

## Opening Statement of Tom Dunne, Chair, Residential Tenancies Board

### Committee of Public Accounts

24 February 2022

#### Introduction

Thank you, Chairperson and Members, for the invitation to attend before the Committee today. My name is Tom Dunne and I am the Chair of the Residential Tenancies Board. I understand that the focus of the meeting today is on the audited 2020 Financial Statements and on some specific aspects of the work of the Residential Tenancies Board (RTB) that have been raised in advance by the Committee.

I am accompanied today by Mr. Niall Byrne, who was recently appointed as Director of the Residential Tenancies Board and commenced his role at the end of January. I would also like to introduce Ms. Caren Gallagher, Head of Communications and Research and Mr. Bryan Kelly, Head of Finance, Governance and Risk Management with the RTB.

In advance of the Committee meeting today, we provided detailed briefing material for Committee members as well as our 2020 Annual report, and an advance copy of our opening statement. I hope this information was of assistance to the Members.

#### Context

The Residential Tenancies Board (RTB) is a public body, established in 2004 under the Residential Tenancies Act 2004. The role of the Board is to support, develop and promote a well-functioning rental housing sector in Ireland.

Under the relevant statutes, the RTB is responsible for:

- operation of the national registration system for all private residential tenancies, all Approved Housing Body (AHB) tenancies, and all student-specific accommodation (SSA) tenancies;
- provision of an efficient and cost-effective dispute resolution service to tenants, landlords and related third parties in these sectors and for affording protection to all parties without the necessity to resort to the Courts;
- active investigation of non-compliance with residential tenancies legislation and for the issuing of administrative sanctions, where these are justified;
- publishing the Quarterly Rent Index for private rented accommodation, for conducting research into the sector and for supporting the operation of the Rent Pressure Zone (RPZ) regime for controlling rental increases; and, finally,

- providing information to landlords, tenants and the broad public on the rights and responsibilities of all parties under the Residential Tenancies Act 2004 (as amended).

We are acutely aware that the last number of years have seen significant challenges for both landlords and tenants. In addition, the COVID-19 pandemic has created further difficulties for people in the sector, as well as for the RTB itself. To help inform the sector, policymakers and the general public, the RTB published detailed research reports on the rental sector during 2021. These offer a comprehensive insight into the experiences and perspectives of landlords, tenants and agents. Among other insights, this research shows that, notwithstanding the very real challenges in the sector, 79% of tenants said their renting experience was positive and 88% of smaller landlords indicated that their experience with their current tenants was positive. We believe this is an important fact that reflects positively on the rental sector in Ireland. On the other hand, our research also showed that affordability is a key issue for tenants and that a proportion of smaller landlords (26%) intend to sell a property within the next five years.

## **2020 Activity**

Throughout 2020, the work of the RTB, was focussed primarily on ensuring continuity of critical regulatory services during the pandemic and on the effective implementation of an unprecedented series of legislative measures, which continued into 2021.

## **New Legislation**

One of the notable features in the rental sector in 2020 was the introduction of three new pieces of legislation in response to COVID-19. The Government's intention with these measures was to minimise the movement of people caused by the cessation of tenancies and thereby curtail the spread of disease, while also providing protections for tenants who were financially impacted by the pandemic. The below legislation was introduced in 2020 in response to COVID-19:

- Emergency Measures in the Public Interest (COVID-19) Act 2020
- Residential Tenancies and Valuation Act 2020
- Residential Tenancies Act 2020 (RTA 2020)

An immediate priority for RTB was the operationalising of these legislative measures to ensure they worked smoothly and effectively for all. It was also imperative to ensure that landlords, tenants and wider stakeholders understood the new measures and the resulting requirements of the regulatory framework and that they were made aware of the enhanced supports and services that were made available through the RTB to assist them. Due to the evolving nature of the pandemic and the need for supports for the rental sector, there have, in all, been six pieces of legislation affecting the RTB between 2020 and 2021.

During this unprecedented time, the RTB maintained services across all contact and communication channels despite the rapid move to remote working. There was no

disruption to the RTB's registration compliance capability in terms of landlords or agents registering tenancies. Of necessity, RTB had to postpone in-person dispute hearings but quickly established replacement mechanisms to allow hearings to resume. Backlogs in the processing of cases were stabilised and we are currently focussed on the recovery of our timelines.

During 2020, there were nearly 270,000 customer service contacts, over 2,700 mediation and adjudication hearings, and over 200 Tribunal hearings. Over 130,000 registration applications were processed.

The 2020 Annual report contains a full account of activity.

## **2020 Financial Statements**

As mentioned earlier by the Comptroller and Auditor-General, I would like to confirm an error of omission of a single sentence on page 100 of the English version of the published 2020 Annual Report. The relevant sentence was included in the Irish language version. This was an oversight on our part for which we apologise. The text has now been corrected on the report as published on the RTB website and we are making arrangements to have the corrected version laid before the Houses of the Oireachtas.

