this article, contact

[kathleen.mckillion@campbelltickell.com](mailto:kathleen.mckillion@campbelltickell.com)



John McLean OBE  
Chief executive, Radius Housing Association

## Lessons from the creation of Radius



In April 2017, Radius Housing Association was formed following the merger of Fold and Helm housing associations. What were the key lessons from the merger and what more are we now able to do as a result?

Radius has a turnover of £84m and an asset value of £850m, making us the largest social enterprise in Ireland. We have more than 1,000 staff, and provide housing, care and support to more than 33,000 customers. The new association manages more than 12,500 homes, supporting families, singles, older people and those with complex needs.

Whilst we provide secure, energy-efficient social housing, we also offer a range of support services to enable private householders to continue living independently in the community. These range from Telecare to Telehealth, to floating housing support and a home adaptation consultancy service.

Over the previous 40 years, Helm and Fold had led the way in developing new service delivery models in Northern Ireland including sheltered housing, housing-with-care, mixed tenure

### Key priorities

Radius was founded on three key priorities:

- A **stronger balance sheet** would increase funding options for investing in existing stock and greater growth.
- **Increased capacity in the community** would support greater neighbourhood investment and more sustainable tenancies
- The ability to **invest in new technologies** to enhance our service offering for all our customers and business partners.

housing, floating housing support as well as the use of assistive technology. However, it was felt that by combining our expertise, resources and creativity, even more could be done to alleviate homelessness, reduce housing waiting lists and to help tenants to sustain their tenancies in the face of welfare reforms. In many respects the legacy associations shared a common purpose, vision and aligned values (see box).

Merging offered the opportunity to leverage greater capacity within local communities and to impact

**“By combining our expertise, resources and creativity, even more could be done.”**

more positively on people's lives.

### Approach

So, what were our priorities for the merger and how did we approach the process? We were well placed to meet key challenges, having undertaken a great deal of planning and organisation in advance.

Critical ICT projects were planned in advance encompassing the integration of IT infrastructure, domain migration, system security and new core operating systems. We used the Six Sigma risk-reduction approach to map out core processes across the business.

Many times we set aside Fold and Helm processes in favour of a better process identified elsewhere in the social housing sector.

From the outset we knew that ensuring a meaningful merger required the integration of staff and the development of a new identity. Tenants, staff and board members participated in a series of workshops helping to shape the values and corporate strategy of the new organisation. They also participated in the process of naming the new business. From day one, staff were relocated to create

Continued on page 9 →



Continued from page 8

integrated and mixed working teams.

We developed a 'Future is... Us' staff engagement strategy to underpin the merger (see box). For more than 40 years staff had been loyal and had faithfully served the tenants of Helm and Fold housing associations. The transfer of that same loyalty to a new organisation can neither be rushed nor taken for granted. Our engagement strategy seeks to demonstrate to staff that Radius is equally committed to investing in and empowering them, to provide the best possible service for all our customers.

### Commitment

There was also a commitment given to staff to review terms and conditions within the first 12 months against the market by way

### 'Future is... Us'

Our 'Future is ...Us' programme included:

- Creative workshops with staff and board members informing of the business priorities;
- A new company launch, staged in the community, led by long-serving staff;
- A series of staff conferences highlighting the values of the new business;
- A company-wide briefing programme keeping staff informed;
- A Radius Staff app keeping 1,000 staff informed throughout the merger;
- Team-building events and BBQs helping to establish and strengthen informal networks;
- A staff awards event, 12 months on, showcasing excellent customer service across Radius;
- A bespoke coaching programme cascading from the board, to senior management, to operational managers.



of a modernisation programme. Securing the buy-in of staff has been key to achieving a successful merger. The hard work, dedication and professionalism of Radius staff has helped to embed new processes, systems and working practices in the first 12 months.

### Integration

We recognised that the first two years of Radius would be dominated by the need to integrate people, processes and systems and to embed new working practices. Expectations needed to be managed whilst the new organisation found its feet and staff settled into their new roles and responsibilities.

That's not to say we have been standing still. On the contrary. In our first year we started 490 new homes and took on the management of a further 290 homes. We launched a new Community Investment Strategy together with a new Tenant Engagement Strategy. We invested close to £18m in our current stock, expanded our Dementia-Friendly Communities presence and commenced our signature Visteon Project. This will deliver 244 private, social and affordable homes, community facilities and up to 60,000 square feet of employment space.

