

**Public Accounts Committee  
28 February 2019**

**Briefing Paper**

**Department of Housing, Planning and Local Government (DHPLG)**

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**Vote 34: DHPLG 2017, 2018 and 2019**

**Chapter 4: Central Government Funding of Local Authorities/  
Local Government Fund Account 2017**

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## Vote 34: DHPLG 2017, 2018 and 2019

This briefing paper has been prepared to update the Public Accounts Committee and assist in its consideration of the 2017 Appropriation Account in respect of Vote 34, Chapter 4 of the C and AG Report for that year, and the 2017 Local Government Fund Account.

### Expenditure Trends 2017-19

An overview of the trend in DHPLG expenditure 2014-19 is set out below. It shows an aggregate increase in expenditure from 2014 to 2019 of over €3bn (336%) driven principally by additional resources allocated to fund the implementation of *Rebuilding Ireland* and, from 2018, Irish Water funding being provided through the Vote.

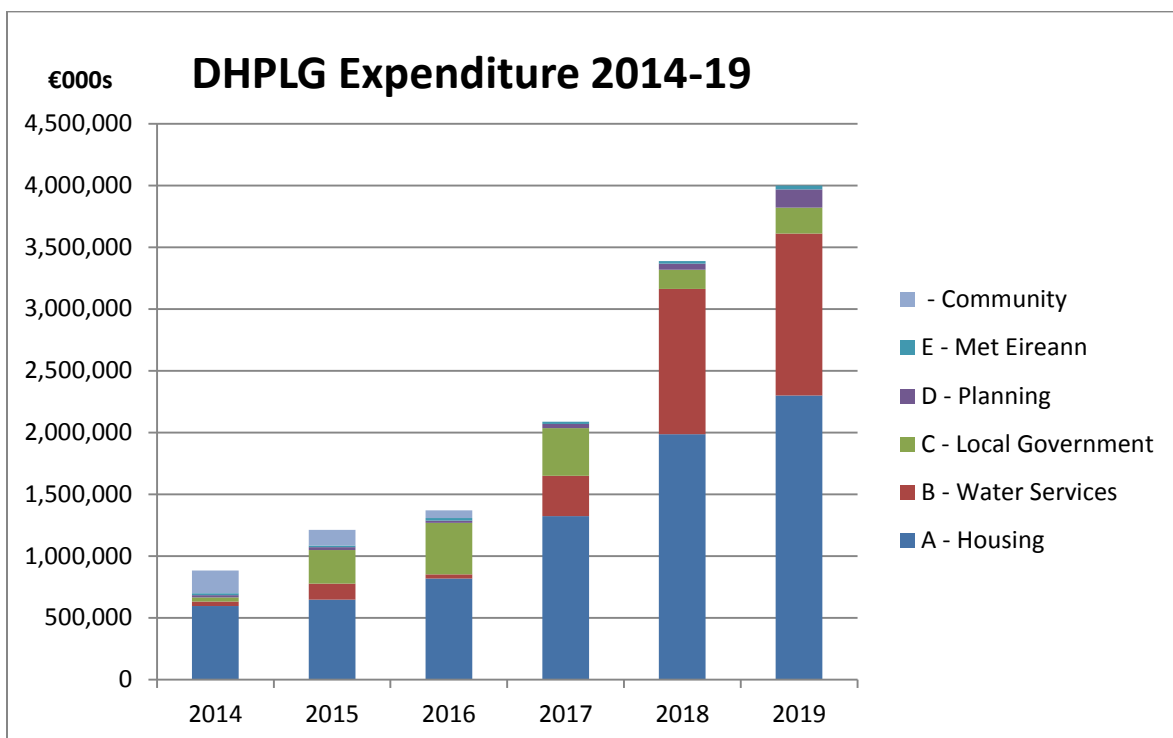
More detailed tables in respect of 2017–18 and 2019, broken down at subhead level (both capital and current), are also presented below.

DHPLG's gross expenditure in 2017 was €2.087bn in respect of the Department's Vote, representing an increase of 49% on the outturn for 2016. This was comprised of current expenditure of €1.295bn and capital expenditure of €792m. An additional €98m was available from Local Property Tax (LPT) receipts in 2017 to fund housing programmes of certain local authorities with LPT allocations that exceeded the LPT baseline.

