

**Public Accounts Committee
Appropriation Accounts 2019 - Vote 34 (Resumed)**

**Department of Housing, Local Government and Heritage
Opening Statement by Graham Doyle, Accounting Officer**

03 June 2021

Chairman, Members, I am pleased to be joining you remotely this morning as Accounting Officer to further assist the Committee in its examination of the 2019 Appropriation Account for Vote 34.

I am joined remotely by a number of colleagues from the Department: Aine Stapleton, Assistant Secretary with responsibility for Social Housing Delivery Division and Paul Lemass, Assistant Secretary with responsibility for Housing Policy, Legislation and Governance Division. I am also joined by subject matter experts in the area of social housing delivery and emergency accommodation: Deirdre Mason, David Kelly and Eamonn Waters.

As requested by the Committee, I have provided some advance briefing for the meeting and a copy of my Opening Statement.

Chairman, as this meeting is a resumption of the Committee's examination of Vote 34 which took place across November 25th and 26th, and as time is limited, I will focus on the areas set out in the Committee's invitation.

Total Housing expenditure in 2019 was €2.347bn, representing an increase of 19% on the outturn for 2018. This was comprised of current expenditure of €901m and capital expenditure of €1.445bn. An additional €93m from LPT receipts was also used by certain local authorities to fund housing programmes.

The focus of the Department's 2019 activity in the area of Housing was led by the actions set out in the 6 year *Rebuilding Ireland Action Plan for Housing and Homelessness*. Social housing delivery represents the largest proportion of expenditure under the Housing programme and the schemes that the Committee has asked us to focus on today are primarily current funded delivery structures.

In order to properly situate these programmes in the overall context of expenditure on Housing, it is crucial to understand why the State relies on both Capital and Current structures for social housing. Simply put, it is about maximising the numbers of homes we can deliver and meeting the housing needs of all those who are reliant on the State for support.

We cannot simply look at the Local Authority housing waiting lists when considering meeting housing need. We must look at all of those households already in a support also. That means enabling local authorities and Approved Housing Bodies to manage and maintain existing tenancies and properties, to upgrade and re-let stock, to manage day to day interactions with households including applications, differential rent and transfers. When we look at the totality of households either in a housing support, or in need of a housing support, the number exceeds 300,000. This Department is responsible for providing the resources- be they financial, legal or policy frameworks- to enable local authorities, Approved Housing Bodies and other stakeholders to operate a social housing system which provides for all eligible households. Critically the State must meet those costs in a way that is aligned with both domestic and EU fiscal rules.

A whole housing system such as this, has component parts which exist to meet the need for immediate, mid-term and long term supports. While we focus very intensively on creating new supply, particularly new build supply, we must continue to have immediate options available to households who require them.

Looking very briefly now at the schemes the Committee is interested in today, we will start with the Rental Accommodation Scheme. RAS has been an important contributor to social housing supply since its introduction on a pilot basis in 2005 and has placed responsibility on local authorities to meet the accommodation needs of people in receipt of Rent Supplement for 18 months or longer, and who are assessed as having a long-term housing need. RAS has enabled Rent Supplement return to its original objective as a short term income support. By the end of 2019, the housing needs of over 18,000 households were being met through RAS.

Moving on to the Housing Assistance Payment Scheme, this Scheme is also a form of social housing support for people who have a long-term housing need. HAP is an important part of the social housing options currently available across the country. At end 2019 over 52,000 households were having their housing need met under the Scheme. HAP gives local

authorities greater flexibility to accommodate households in their area of choice, it provides a secure payment for tenant and landlord alike, it removes barriers for people to return to employment and leads to improved property standards.

In terms of reliance on the private rented sector for housing supports, it is important to note that fewer households were reliant on state support in 2019 than had been in 2014. The principal areas where such supports are provided are under the aforementioned HAP and RAS, and also under Rent Supplement which is operated by the Department of Social Protection. In 2014 there were 92,491 tenancies under these schemes, and by end 2019, this had reduced to 87,464.

Leasing is one of the range of options available to local authorities to supplement delivery for social housing. It represents less than 20% of targets, but allows local authorities to secure long-term homes in areas where they have neither land available for housing nor existing stock, and demand is high. It also frees up fiscal space so that more capital can be invested in build activity. Leasing mechanisms allow the State to address a greater proportion of social housing need in the short run within a tight budgetary environment. There are many types of leasing, including the Enhanced Lease and the Repair and Leasing Scheme which I note are on the list of topics for today.

The Enhanced Leasing scheme is aimed at property developers and investors who can deliver newly built or yet to be built houses and apartments for leasing at a scale of 20 or more units for a term of 25 years. This scheme secures homes at the earliest stage, provides certainty to the market and allows developers to secure construction finance in order to commence builds. The Scheme also allows for units to be secured in areas or developments that may not otherwise be available for social housing. One of the advantages of this scheme is that the lessor is obliged to provide management and maintenance services for the properties.

The Repair and Leasing Scheme is aimed at owners of vacant properties who cannot afford or access the funding required to bring them up to the standard required for rental properties. Under the scheme, the cost of the necessary repairs to properties will be met upfront by the local authority or an AHB with the cost of the repairs being recovered from the property owner by offsetting it against future lease payments. This allows the local authority to access units quickly that may not otherwise have been made available for social housing. Dwellings brought back into use under the scheme span a range of dwelling types including

over the shop properties, former bedsits, city centre terraced houses, and one off rural dwellings.

Chairman, while what I have set out reflects some the positive indicators, and increasing provision of social housing, we are keenly aware of the substantial work that remains to be done. The number of homeless households supported to move from emergency accommodation to homes increased by 16% between 2018 and 2019, however the challenge remains in making substantial and sustainable inroads into reducing the net numbers reliant on emergency accommodation and services, and we continue to absolutely prioritise working with housing authorities and NGOs. Prevention is just as critical as developing pathways for exits.

In 2020 alone, almost 5,900 exits from homelessness have been achieved. All these exits were to homes with tenancies. Since the peak in October 2019 when 10,514 individuals were homeless, there has been a fall of 2,432, or 23%, based on the most recent data published on Friday last, 27 May. While this trend is welcome, there is a continuing need to work with local authorities to develop and deliver high quality emergency accommodation for homeless households. Expenditure on homelessness involves much more than the provision of a bed and a temporary roof. Complex other needs must be met.

Across all areas, we will be unrelenting in our commitment to achieve the best outcome for citizens using the resources provided to us by the Exchequer. The new Programme for Government seeks to place even more demanding ambition on delivery to be achieved in the years ahead and rising to meet this ambition will be the cornerstone of social housing activity for my Department.

Housing expenditure in 2020 amounted to over €2.6 billion and supported the social housing needs of over 24,000 households across all our social housing delivery streams and those already in a support. Like many sectors, the impact of Covid-19 has been very challenging for the Department and its stakeholders, however, we continue to push for maximum feasible delivery across all streams.

In 2021, a provision of over €3.3Bn is available for the Housing Programme. This represents the largest ever investment in Housing and will support implementation of the ambitions in the Programme for Government with a particular focus on increasing supply through new build activity.

Conclusion

To conclude, Chairman, the matters I hope that this, together with the advance briefing provided to the Committee provide a rounded context for the specific Housing programmes listed for today's discussion.

Housing is clearly one of Government's key priorities. I want to assure the Committee again that I, my team and our delivery partners, will continue to work day in day out to support the delivery of much needed homes for citizens, who need them.

Finally, I and my colleagues will be happy to respond to questions or issues that emerge in the course of the Committee's further work today. Thank you.