In our first year we competed for and were awarded two development projects at Hope Street, Belfast and St Patrick's Barracks, Ballymena. These will deliver more than 500 private and social homes.

We have also had to contend with a number of unforeseen challenges.

**Radius Housing was formed following the merger of Fold and Helm Housing Associations**



Once again, our staff delivered. Radius, like many associations, had to fundamentally review fire safety and protection in light of the tragic events of Grenfell Tower. Also, a key contracting partner chose to exit their contract much earlier than expected, leading to disruption in our repairs service.

Sadly our local politicians have still to agree the basis for commencing a new local assembly. This at a time when key decisions are required on reclassification; improvements to the local housing selection scheme; and Supporting People funding.

Towards the end of our first year we engaged independent consultants to assess the success or otherwise of the Radius merger one year on. The consultants engaged with tenants, residents, families, business partners, suppliers and regulators. Their findings were largely positive.

They identified the progress to date and the commitment from the board and senior management to see the merger through to being a lasting success. The key message to management was not to forget the customer amidst all the efforts, energies and change – especially with the impact and financial hardship of welfare reforms.

We are proud to have successfully created Radius – now we can continue to deliver on our aims to do more in our communities.

*"In our first year we started 490 new homes and took on management of a further 290 homes"*

To discuss the issues raised in this article, contact

[david.williams@campbelltickell.com](mailto:david.williams@campbelltickell.com)



**Lucy C. Cronin**  
*Chairman, iCare Housing and managing partner of Instinctif Partners Dublin*

## Mortgage-to-rent and why it needs to work



**A**lthough it is much maligned and has had many false starts, the revamped mortgage-to-rent scheme is here to stay and has a critical role in resolving long-term mortgage arrears in Ireland.

The system will benefit the state, investors and the banks, but above all it will provide those in long-term arrears with a workable way through their predicament. So what are the issues mortgage-to-rent is attempting to address?

By 2011, the financial crisis had left more than 150,000 Irish families with home loans in mortgage arrears. Worse still there was no real structure to deal with the problem. While the more straightforward cases were dealt with relatively swiftly by the banks, this still left a significant level of mortgage arrears that banks and the state needed to tackle.

The Inter-Departmental Group on (residential) Mortgage Arrears was convened to do just this. Its 2011 report – written by KPMG executive Declan Keane – produced a series of recommendations, including the mortgage-to-rent scheme proposal.

The recommendation was welcomed, not least because mortgage-to-rent is cheaper and more sustainable than emergency accommodation or Housing Assistance Payments. Also (and above all) the approach provides dignity and security to those in arrears. So how does it work?

### Concept

The mortgage-to-rent concept is relatively straightforward. A struggling homeowner who is unable to restructure their mortgage can, under certain conditions, remain in their home as a social housing tenant (see box).

Unfortunately this original set of conditions proved largely unworkable. Of the 4,000 people

who applied to the scheme between 2012 and 2017, just 300 actually qualified. The rules were more complex than they needed to be: the property thresholds were too low; the Approved Housing Bodies tasked with delivering the scheme were unenthusiastic at best; and the funding system was complex.

Fast-forward to 2017 and the mortgage arrears crisis had abated, with overall arrears figures steadily reducing, and over 120,000 solutions implemented by all lenders. Notwithstanding this progress, thousands of cases remained unresolved six years after the initial crisis – the societal impact of which has not to date been measured.

For many families across the country there are a few obvious reasons for this lack of progress: the courts are reluctant to grant repossession orders; the ever-changing legislative and regulatory environment; and

the unwillingness of the banks to recognise intractable cases. However, the bottom line for these families remains that they simply do not have the financial means to restructure their loan and have no prospect of getting their loan back on track.

**“The revamped mortgage-to-rent scheme is here to stay and has a critical role in resolving long-term mortgage arrears in Ireland.”**

### Revamp

As a result, the mortgage-to-rent scheme was revamped in February 2017 as part of the Rebuilding Ireland policy. The scheme now has new valuation rules and more flexibility around eligible house size. These changes, coupled with the advent of focused AHBs such as iCare Housing, should mean mortgage-to-rent can now provide the solution for those in most difficulty and could provide a way out for up to 10,000 homeowners.

