

**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 11 December 2018
Supplementary Estimate 2018**

Introduction

Chair, Members, I welcome the opportunity to discuss with the Select Committee this evening my Department's proposed Supplementary Estimate for 2018.

I'm accompanied by Departmental officials: Mary Hurley, Sean Hogan, Niall Cussen and Janet Jacobs.

Department's Vote 2018

The Revised Estimate for my Department, which was considered by the Committee last March, provided for Gross expenditure of €3.264 billion this year, made up of €1.633 billion in current spending and €1.631 billion on the capital side.

At end November 2018, over €2.6 billion of the total Vote provision had already been spent, with good progress having been made in using these resources to achieve the objectives set for the various programmes.

As we approach year-end, our assessment is that some additional provisions are needed in the Vote to meet essential needs which have emerged in the course of the year.

Supplementary Estimate 2018

The Supplementary Estimate has three elements:

- firstly, additional 2018 capital funding of €120 million is required for the *Rebuilding Ireland: Action Plan on Housing and Homelessness*;
- second, we need to provide some €10 million in respect of recoupment of local authority costs arising from the severe weather earlier this year;
- and finally, it's necessary to make technical provision in the Vote to create a subhead from which payments can be made to fund the operating costs in 2018 of the new Land Development Agency.

I've circulated a briefing note on these items to the Committee so I'll just make some short comments at this point.

Housing Capital

Over €1.8 billion is already being made available in the Vote for housing programmes in 2018. In addition, local authorities are funding a range of housing services with €92 million from surplus Local Property Tax (LPT) receipts, bringing the total housing provision as matters stand to over €1.9 billion.

The Supplementary Estimate before the Committee follows through on a commitment in Budget 2019 by providing €60 million to fund additional emergency accommodation for rough sleepers and further family hubs to accommodate families experiencing homelessness.

Increased delivery of emergency accommodation remains a key priority. While over 200 new beds were introduced towards the end of 2017 and a further 60 were introduced in the context of Storm Emma earlier this year, we still have too many people rough sleeping and so we need to provide additional emergency accommodation to ensure that there is a bed available for everyone who requires shelter. The extra capital allocation will allow the provision of a further 203 permanent beds, and 130 contingency beds, by the end of the year.

In relation to families, the Government is committed to minimising the numbers of families experiencing homelessness who are being accommodated in hotels. The Dublin local authorities are working on the delivery of a variety of family hub facilities and further hubs are also being progressed in other areas of the country where required. The €60 million in homelessness-related capital funding will support the delivery of these family hubs, as well as the extra emergency accommodation.

In addition, €60 million in capital funding is being provided to meet commitments under the local authority social housing programme. In line with the targets set out in *Rebuilding Ireland*, authorities are engaged in both large scale construction activity throughout the country as well as targeted acquisitions where they are viable and appropriate and represent good value for money. The additional funding is required in order to ensure that the costs of the full level of activity expected under the programme by end-year can be met.

The €120 million in supplementary funding will see the overall housing budget for my Department (including LPT) increase to some €2.04 billion for 2018.

The Joint Committee's session tomorrow morning on the *Quarter 3 2018 Rebuilding Ireland Update* will provide us with a good opportunity to review the progress achieved with this funding in the first 9 months of the year.

Storm Damage Costs

The second element of the Supplementary Estimate is an additional provision of almost €10 million to meet local authority costs arising from the response to the severe cold weather of February/March 2018 (Storm Emma). Recoupment of costs is a vital enabler of local authority emergency responses, providing the assurance that availability of resources is not – and will not in the future be – a limiting factor in providing the vital local responses.

We all recognise the exceptional nature of activities carried out by local authorities in responding to these types of emergencies and the fact that the costs of these un-programmed activities cannot be met from within existing resources.

Reflecting this, local authorities were requested by my Department to prepare and submit claims for recoupment of costs associated with the Storm Emma response. Eligible costs include staff overtime, hire of plant and contractors for snow clearing and road patching, and materials associated with the response. Provision now needs to be made in the Vote to cover recoupment of the local authority costs involved.

Land Development Agency

The Committee will be aware of the background to the new Land Development Agency and of the importance the Government attaches to its success. Indeed, the Committee has met directly with representatives of the Agency and my own Department.

To support the Agency in its early months of operation, I will be providing necessary current funding, of the order of €600,000, from within the Department's existing 2018 budget provisions to meet initial start-up administrative and other running costs. The Supplementary Estimate before the Committee today will create the required subhead in the Vote to allow payments to be made this year.

Conclusion

To conclude, Chair, with the additional funding now proposed, the total Vote for my Department will now amount to nearly €3.4 billion in 2018.

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

Thank you.