

**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
Tuesday 5 December 2017**

Supplementary Estimate 2017

Introduction

Chair, Members,

I welcome the opportunity to discuss with the Select Committee this afternoon my Department's proposed Supplementary Estimate for 2017.

Today, I am accompanied by Departmental officials Ms. Mary Hurley, Mr. Maurice Coughlan, Ms. Nina Murray, Ms. Theresa Donohue and Ms. Janet Jacobs.

Department's Vote 2017

Committee members, you will recall that during November, we discussed a revised estimate for my Department, which did two things:

- firstly, it took account of the transfer of Community functions from my Department to the newly-established Department of Rural and Community Development; and
- secondly, it reflected the Government Decision on the future funding model for Irish Water and made provision for the refund of water charge payments made by domestic customers.

With these changes, the revised budget for my Department in 2017, was set at €1.995 billion.

Supplementary Estimate 2017

I am, today, bringing forward for consideration by the Committee a proposal for a Supplementary Estimate that will provide an additional €92 million to fund the Local Authority Housing Capital Programme and €8 million for the National Regeneration Programme.

This additional €100 million will see the housing budget for my Department increase to €1.4 billion for 2017.

Local Authority Housing Capital Programme

As you will be aware, when attending the Committee on the 15 November last, I set out the position in relation to spending on the Vote in 2017 and indicated how the spend was being kept under close review in my Department, as we move towards year-end.

I also indicated that my Department were continuing to engage with the Department of Public Expenditure and Reform, as required, in finalising the position on the Vote for 2017.

It's clear that very significant momentum is now building up on the local authority housing capital programme. Local authorities are responding to the housing challenges in their areas by accelerating delivery and progress in terms of advancing social housing projects on site is strong. In line with the targets set out in Rebuilding Ireland, local authorities are now engaged in large scale construction activity throughout the country, with well over 700 developments advancing through various stages across the country at the end of Quarter 2 this year.

This increased momentum will follow through into 2018, when there will be a further quantum leap in housing funding and delivery, with the Government making over €1.9 billion available for housing programmes in 2018.

But today we must deal with the impacts of this momentum in 2017. Additional capital funding is now required to meet commitments arising from increased activity, including the costs associated with

- the accelerated delivery of social housing units;
- the provision of Family Hubs and other emergency accommodation for homeless families and those who are sleeping rough; and
- acquisition opportunities, which are being taken up as they arise, and where they represent good value for money and do not adversely impact on local housing markets.

€264 million in exchequer funding was originally provided for local authority construction and acquisition activity in my Department's Vote for 2017. Taking into account also:

- €35 million that has been reallocated from LIHAF,
- €43 million in surplus Local Property Tax receipts, and
- the €92 million now sought in additional exchequer funding,

the total available for the main local authority construction and acquisition programme in 2017, will now amount to some €434 million.

The target for 2017 is to deliver over 21,000 new social housing supports and I am confident that we will significantly exceed this target under the various housing delivery programmes.

As we move towards end year, my Department are working closely with local authorities and approved housing bodies in relation to all aspects of their housing delivery and housing outputs for 2017.

Once these have been finalised, I will revert to the Committee in relation to activity and final 2017 outputs early in the New Year.

National Regeneration Programme

Supplementary funding of €8 million is also required to ensure continued activity under the national regeneration programme in 2017. This will support the increased construction activity currently underway in Dublin [Dolphin House] and Limerick, along with ensuring that the programme of social and economic initiatives central to the regeneration programme also continues to be supported. Some 150 new social houses will be delivered this year under the regeneration programme.

Conclusion

With the additional funding now proposed, the total Vote for my Department will amount to €2.095 billion in 2017.

I am, of course, happy to discuss the details of the Supplementary Estimate with the Committee.

Thank you.