

**Public Accounts Committee
25 October 2018**

Updating Briefing Paper

Department of Housing, Planning and Local Government (DHPLG)

Vote 34: Housing Expenditure and Delivery

**C and AG Report 2017 - Chapter 10: Funding and Oversight of Approved Housing
Bodies**

Vote 34 - Housing Expenditure and Delivery

This briefing paper has been prepared to update the Public Accounts Committee on, and assist in its consideration of, the 2017 Appropriation Accounts in respect of Vote 34 (Housing Expenditure) and Chapter 10 of the C and AG Report for that year, Funding and Oversight of Approved Housing Bodies.

Housing Expenditure

The following table gives details of expenditure from Vote 34 on Housing Programme subheads over the period 2016-19. Further resources have also been made available in these years from surplus Local Property Tax (LPT) receipts to fund housing programmes as follows: €107m in 2016, €98m in 2017 and €92m in 2018. €93m in LPT receipts will also be available for this purpose in 2019. The LPT figures are included in the table.

| DHPLG Voted Expenditure plus LPT: Housing Programmes 2016-19 (€000s) | | 2016 Outturn | 2017 Outturn | 2018 Estimate | Expenditure to 30 Sept 2018 | 2019 Estimate |
|---|---------|-------------------------|-------------------------|--------------------------|--|--------------------------|
| A.3 - Local Authority Housing | Current | 242,727 | 379,585 | 550,260 | 325,882 | 711,915 |
| | Capital | 251,898 | 446,509 | 638,727 | 401,417 | 824,882 |
| A.4 - Voluntary & Cooperative Housing | Current | 55,335 | 66,698 | 70,000 | 49,169 | 70,000 |
| | Capital | 85,900 | 126,399 | 203,006 | 89,509 | 212,775 |
| A.5 - Social Inclusion | Current | 93,442 | 113,809 | 120,655 | 96,471 | 151,055 |
| | Capital | 4,446 | 4,835 | 12,000 | 1,481 | 13,000 |
| A.6 - Estate Regeneration | Current | - | - | - | - | - |
| | Capital | 121,614 | 112,195 | 128,080 | 61,528 | 140,204 |
| A.7 - Private Housing Grants | Current | - | - | - | - | - |
| | Capital | 40,571 | 48,885 | 53,000 | 27,528 | 57,000 |
| A.8 - Subsidies & Allowances | Current | 3,695 | 3,420 | 4,000 | 1,955 | 4,000 |
| | Capital | 480 | 440 | 600 | 288 | 600 |
| A.9 - Infrastructure Fund | Current | - | - | - | - | - |
| | Capital | - | 1,604 | 75,000 | 1,797 | 130,000 |
| A.10 - Other Services | Current | 5,944 | 8,747 | 16,080 | 10,959 | 24,007 |
| | Capital | 36,919 | 95,364 | 30,950 | 20,710 | 32,950 |
| Total | | 942,971 | 1,408,490 | 1,902,358 | 1,088,694 | 2,372,388 |

Housing Delivery

The Rebuilding Ireland: Action Plan on Housing and Homelessness provides for a significantly increased programme of investment in a range of housing supports to be delivered over the period 2016 to 2021. Key deliverables are as follows:

- From 2016 to the end of Quarter 2 2018, a total of 57,000 social housing supports across all delivery streams have been delivered. By the end of 2018, it is expected that this number will have grown to approximately 70,000;
- There is a commitment to support 137,000 households into appropriate accommodation under Build, Acquisition and Leasing and HAP and RAS programmes over the 6 year period. By the end of Year 3 (2018), more than 50% of that target will be achieved;
- A key objective of Rebuilding Ireland focuses on expanding significantly local authority and Approved Housing Body capacity to build more social housing. The Quarter 2 2018 Construction Status Report, published in September 2018, includes over 1,060 schemes (or phases of schemes), delivering some 16,350 homes, at various stages of progress; this represents a significant increase since end-2016, when the programme encompassed some 500 schemes, delivering over 8,400 homes. Of the 16,350 homes in the programme at end Q2 2018, 3,518 homes had already been delivered; a further 4,602 were under construction, 1,577 more were at the final pre-construction stage and the remainder were progressing through the various stages of planning, design and procurement;
- 2,332 adults exited homelessness into an independent tenancy in the first 6 months of 2018;
- 4,462 households to date have been assisted under Homeless HAP;
- Over 200 Housing First tenancies have been established;
- Local authorities in Dublin continue to work on expanding their Family Hub Programmes so that improved short-term emergency accommodation is provided.

In order to support the delivery of affordable housing, the Government has committed €310 million to support the Serviced Sites Fund (SSF), as part of Budget 2019. The Exchequer contribution is €275 million, with €35 million to be contributed by local authorities. The funding is available for key facilitating infrastructure, on local authority sites, to support the provision of affordable homes to



purchase or rent. The applications received in response to the first call for proposals for funding are currently being assessed.

In addition, the Land Development Agency (LDA) was launched by the Government in September 2018. The LDA will build 150,000 new homes over the next 20 years. The focus of this new Agency is on managing the State's own lands to develop new homes and regenerate under-utilised sites.

Table 1 sets out the key Rebuilding Ireland targets between 2016 and 2021 and the progress made over the period 2016 to end Q2 2018.