Expenditure in 2018 was €3.387bn in respect of the Department's Vote, representing an increase of 62% on the outturn for 2017. This was comprised of current expenditure of €1.613bn and capital expenditure of €1.774bn. An additional €92m from LPT receipts was also used by certain local authorities to fund housing programmes.

As regards 2019, gross expenditure is estimated to be €3.998bn in respect of the Department's Vote, representing an increase of 18% on the outturn for 2018. This is comprised of current expenditure of €1.875bn and capital expenditure of €2.124bn. An additional €93m from LPT receipts will also be used by certain local authorities to fund housing programmes.

Gross Expenditure (€000s)	2017	2018	2019
	Outturn	Prov. Outturn	REV
<b>Total</b>	<b>€2,087,158</b>	<b>€3,387,145</b>	<b>€3,998,478</b>
<i>Current</i>	€1,294,862	€1,612,925	€1,874,888
<i>Capital</i>	€792,296	€1,774,220	€2,123,590



<b>DHPLG GROSS EXPENDITURE 2017-18 (€000s)</b>	<b>€000s</b>	<b>2017 Outturn</b>	<b>2018 Prov. Outturn</b>
	<b>Current</b>	<b>1,294,862</b>	<b>1,612,925</b>
	<b>Capital</b>	<b>792,296</b>	<b>1,774,220</b>
	<b>Gross</b>	<b>2,087,158</b>	<b>3,387,145</b>
A.3 - LOCAL AUTHORITY HOUSING	Current	379,585	520,333
	Capital	396,447	810,679
A.4 - VOLUNTARY & CO-OPERATIVE HOUSING	Current	45,921	53,208
	Capital	105,231	206,031
A.5 - HOUSING INCLUSION SUPPORTS	Current	113,470	144,423
	Capital	4,835	6,264
A.6 - ESTATE REGEN. - SOCIAL HOUSING IMPROVEMENTS	Current	-	0
	Capital	111,094	121,545
A.7 - PRIVATE HOUSING GRANTS	Current	-	0
	Capital	44,537	49,244
A.8 - SUBSIDIES AND ALLOWANCES	Current	2,969	2,423
	Capital	437	417
A.9 - INFRASTRUCTURE FUND	Current	-	0
	Capital	1,604	6,888
A.10 - OTHER SERVICES	Current	8,747	16,180
	Capital	95,364	30,950
B.3 - WATER QUALITY PROGRAMME	Current	8,527	10,100
	Capital	3,296	3,649
B.4 - RURAL WATER PROGRAMME	Current	-	23,520
	Capital	15,351	15,602

B.5 – FORESHORE	Current	715	967
	Capital	-	119
B.6– IRISH WATER	Current	291,535	600,000
	Capital	-	500,000
B.7/B.8 (2018)–REMEDATION GRANT/NATIONAL LEAD STRATEGY	Current	-	0
	Capital	132	47
B.7– LOCAL AUTHORITIES (2018)	Current	-	13,001
	Capital	-	0
B.8/B.10 (2018) – OTHER SERVICES	Current	426	0
	Capital	-	0
B.9- WATER ADVISORY BODY (2018)	Current	-	-
	Capital	-	-
C 3 - LOCAL GOVERNMENT FUND	Current	365,300	124,800
	Capital	-	0
C.4 - FIRE AND EMERGENCY SERVICES	Current	890	1,089
	Capital	10,938	10,869
C.5 – FRANCHISE	Current	81	585
	Capital	-	0
C.6 - OTHER SERVICES	Current	303	9,936
	Capital	-	0
D.3 - AN BORD PLEANÁLA	Current	15,780	17,031
	Capital	1,180	483
D.4 - PLANNING TRIBUNAL	Current	11,443	4,322
	Capital	-	0
D.5 -OFFICE OF THE PLANNING REGULATOR	Current	-	259
	Capital	-	0
D.6 -PLANNING POLICY	Current	334	550
	Capital	-	0
D.7 - FORWARD PLANNING	Current	544	247
	Capital	-	0
D.8 - MY PLAN	Current	142	121
	Capital	-	0
D.9 - URBAN RENEWAL/ REGENERATION	Current	-	0
	Capital	-	0
D.10 - DEVELOPMENT CONTRIBUTION REBATE SCHEME	Current	-	0
	Capital	-	6,685
D.11/D12 (2018) – OTHER SERVICES	Current	98	29
	Capital	-	0
D.11 – ORDNANCE SURVEY IRELAND (2018)	Current	-	14,608
	Capital	-	985
D.13 – LAND DEVELOPMENT AGENCY (2018)	Current	-	254
	Capital	-	-
E.3 - SUBS TO INTERNATIONAL METEOROLOGICAL ORG.	Current	197	3,000
	Capital	-	0
E.4 -FLOOD FORECASTING AND WARNING SERVICE (2018)	Current	-	-
	Capital	-	165
F - APPROPRIATIONS IN AID	Current	-64,129	-69,674
	Capital	-	0
Administration	Current	47,855	51,939
	Capital	1,851	3,598