The Committee will note from the accounts that the RTB has, primarily, two sources of operating income – income derived from fees from landlords for the registration of their tenancies and income provided by the Exchequer.

This funding enables the RTB to carry out its core functions and to develop the organisation as the capable and effective public interest regulator of the sector. Tenancy registration income in 2020 was nearly €11.7m and represented approximately 63% of RTB total income.

By way of background, the standard registration fee for a tenancy during 2020 was €90 for private dwelling and for Approved Housing Body registrations. The standard fee was €40 for tenancies in student-specific accommodation. Across all three sectors, there are reductions available for relevant multiple registrations, and a scheme of late fees also applies across all sectors.

Exchequer funding has increased significantly in recent years reflecting the expansion of the RTB mandate and the significant changes in the activities of RTB in line with Government policy. During 2020, funding of €6.9m was drawn down by the RTB to fund its operational costs.

This drawdown figure was less than had been planned for the year. This reflects lower than anticipated operational costs during the year as a result of significantly reduced demand for some key services during the height of the pandemic. This reduced activity and demand was primarily reflected in a reduction in demand for our dispute resolution services, the requirement to postpone physical dispute hearings, the closure of the Courts and the impact of this on enforcement and sanction activities, and, in the early part of 2020, a reduced demand for customer contact services.

## Statement of Internal Control

The RTB is committed to ensuring strong and effective governance, financial probity and transparency, and, as a public body, results which demonstrate that we are delivering on our public interest mission and on our core regulatory functions.

In the spirit of transparency, I would like to draw the Committee's attention to two items declared in the RTB 2020 Statement on Internal Control. These were (i) the extension of timelines and increase in cost for the development of the new tenancy management system, known as RTB360, and (ii) the non-competitive extension of a contract for outsourced business processing and customer support services during 2020.

### **(i) RTB360**

I am pleased to inform the Committee that the RTB's new technology platform for the management of tenancies, RTB360, went live on 15<sup>th</sup> November 2021. This phase of the new platform provides a wide range of enhancements for landlords who are registering, renewing, and updating tenancies with the RTB. We are also preparing for a further release for the system in April 2022 which will support the Annual Registration of tenancies. The new release will accommodate a significant uplift in RTB's registration activity as a result of landlords being required to register their tenancies each year on the anniversary of the tenancy commencement date. The RTB expects to have a tripling of tenancy registration volumes once Annual Registration is commenced.

### **(ii) Extension of contract**

A contract providing outsourced business processing services was extended until November 2021 without a competitive process. This was because the level of risk involved in simultaneously delivering our new tenancy management system and a new business support service was deemed unacceptably high by RTB. The contract extension was considered by the RTB Board to meet the exceptional conditions justifying a direct award under procurement guidelines. The extension allowed the RTB to safely navigate the transition of registration and customer operations to the new RTB360 platform, as well as helping ensure the timely commencement of Annual Registrations later in 2022.

## Specific areas of interest for the Committee

There were a number of areas on which Members of the Committee had requested detailed briefing information in advance of this meeting today. We have provided briefing material on all areas specific to the RTB which I hope is useful to the Members. On the request for information on inspections of properties where the tenant is in receipt of HAP, it is a function of Local Authorities to inspect these properties. The RTB works in collaboration with Local Authorities to provide data for inspections. In terms of Revenue compliance of landlords, the RTB provides data to the Revenue Commissioners to support their work in this area of tax compliance.

On the areas of landlord registrations and prosecutions, it is a legal requirement for landlords to register their tenancies with the RTB. When registrations are late, fees are

incurred. For non-registration, there are a number of regulatory pathways through which non-registration of tenancies are progressed by the RTB. The briefing material sets out these processes for both registration enforcement, which is a criminal process, and the Investigation and Sanctions process, which is a civil pathway, and which was commenced in 2019.

## **Conclusion**

To summarise, I hope I have provided the Committee with a broad overview of the 2020 Financial Statements, the activities of the organisation, how this was managed through the pandemic and, importantly, how the RTB continued delivery on our statutory mandate to serve the public interest.

Throughout the pandemic, the public servants who staff the RTB continued to deliver on our major business priorities. Through their resilience, adaptability, and innovation, the RTB delivered key business supports and operationalised new legislation at significant speed, often within days of being commenced. The RTB Board recognises and acknowledges the commitment of our staff in this regard.

The RTB is at an important juncture in its development. As we come out of the pandemic, we are also coming to the end of the current strategic plan and are about to set new strategic priorities for the organisation. Mr Byrne, as the new Director, will lead the organisation into this next phase and brings extensive experience in regulation and in organisation development to his role.

At the core of RTB's remit over the next number of years is supporting compliance, ensuring that what should be registered is registered, that disputes are resolved fairly and effectively, that the regulatory powers of the RTB are used effectively and efficiently and that serious issues and deliberate non-compliance are addressed in a timely manner.

We are happy to address any questions that the Committee members have.

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