Social Housing Programmes: Delivery 2016-21

Table 1

|  Rebuilding Ireland - Targets and Progress  | | | | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------------------|---------------|---------------|---------------|-----------------------------|-----------------------------------|
| Year/Category | Target 2016 | Output 2016 | Target 2017 | Output 2017 | Target 2018 | Indicative Output Q2 2018 | Target 2019 | Target 2020 | Target 2021 | Overall Target 2016 to 2021 | Cumulative Delivery (end Q2 2018) |
| New Build | 760 | 664 | 2,434 | 2,297 | 4,409 | 1,051 | 6,242 | 7,556 | 8,737 | 30,138 | 4,012 |
| Voids | 1,500 | 2,308 | 766 | 1,757 | 560 | 387 | 303 | 180 | 170 | 3,479 | 4,452 |
| Acquisition | 1,755 | 1,950 | 1,250 | 2,214 | 900 | 1,181 | 1,325 | 800 | 800 | 6,830 | 5,345 |
| Lease | 225 | 792 | 600 | 827 | 2,000 | 295 | 2,130 | 2,631 | 2,450 | 10,036 | 1,914 |
| Subtotal | 4,240 | 5,714 | 5,050 | 7,095 | 7,869 | 2,914 | 10,000 | 11,167 | 12,157 | 50,483 | 15,723 |
| RAS | 1,000 | 1,256 | 1,000 | 890 | 600 | 361 | 600 | 600 | 0 | 3,800 | 2,507 |
| HAP | 12,000 | 12,075 | 15,000 | 17,916 | 17,000 | 9,083 | 16,760 | 13,000 | 10,000 | 83,760 | 39,074 |
| Subtotal | 13,000 | 13,331 | 16,000 | 18,806 | 17,600 | 9,444 | 17,360 | 13,600 | 10,000 | 87,560 | 41,581 |
| Overall Total | 17,240 | 19,045 | 21,050 | 25,901 | 25,469 | 12,358 | 27,360 | 24,767 | 22,157 | 138,043 | 57,304 |

Notes

The New Build category includes outputs under LA and AHB Build programmes, Regeneration and Part V

The Acquisition category includes outputs under LA and AHB Acquisition

Further detail on delivery under individual sub-programmes is published on the Department's website

C and AG Report 2017 - Chapter 10: Funding and Oversight of Approved Housing Bodies

Chapter 10 of the C&AG Annual Report 2017 dealt specifically with the Funding and Oversight of Approved Housing Bodies (AHBs). The following is an update on the recommendations and issues arising from the Chapter.

Para 10.29 Regulation of AHBs

Approved Housing Bodies have to be approved by the Minister for Housing, Planning and Local Government, in accordance with section 6 of the Housing (Miscellaneous Provisions) Act 1992 to be eligible for funding to construct or purchase homes for social housing. To become an AHB, the body must comply with a range of criteria including that it is an independent, not-for-profit organisation that:

- has as its goal the relief of housing needs, to assist with cases of poverty or hardship, including the welfare of Travellers, and the delivery and management of housing;
- has in its Memorandum and Articles of Association or registered rules, provisions preventing the distribution of any surplus, profit, bonus or dividend to its members;
- ensures that its assets are applied solely towards its objects.

The oversight of AHBs is currently conducted through the Voluntary Regulation Code (VRC), Building for the Future, A Voluntary Regulation Code for Approved Housing Bodies in Ireland. The VRC is overseen by the Interim Regulation Committee (IRC), based in the Housing Agency. Since the Code was put in place, any AHB applying for housing funding from the Department and local authorities must furnish proof of compliance with the Voluntary Code.

The Department is at an advanced stage in preparing legislation to establish a statutory regulatory framework for the Approved Housing Body sector, which will include establishing the code on a statutory basis. The Regulator will be responsible for approving and registering housing bodies and the setting of standards for the sector and ensuring AHBs compliance with the standards. The Bill will provide for extensive powers to the Regulator in relation to the undertaking of inquiries, investigations and assessments. The Regulator will also have enforcement and publishing powers. The

Department is working with the Office of the Parliamentary Counsel to finalise the text of the Bill and it is expected that, subject to Government approval, it will be published shortly.

Recommendation 10.2

In September 2018, the interim Regulation Office wrote to AHBs that had not signed up to the Voluntary Regulation Code for Approved Housing Bodies to remind them of the requirement to sign up to the Code and have a satisfactory assessment to be eligible for funding.

Following on from this correspondence, the Department has commenced the process of reviewing the status of AHBs which are not signed up to the Code. It is anticipated that this will be an extensive operation as there are currently 547 approved bodies, of which 246 had signed up to the Code by the middle of 2018.

Recommendation 10.3

The Department has begun the process of reviewing all circulars relating to AHB activity to ensure that they set out the requirements of the DPER Circular 13/2014 and that the processes stemming from the circulars are compliant with the circular. The review will be completed by January 2019.

A Value for Money (VFM) Report entitled "*The oversight role of local authorities in the provision of social housing by Approved Housing Bodies*" was published by the Local Government Audit Service in December 2015. The Report contained 13 recommendations covering a range of issues on managing the funding arrangements between local authorities and AHBs. In line with established practice in relation to VFM reports, a follow up exercise to review the implementation of the report's recommendations is underway and this is expected to be finalised in early 2019.

DHPLG,

19 October 2018