

Introduction

The Northern Ireland Federation of Housing Associations believes social housing helps underpin the European Union's objectives. Even though it is not one of the 'competences' of the EU, it contributes in a variety of ways which this paper will outline.

Economic Efficiency

The EU encourages economic efficiency. The availability of a range of housing in a variety of tenures, including decent rented homes for people on modest incomes, contributes to economic development.

Freedom of movement

One of the EU's core principles is the freedom of movement for all citizens. A stock of good-quality rented accommodation is important to help this free movement of labour from one region to another.

Social Inclusion

This term originated in Europe and has been adopted in Northern Ireland. The social housing sector positively promotes social inclusion as affordable rents significantly contribute to people undertaking employment. The benefits structure of the UK is such that high rents become a disincentive for people to take up low-paid employment. If the rent is relatively low, the disincentive effect is less.

A Sustainable Environment

Environmental sustainability is extremely high on the European and World agenda. Social housing in Northern Ireland has positively and practically contributed to this. Today many tenants are reaping the benefits from an increase in spatial standards and greater emphasis on environmental impact measures. These standards are improving all the time so future tenants will gain considerably.

The negative impact of Europe

Even though it does not mean to, Europe sometimes can get in the way. Its complex and large population, bulky political and financial structures and seemingly convoluted bureaucracy can hinder progress.

The potential for EU competition rules to impose completely inappropriate bureaucracy on social housing is illustrated by the long campaign needed to achieve practical rules allowing each member state to continue its subsidy arrangements for social housing.

The EU procurement rules dominate those of the UK and Northern Ireland. Some of them are inappropriate for social housing. For example, an extra delay and additional expense is caused because relatively small housing contracts across Europe must be advertised in the Official Journal of the European Union.

The positive impact of Europe

The *European Investment Bank* has helped associations by lending money at rates lower than the current official rate of lending. Every fraction of a percentage point that can be saved on interest rates has a direct impact on the viability of the organisation and on the rent that has to be charged to the tenants.

The *supported employment programme* has offered associations in Northern Ireland the opportunity to help hundreds of people with learning difficulties to gain employment, in the mainstream, they may not otherwise have been able to access.

The EU's decision to allow sovereign states to decrease *VAT* rates on construction to 5 per cent is welcomed by associations. In the UK the rate of VAT on renovation until 31 Dec 09 is 15 per cent and the rate of VAT on new construction is zero. This has an immediate and long-term impact on the issue of environmental sustainability. The differential tax favours knocking down and rebuilding, rather than making use of what is already there. In environmental terms, often it is not necessary to knock down the entire property or street.

Lately housing has been given some access to *EU structural funds*. On 2 April 09 the European Parliament adopted a measure allowing regional and local authorities to spend EU funds on increasing the energy efficiency and use of renewable energy in existing housing. This significant step means European Regional Development Fund (ERDF) money could co-fund national, regional or local authority schemes to install double glazing, wall insulation or solar panels (for example) in housing, or to replace old boilers with more energy efficiency ones, in all (EU-27) Member States. Previously, the ERDF only funded such schemes in the new (EU-12) Member States, and only in common parts of a building (or the entire building, if it's social housing), in deprived urban areas.

Pan European Networking

NIFHA actively contributes to and works with the European Liaison Committee for Social Housing (CECODHAS). This network promotes the right to decent housing for all and has proved increasingly effective at representing the social housing sector. CECODHAS offers NIFHA the opportunity to network with 45 regional and national federations which together represent over 39,000 public, voluntary and cooperative social housing enterprises in 19 countries. Collectively the group provides over 21 million homes across the European Union and consequently can have considerable influence on EU policy impacting on social housing.

Further Information

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