

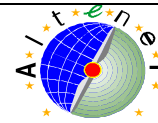


Carbery Housing Association

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Cllr. Noel Harrington MCCC
Chairman Western Committee
Cork County Council,
The Old Mill, Kent Street,
Clonakilty, County Cork

April 24th, 2006.

Dear Cllr Harrington,

Proposals by Carbery Housing Association for the Slip, Bantry.

The Executive Committee of Carbery Housing Association were dismayed and disappointed to read the recent Irish Examiner report "Council Scuppers Plans for Voluntary Housing Scheme" (22.04.06). We have yet to have any formal communication from Cork County Council on this matter, but the report indicates that the Western Committee has rejected the proposals presented by to the Committee on 20.04.06.

We have also been instructed by Mr. Jack Matson to not proceed with the proposed Outline Planning Application for the Slip project, which of course means the loss of the considerable investment made by the Association to date. We are also concerned at the precedent being set, which could create long-term obstacles for Carbery and other voluntary housing projects in the County.

Our understanding is that Cork County Council are committed to encouraging and supporting voluntary housing projects, and there is evidence of this in other parts of the County. The Cork Joint Housing Strategy (2001) is certainly clear in the support of voluntary housing organisations, and Chapter 5 of the Strategy, "Social and Affordable Housing" (Paragraph 5.45) states:

"A continued and enhanced role for the voluntary and co-operative sector will be integral to future provision of housing in Cork. Local Authorities can assist the voluntary and co-operative housing movement through a number of measures: the provision of sites, continued co-ordination with regard to funding mechanisms and allocation of tenancy". This is further reinforced by Policies 1.2 and 1.4 of the Strategy.

The Strategy recognises the shortage of social and affordable housing in the County, inspite of the record production of private housing and the current rate of council house provision. In 2001 the Cork County housing lists stood at over 4,500 households, and demand for housing was growing at the rate of 3,800 additional homes a year. By the Council's own calculations, 37% (increasing yearly) of these households were not be able to afford to buy on the open market, creating a demand for social and affordable housing of around 1,406 homes a year for new households alone, as well as the accumulated demand from households on the housing lists. Given that the combined housing output of the Local Authorities at that time was around 900 p/a this meant that current social and affordable housing output needed to double, to meet the new and accumulated demand.

It is also clear from the Strategy that the main demand is for social housing, not just "affordable" housing. This is because the majority of persons on the List do not have the available income to buy, event what is currently defined as "affordable" housing. The Joint Strategy states that in 1999, 94% of housing applicants had an income of € 12,000 or less, and therefore clearly were not in a position to afford any kind of purchase, not even of the affordable housing being produced by Local Authorities The Strategy emphasised the clear need for increasing the production of social housing for rent, and proposes that the voluntary housing sector could be instrumental in closing this gap.

Company registered by guarantee and not having a share capital (No. 348217).
Charity Number CHY 14260 – Approved Housing Body Status with DoE&LG
Directors: Pat O'Donovan, Dermot O'Regan, Susan Kirwan, José Ospina (Secretary)

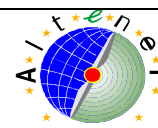


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Encouraged by these and other positive policies, concerned local residents in West Cork decided to set up Carbery Housing Association in September 2001, with the aim of providing sustainable social housing for rent at affordable rents, primarily local people who were locked out of the housing market.

The Association decided from an early stage to prioritise the housing of single people, single parents and childless couples, who seemed to be mainly affected by the shortage. A study carried out by Bantry Integrated Development Group (now West Cork Community Partnership) in 1999 showed that of the 809 households on the housing list in West Cork, 42% were single people, 25% were single parents, 12% were couples and 13% were families with children.

CHA raised funds in the community to register as a non-profit company, a charity and received approval from the Department of Environment Heritage and Local Government for social housing development. We subsequently secured funding from the European Commission (the RENEASE Project) to allow it to research and develop design proposals for sustainable social housing in the region. This project included the participation Cork County Energy Agency.

As a result of this, we were able to identify the bottleneck for voluntary sector social housing, which was the difficulty of buying development land on the open market within DEHLG cost limits for site development. A trawl of sites on offer in West Cork showed that market values were on average 30% (or more) higher than the cost limits allowed. CHA then made an attempt to secure Planning Approval for construction on two sites that not zoned for residential use, and was therefore affordable within cost limits (at Kinaith-Fineen, Bantry) but this was rejected by the County Council officers in early 2003.

As a result of this, the Association took the decision to concentrate on negotiating a site transfer from the Council's land bank. A comprehensive proposal was made to Cork County Council (Western Region) in September 2003, and we met and discussed this proposal with Council officers over several months, providing additional information on the Association and our proposals as required.

The result was the identification by Cork Co. Co. officers of a 2.4-acre site at the Slip, Bantry. The Association then submitted details and costs of possible infrastructure and works, as well as the Association's allocation policy and other management information. In July 2005 we met with Council Officers in Bantry to ask for a definitive commitment on the transfer of the site to CHA for social housing. We were at this point given a written commitment that our proposal for transfer of the Slip site would be put to the Western Committee, conditional on our securing Planning Permission for the Project, and the setting up of a local Management Committee. We were aware that the Western Committee would have to approve this land transfer, as transfer of Local Authority land is a "reserved decision".