<b>DHPLG Estimated Expenditure 2019 (€000s)</b>	<b>€000s</b>	<b>2019 Estimate</b>
	<b>Current</b>	<b>1,874,888</b>
	<b>Capital</b>	<b>2,123,590</b>
	<b>Gross</b>	<b>3,998,478</b>
A.3 - LOCAL AUTHORITY HOUSING	Current	0
	Capital	747,471
A.4-SOCIAL HOUSING CURRENT EXPENDITURE PROGRAMME	Current	154,886
	Capital	0
A.5 – RENTAL ACCOMMODATION SCHEME	Current	134,300
	Capital	0
A.6 –HOUSING ASSISTANCE PAYMENT SCHEME	Current	422,729
	Capital	0
A.7 – CAPITAL ASSISTANCE SCHEME	Current	0
	Capital	94,875
A.8 – CAPITAL LOANS & SUBSIDY SCHEME	Current	54,750
	Capital	0
A.9. COMMUNAL FACILITIES	Current	0
	Capital	500
A.10. MORTGAGE TO RENT	Current	0
	Capital	23,000
A.11. CAPITAL ADVANCE LEASING FACILITY	Current	0
	Capital	94,400
A.12. TRAVELLER ACCOMMODATION & SUPPORT	Current	4,710
	Capital	13,000
A.13. ACCOMMODATION FOR HOMELESS	Current	146,000
	Capital	0
A.14. HOUSING FOR PEOPLE WITH A DISABILITY	Current	345
	Capital	0
A.15. ESTATE REGENERATION / REMEDIAL WORKS	Current	0
	Capital	71,750
A.16. ENERGY EFFICIENCY - RETROFITTING	Current	0
	Capital	30,454
A.17. REPAIR AND LEASING SCHEME	Current	0
	Capital	38,000
A.18. PRIVATE HOUSING GRANTS	Current	0
	Capital	57,000
A.19. MORTGAGE ALLOWANCES	Current	0
	Capital	600
A.20. AFFORDABLE HOUSING / SHARED OWNERSHIP SUBSIDY	Current	4,000
	Capital	0
A.21. INFRASTRUCTURE FUND	Current	0
	Capital	130,000
A.22. PYRITE RESOLUTION BOARD	Current	0
	Capital	32,000
A.23. HOUSING & SUSTAINABLE COMMUNITIES AGENCY	Current	10,000
	Capital	0
A.24. RESIDENTIAL TENANCIES BOARD	Current	11,511
	Capital	950