To discuss the issues raised in this article, contact

[kathleen.mckillion@campbelltickell.com](mailto:kathleen.mckillion@campbelltickell.com)



### Mortgage-to-rent: the original conditions

Under the initial mortgage-to-rent model, the key conditions were that:

- An applicant must qualify for social housing support;
- The property must be valued below certain thresholds;
- The property must be an appropriate size for that borrower.

**The mortgage-to-rent policy is to be launched after seven years in development**



Eoghan O'Neil  
Senior manager, Corporate Banking, AIB

## Supporting the Irish Social Housing sector



At AIB Corporate Banking we are fortunate to have been working with some of the key operators in the Irish social housing sector over a number of years. It is clear that Ireland's Approved Housing Bodies (AHBs) have become professional, not-for-profit organisations with excellent management teams and a strong desire to deliver housing for those most in need.

Whilst there are numerous AHBs operating in Ireland, over the past decade they have evolved into three key groups: Tiers 1, 2 and 3. There are a range of needs for these organisations, so how are we supporting them to deliver their strategies?

### A funding solution

We currently offer AHBs a long-term loan that matches the term of the main revenue source – social housing rental income. This includes the term of the payment and availability of income in the general social housing model, or the term of the Local Authority Rental Agreement, in the recently launched Enhanced Long-Term Social Housing Lease programme.

This ensures a straightforward transaction and gives the AHB a schedule of repayments, similar to those currently provided by the Housing Finance Agency. We typically only look for security over the assets being acquired and the associated revenue streams. We will not look to restrict an AHB's activity once the property being funded is essentially protected or 'ring fenced' from any potential negative impact from other activities.

We can also provide funding to a newly incorporated, special-purpose AHB or a new investment company being established for a specific



project. We do this once the new entity can demonstrate that the property and tenant management functions will be professionally delivered. For example, there may be a commercial contract with the existing AHB to provide certain necessary services to the newly established project or special-purpose vehicle.

We have worked on projects involving construction and refurbishment of housing. Most recently, AIB Corporate Banking was one of the first funders to provide long-term debt funding to facilitate the purchase of housing from the Housing Agency under its €70m revolving fund.

I believe that we can provide a commercial and very swift funding solution, which allows client flexibility. My team is currently working on four projects ranging from mortgage-to-rent, to a mixed private and social housing scheme.

### Bringing divisions together

As part of the wider AIB Group we also bring together a number of divisions to provide solutions

**AIB is supporting Approved Housing Bodies to help them deliver their strategies**

### Recent AIB funding support

#### €100million

Social Housing Development fund: Construction finance from the AIB Real Estate Finance team to help developers build homes for AHBs under the Rebuilding Ireland policy.

#### €70million

Housing Agency revolving fund: AIB Corporate Banking provided long-term debt to fund the purchase of homes from the Housing Agency.

to the challenges facing AHBs. For example, the AIB Real Estate Finance team provides construction finance. They recently launched a €100m Social Housing Development fund to assist experienced developers to deliver newly built stock to the larger AHBs – a key element of the government's Rebuilding Ireland plans.

Our team also works closely with the AIB Corporate Finance Team, which provides advice on raising finance and investment and indeed mergers or acquisitions within the industry. In addition, AIB's Treasury Team provides advice on Ireland's overall economic outlook as well as bringing solutions to interest rate volatility risk.

Overall, we wish to increase our involvement in the sector and we welcome all opportunities to help AHBs and investors in the sector to deliver on their key growth objectives.

To discuss the issues raised in this article, contact

[kathleen.mckillion@campbelltickell.com](mailto:kathleen.mckillion@campbelltickell.com)





## Strategy and Transformation

Campbell Tickell is a multi-disciplinary management consultancy specialising in housing. We work on governance, business planning, transformation, executive and non-executive recruitment, HR, mergers and growth.

We have worked with the housing regulators for Northern Ireland and the Republic, Northern Ireland Housing Executive, the Housing Agency, Councils, and many large housing associations across the whole of Ireland.

**FIND OUT HOW  
WE CAN HELP:**

Contact Greg Campbell at [greg.campbell@campbelltickell.com](mailto:greg.campbell@campbelltickell.com)  
or Nicola McCrudden at [nicola.mccrudden@campbelltickell.com](mailto:nicola.mccrudden@campbelltickell.com)  
or Kathleen Mckillion at [kathleen.mckillion@campbelltickell.com](mailto:kathleen.mckillion@campbelltickell.com)