On the basis, CHA formed a Bantry Area Sub-Committee, made up of local residents, professionals and community representatives. The Association also tendered for Architectural services for the project, appointing Akiboye Conolly, an experienced architectural practise based in Cork City, to draw up the planning application. As the cost of a detailed Planning Application was considerable, we approached the Vodafone Foundation for financial support to meet these costs, this application being refused in January 2006. As a result, we decided to apply for Outline Planning using our own funds.

The Outline Planning application was completed by Akiboye Conolly in mid-March 2006. We then notified Cork County officers of our intention to submit this application, but we were then asked to make a presentation to the Western Committee prior to this. This we did on 20.04.06, but to our surprise and dismay this presentation was followed by two resolutions from County Councillors from each of the majority parties, effectively blocking our proposals.

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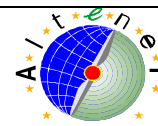


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This has been to say the least demoralising for the Executive Committee, given that in our view we have done nothing more nor less than pursue Cork County Council agreed policy and take seriously commitments made on partnership with the voluntary housing sector, as set out in the Joint Housing Strategy and other documents. Perhaps we have misread something, but we fail to see why the elected members of West Cork should meet efforts that are consistent with their own Strategy with superficial objections and rejection.

Regarding the report in the Examiner, the objection raised by Cllr. Donal Casey (FF) is that CHA has no prior experience of building. Although it is true to say that, five years after its creation, CHA has not been able to build its first project, I think we have explained the reasons for this. Land is not available on the open market that is affordable within housing association cost limits, and it has taken 3 years for Cork County Council to consider (and reject) our request for a transfer of land from the County Council land bank. Perhaps this explains why we have not got very far.

We understand that over the past years several other new housing associations have developed their first social housing projects in the County, some with the active support of the County Council, and mostly in other County regions. Why has this argument of lack of experience never surfaced before?

Also, if CHA as an organisation has not been able to develop a project to date, this does not mean our Committee and Staff do not have the required experience. In fact individuals in CHA have very significant and relevant experience, including:

- Membership of housing co-operative management committee
- Commercial house building
- Professional house joinery
- Planning and surveying
- Structural engineering
- Business management and community enterprise

CHA's Project Manager has over 25 years experience of rehabilitation and new-build project management as well as several years housing management experience. He holds a Certificate in Housing Association Finance, a Masters in Architecture and a postgraduate Certificate in Housing Association Development Management. We also have an experienced bookkeeper working with us.

In addition, CHA has proposed joining the Gwalia Housing Group based in Wales, not because we need any external support, but in order to benefit from the Group's extensive experience in integrating sustainability and renewable energy into their many social housing developments (around 7,000 homes to date).

We therefore believe that this objection is misinformed and lacking in substance as even a superficial investigation would demonstrate.

The other objection, raised by Cllr. John O'Shea (FG) is that CHA's tenants would not be able to buy their homes. Leaving aside the argument of whether it would not be sensible to preserve an adequate pool of social housing for future needs, CHA's intention has been to provide primarily 1 and 2 bedroom homes for single persons and couples, and the most of the homes proposed for the Slip in Bantry are of this type. It is interesting to note that while housing associations are not allowed by law to sell their houses, Cork County Council has opted, as a matter of policy, to not sell its own 2-bedroom council houses to tenants.

Absent from the Committee's considerations seems to be the commitment made by CHA to build sustainable, ecological housing. The reasons for this should need little justification, given that Ireland is heading towards an energy crisis due to its dependency on fossil fuel use and domestic heating is one of the

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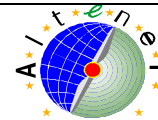


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main problems. As fuel prices rise social housing households will find themselves in ever-greater “fuel-poverty”, spending unacceptable amounts on their income heating.

Thanks to European Commission support, with Partners like the Cork County Energy Agency and the Northern Ireland Housing Executive, have to date researched the feasibility of more sustainable solar design and green building in social housing, and these proposals have been incorporated into our designs for the Slip. CHA also intends to incorporate consultation with future residents on the design and construction of their houses, and has already carried out workshops and training courses to promote this involvement. We would also point out that both of these objectives are encouraged in the Joint Housing Strategy. (Policies 3.6, 4.1 and 4.3).

We are pleased to see that Cllr Sheehan (FG) recalls the County’s “proud record of building”, but sorry that that this pride does not extend to an inclusive attitude to the voluntary housing sector, and an open-mindedness and willingness to listen and incorporate other ideas, experiences and initiatives. We are dismayed the Committee is prepared to simply dismiss our efforts over several years, to contribute to combating housing exclusion, on the basis of superficial, erroneous and tendentious arguments.

It is also regrettable that as result of this decision, our authority to proceed with Outline Planning on this site has been withdrawn, as this would really have given the people of Bantry (who were apparently often referred to by speakers at the meeting) a chance to study and comment on the proposals made by CHA.

We hope that that in the clear light of day our proposals will be seriously studied and considered by the Western Committee and the Council (in the light of the Joint Housing Strategy) and that the people of Bantry will be actually informed and consulted about these proposals, ideally through the statutory Planning process. In particular, the possibility of incorporating these proposals within a Master Plan for the area should be considered.

We hope we are not alone on this, but we still believe that the partnership and collaboration between the Local Authority and the voluntary housing sector proposed in the Joint Housing Strategy is desirable and could be achieved.

Yours sincerely,

Patrick O'Donovan,
Chairman

For the Executive Committee
Carbery Housing Association

Cc Mrs. Teresa White, Assistant County Manager.
Mr. Jerome O'Sullivan, Senior Administrative Officer.
Members of the Western Committee, Cork County Council