A.25. OTHER SERVICES	Current	2,496
	Capital	0
B.3 - WATER QUALITY PROGRAMME	Current	14,849
	Capital	8,300
B.4 - RURAL WATER PROGRAMME	Current	24,000
	Capital	23,000
B.5 – IRISH WATER	Current	562,500
	Capital	646,000
B.6– LOCAL AUTHORITIES	Current	16,500
	Capital	0
B.7– LEGACY WATER ENVIRONMENTAL ISSUES	Current	0
	Capital	7,000
B.8– WATER ADVISORY BODY	Current	220
	Capital	0
B.9 - OTHER SERVICES	Current	34
	Capital	0
C 3 - LOCAL GOVERNMENT FUND	Current	185,000
	Capital	0
C.4 - FIRE AND EMERGENCY SERVICES	Current	1,250
	Capital	11,175
C.5 – FRANCHISE	Current	3,912
	Capital	500
C.6 - OTHER SERVICES	Current	993
	Capital	0
D.3 - AN BORD PLEANÁLA	Current	18,088
	Capital	460
D.4 - PLANNING TRIBUNAL	Current	5,582
	Capital	0
D.5 -OFFICE OF THE PLANNING REGULATOR	Current	2,367
	Capital	0
D.6 -PLANNING POLICY	Current	420
	Capital	0
D.7 - FORWARD PLANNING	Current	250
	Capital	0
D.8 - MY PLAN	Current	135
	Capital	0
D.9 - URBAN RENEWAL/ REGENERATION	Current	0
	Capital	63,000
D.10 - DEVELOPMENT CONTRIBUTION REBATE SCHEME	Current	0
	Capital	0
D.11 - ORDNANCE SURVEY IRELAND	Current	14,778
	Capital	985
D.12 – LAND DEVELOPMENT AGENCY	Current	3,549
	Capital	16,500
D.13 – FORESHORE	Current	4,958
	Capital	670
D.14 – MARINE SPATIAL PLANNING	Current	500
	Capital	0
D.15 - OTHER SERVICES	Current	110
	Capital	0

E.3 - SUBS TO INTERNATIONAL METEOROLOGICAL ORG.	Current Capital	4,838 0
E.4 -FLOOD FORECASTING AND WARNING SERVICE	Current Capital	150 1,500
F - APPROPRIATIONS IN AID	Current Capital	-59,175 -2,000
Administration	Current Capital	64,178 10,500

## 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 2018, over 72,000 social housing supports across all delivery streams have been delivered. By the end of 2019, it is expected that this number will have grown to approximately 100,000;
- There is a commitment to support 138,000 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 had been achieved;
- A key objective of *Rebuilding Ireland* focuses on expanding significantly the building of more social housing through local authorities and Approved Housing Bodies. Significant progress has been made on build output: there was an 85% increase in new build social homes in 2018 when compared to 2017.
- 3,752 adults exited homelessness into an independent tenancy in the first 9 months of 2018. This represents an increase of 431 (13%) on the 3,321 recorded over the same period in 2017.
- Prevention continues to be a critical priority and, through a range of schemes, families and individuals have been prevented from entering homelessness. 6,606 households to date (18 February 2019) have been assisted under Homeless HAP;
- Over 300 new permanent emergency beds were delivered in the Dublin region in 2018;
- 250 Housing First tenancies have been created for 214 unique individuals across the four Dublin local authority areas to date. The experience with Housing First thus far shows a level of tenancy sustainment of over 85%. A National Implementation Plan for Housing First was

launched in September 2018 which sets a target of an additional 663 tenancies, with targets set for each local authority, for the period 2018-2021.

- By the end of 2018, there were 26 Family Hubs operating nationally, 22 in Dublin and one each in Kildare, Cork, Limerick and Louth; combined, they provided over 600 units of family accommodation.
- An allocation of €116 million was made for homeless services for 2018, which was an additional €18 million, or 18%, on the 2017 provision of €98 million.

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

In order to support the delivery of affordable housing, the Government has committed €310 million over the three years 2019 – 2021 to 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.



On foot of the first call for SSF proposals, which issued to local authorities in Dublin, the Greater Dublin Area, Cork and Galway City, approval in principle was issued in December 2018 for ten projects at a cost of €43m, which will support the delivery of some 1,400 affordable homes.

