

**Statement to the Dáil Select Committee on Housing, Planning and Local Government by  
Mr. Eoghan Murphy T.D., Minister for Housing, Planning and Local Government  
Wednesday 15 November 2017**

**Further Revised Estimate 2017**

**Introduction**

Chair, Members,

I welcome the opportunity to discuss with the Select Committee this morning my Department's Further Revised Estimate for 2017. I am accompanied by:

- Ministers of State Damien English and John Paul Phelan, and
- Department officials: John McCarthy (Secretary General), Mary Hurley, Maria Graham, Lorraine O'Donohue, David Walsh, Maurice Coughlan, Theresa Donohue and Janet Jacobs.

**Department's Vote 2017**

The 2017 Revised Estimate for my Department was published last December and was considered in Select Committee last March. That Estimate is now being revised to do 2 things:

- firstly, to take account of the transfer of Community functions from my Department to the newly-established Department of Rural and Community Development, under the leadership of my colleague Minister Michael Ring,
- and, secondly, to reflect the Government Decision on the future funding model for Irish Water and the planned refund of water charge payments made by domestic customers.

**Community Functions**

I'll take the Community transfer element first. On 14 June 2017, the Taoiseach announced his intention to establish a new Government Department to undertake responsibilities in relation to Rural and Community Development matters and to be led by Minister Michael Ring. This has resulted in the transfer of Community-related functions from my Department and of associated spending subheads from its Vote. The two Community business units which have transferred to the new Department cover:

- Community and Voluntary Supports and Programmes; and
- Social Inclusion and Communities.

These business units have a budget of €77.5 million for 2017, including administration costs. The transfer comprises a total of €67 million in Current expenditure and €10.5 million in Capital expenditure, together with Appropriations-in-Aid amounting to €6.3 million.

I have circulated with my statement a table that summarises the financial transfers, which in accordance with established practice cover all spending in the areas concerned in the full-year 2017. In addition, the relevant staff implementing these programmes have moved to work in the new Department.

### **Irish Water Funding**

Moving on to the funding for Irish Water, the new Estimate for 2017 also reflects the Government Decision on the future funding model for Irish Water and the planned refunds to domestic customers.

The Water Services Bill 2017, currently in the Seanad, provides for the repeal of the 2014 domestic water charging regime and introduces a new programme focused on the promotion of water conservation under which a levy will apply in certain circumstances for usage of water above a reasonable threshold. In making these changes, provision is made in the Bill for the extinguishing of liabilities under the current regime and the making of refunds to the 990,000 customers who paid in accordance with the 2014 Act. This will give rise to a new funding model for Irish Water, which is underpinned by the Bill. In so doing, the Bill reflects the recommendations of the Oireachtas Joint Committee on the Future Funding of Domestic Water Services, which was adopted by both Houses last April.

Accordingly, a provision of some €293 million for payment to Irish Water has been made in the revised Estimate, in Programme B Water Services. This figure includes €173 million needed to pay refunds to the 990,000 domestic customers; there are also administrative costs associated with the refund process, estimated to amount to almost €5.9 million. In addition, €114 million is being provided to cover the additional funding required by Irish Water arising from the extension of the suspension of domestic water charges to the end of 2017.

## Conclusion

In conclusion, following the transfer of Community functions and the making of the new provision for Irish Water, the Gross Budget for my Department in 2017 now stands at €1.995 billion. Taking into account the changes in these 2 programme areas, this represents an increase of €215 million on the Revised Estimate published last December. I'm, of course, happy to discuss the details involved with the Committee. Thank you.

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### Summary Table

#### Transfer to the Department of Rural and Community Development from the Department of Housing, Planning and Local Government

<b>PROGRAMME EXPENDITURE - COMMUNITY</b>	<b>Current €'000</b>	<b>Capital €'000</b>
Administration costs	2,419	66
Supports for Community and Voluntary Sector	12,687	
SICAP, Local/Regional Development Supports	42,230	
Local Community Development Committees	1,615	
RAPID		5,000
Dormant Accounts	5,750	
Programme for Peace and Reconciliation	100	700
Irish Water Safety	1,007	
Library Development and Archive Service	1,102	2,750
Community Facilities Fund		2,000
Other Services	35	
<b>TOTAL Programme Expenditure</b>	<b>66,945</b>	<b>10,516</b>

<b>Appropriations-in-Aid:</b>	<b>Current €'000</b>	<b>Capital €'000</b>
Dormant Accounts	5,750	
Pension Related Deduction	94	
Programme for Peace and Reconciliation		480
<b>TOTAL Receipts</b>	<b>5,844</b>	<b>480</b>