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**

**Social Housing Programmes: Delivery 2016-21**

 <b>Rebuilding Ireland - Targets and Progress</b> 											
Year/Category	Target 2016	Output 2016	Target 2017	Output 2017	Target 2018	Output 2018	Target 2019	Target 2020	Target 2021	Overall Target 2016 to 2021	Cumulative Delivery (end Q4 2018)
Build	2,260	2,965	3,200	4,054	4,969	4,811	6,545	7,736	8,907	33,617	9,388
Acquisition	1,755	1,957	1,250	2,214	900	2,610	1,325	800	800	6,830	5,832
Lease	225	792	600	827	2,000	1,001	2,130	2,631	2,450	10,036	2,095
<b>Subtotal</b>	<b>4,240</b>	<b>5,714</b>	<b>5,050</b>	<b>7,095</b>	<b>7,869</b>	<b>8,422</b>	<b>10,000</b>	<b>11,167</b>	<b>12,157</b>	<b>50,483</b>	<b>21,231</b>
RAS	1,000	1,256	1,000	890	600	755	600	600	0	3,800	2,680
HAP	12,000	12,075	15,000	17,916	17,000	17,926	16,760	13,000	10,000	83,760	43,732
<b>Subtotal</b>	<b>13,000</b>	<b>13,331</b>	<b>16,000</b>	<b>18,806</b>	<b>17,600</b>	<b>18,681</b>	<b>17,360</b>	<b>13,600</b>	<b>10,000</b>	<b>87,560</b>	<b>50,818</b>
<b>Overall Total</b>	<b>17,240</b>	<b>19,045</b>	<b>21,050</b>	<b>25,901</b>	<b>25,469</b>	<b>27,103</b>	<b>27,360</b>	<b>24,767</b>	<b>22,157</b>	<b>138,043</b>	<b>72,049</b>

## **Chapter 4: Central Government Funding of Local Authorities/**

### **Local Government Fund Account 2017**

#### **Local Government Fund**

The Local Government Fund (LGF) was, up to and including 2017, funded principally by motor taxation and Local Property Tax (LPT), which is collected by the Revenue Commissioners; a payment was also made to the Fund from the Department's Vote. The main payments from the Fund were to local authorities, Irish Water, the Department of Transport, Tourism and Sport, as well as the Exchequer.

Following the Report of the Joint Oireachtas Committee on the Future Funding of Domestic Water Services, the Government decided that, from 2018, all State funding to Irish Water in respect of domestic water services would be met from the Vote of the Department, rather than from the LGF. This was reflected in the amount of €1.1 billion (€600 million on the current side and €500 million capital) which was included in the 2018 DHPLG Estimate to meet Irish Water costs in respect of domestic water services and a capital contribution towards investment.

In tandem with Irish Water funding moving from the LGF to the Vote in 2018, other changes were made to the Fund which aimed to return it more fully to its original purpose of funding local authorities and to end circular flows of funds that had built-up over the years. From 2018:

- motor tax receipts have gone directly to the Exchequer;
- payments in respect of Road and Public Transport Infrastructure, previously met from the LGF, have been met from the Vote of the Department of Transport, Tourism and Sport; and
- there has been no further requirement for a payment from the LGF to the Exchequer.

From 2018, after these changes, the position is that the income sources into the Fund are: LPT and a payment from the Exchequer. DHPLG payments from the Fund relate primarily to LPT allocations to local authorities. Income and expenditure details in respect of the Fund for the years 2014-19 are set out below.

<b>LGF Income 2014-19 (€m)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018*</b>	<b>2019*</b>
Motor Tax (net)	1,157.6	1,122.0	1,049.9	1,019.9	-	-
Exchequer Contribution	-	241.1	396.6	365.3	124.8	185.0
Household Charge	0.174	-	-	-	-	-
Local Property Tax	491.4	469.2	463.4	476.5	470.0	470.0
Interest/Other	0.367	0.2	-	-	-	-
<b>Total</b>	<b>1,649.5</b>	<b>1,832.5</b>	<b>1,909.9</b>	<b>1,861.7</b>	<b>594.8</b>	<b>655.0</b>

<b>LGF Expenditure 2014-19 (€m)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018*</b>	<b>2019*</b>
General Purpose Grants	281.3	-	-	-	-	-
Local Property Tax	-	458.9	453.3	500.8	504.1	503.0
Road and Public Transport Payments	361.9	355.5	348.7	333.0	-	-
Payment to Exchequer	520.0	481.0	317.9	230.0	-	-
Irish Water Subvention	439.1	399.0	652.1	638.7	-	-
Local Authority Rates Payments	-	46.3	46.0	46.6	47.0	47.0
Other Miscellaneous	89.4	62.3	107.8	83.3	69.6	96.0
<b>Total</b>	<b>1,691.7</b>	<b>1,803.0</b>	<b>1,925.8</b>	<b>1,832.4</b>	<b>620.7</b>	<b>646.0</b>

\*2018/2019 – Estimated

**DHPLG,  
21 February 2019.**