

# **Public Accounts Committee**

Response to questions raised by PAC 23<sup>rd</sup> March 2023

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#### **PAC - Questions**

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- 2. A note on RAS arrangements, including whether the arrangements are aligned to differential rents or economic rents, and information on how such arrangements are affected by the Capital Assistance Scheme (pgs. 37-38).

## 1. Land Aggregation Scheme

Following the transfer of 73 sites from the Land Aggregation Scheme (LAG) to the ownership of the Housing Agency, there are currently 60 sites remaining in its ownership.

The table below sets out the detail of each site according to the information requested regarding site area and servicing (pgs. 32-33).

#### **Housing Agency - Remaining LAG Sites**

No	Local Authority	Land Location	Land Area hectares	Serviced
1	Carlow Co.Co.	Tinryland	1.89	No
2	Carlow Co.Co.	Slate Row, Hacketstown	3.23	Yes
3	Carlow Co.Co.	Paupish, Carlow	2.38	Yes
4	Carlow Co.Co.	Tullow Road	1.96	Yes
5	Clare Co.Co.	Lisdoonvarna	4.41	Capable
6	Cork Co.Co.	Barrack Road, Youghal	1.17	Yes
7	Cork Co.Co.	Cloughmacsimon, Bandon	3.63	Yes
8	Cork Co.Co.	Townsend Street, Skibbereen	0.13	Yes
9	Cork Co.Co.	Lombardstown	1.34	No
10	Cork Co.Co.	Colleras, Goleen	0.50	Capable
11	Cork Co.Co.	Knocknagree	1.27	Capable
12	Cork Co.Co.	Union Hall	1.40	Capable
13	Cork Co.Co.	St. Joseph's Road, Mallow	5.26	Capable
14	Cork Co.Co.	Carrigtwohill	2.02	No
15	Cork Co.Co.	The Slip, Bantry	13.48	Capable
16	Cork Co.Co.	Stagpark, Mitchelstown	7.07	Capable
17	Cork Co.Co.	Agharinagh, Dripsey	1.30	Capable

No	Local Authority	Land Location	Land Area hectares	Serviced
18	Fingal Co.Co.	Garristown	2.77	No
19	Fingal Co.Co.	Hampton, Balbriggan (Castlelands)	24.21	Yes
20	Fingal Co.Co.	Hackettstown, Skerries	7.30	Yes
21	Galway City Co.	Ballymoneen Road	2.27	Yes
22	Kerry Co.Co.	Ballyard, Tralee	8.14	No
23	Kildare Co.Co.	Nancy's Lane (Butterstream), Clane	8.49	Yes
24	Kildare Co.Co.	Nurney	4.16	No
25	Kildare Co.Co.	Craddockstown, Naas	5.29	Yes
26	Kildare Co.Co.	Devoy Barracks, Naas	5.11	Yes
27	Kildare Co.Co.	Brallistown	3.92	No
28	Laois Co.Co.	Castletown	1.50	Yes
29	Laois Co.Co.	Abbeyleix Road	1.49	Yes
30	Laois Co.Co.	Derry Road, Durrow	1.03	Yes
31	Laois Co.Co.	Doonane	0.74	Yes
32	Laois Co.Co.	Woodbrook, Mountrath	1.76	Capable
33	Laois Co.Co.	Kilkenny Rd, Ballinakill (Adj. to Cemetery)	1.25	No
34	Laois Co.Co.	Bride Street, Ballinakill	0.92	Yes
35	Laois Co.Co.	Golflinks Road, Rathdowney	1.98	Yes
36	Laois Co.Co.	Golflinks Road, Rathdowney	2.13	Yes
37	Laois Co.Co.	Portlaoise Road, Mountrath	3.10	Capable
38	Limerick Co.Co.	Cappamore	1.25	Yes
39	Limerick Co.Co.	Mountcollins	1.48	No

No	Local Authority	Land Location	Land Area hectares	Serviced
40	Limerick Co.Co.	Bruff	2.01	Yes
41	Limerick Co.Co.	Knocklong	3.46	Yes
42	Limerick Co.Co.	Ballyhahill	0.91	No
43	Louth Co.Co.	Mount Ave, Dundalk	3.09	No
44	Meath Co.Co.	Townparks, Kells	4.39	Yes
45	Offley Co.Co.	Collins Lane, Tullamore	4.36	Yes
46	Offaly Co.Co.	Shinrone	2.86	Yes
47	Offaly Co.Co.	Kilcormac	1.22	Yes
48	Sligo Co.Co.	Ballintogher	1.31	No
49	Sligo Co.Co.	Lisnalurg	11.84	No
50	Sligo Co.Co.	Ballinode	13.50	No
51	Sligo Co.Co.	Tubbercurry	0.22	Yes
52	Waterford Co.Co.	Gibbet Hill, Gracedieu	2.93	No
53	Waterford Co.Co.	Townparks East, Tallow	4.34	No
54	Wexford Co.Co.	Castlemoyle	6.12	Yes
55	Wexford Co.Co.	Hewitsland, New Ross	1.39	Yes
56	Wexford Co.Co.	Taghmon	3.40	Yes
57	Wexford Co.Co.	Campile	0.57	No
58	Wexford Co.Co.	Parish Field, Bunclody	0.71	Yes
59	Wexford Co.Co.	Hospital Hill, Bunclody	4.39	No
60	Wicklow Co.Co.	Hillview, Ballynerrin	2.90	Yes

**Note**: (1) Capable - defined as being able to utilise existing connections to services (subject to confirmation by relevant providers).

### 2.RAS Arrangements

Below paragraph sets out the information on RAS arrangements, including whether the arrangements are aligned to differential rents or economic rents, and information on how such arrangements are affected by the Capital Assistance Scheme (pgs. 37-38).

The Rental Accommodation Scheme (RAS) was established in 2004, and placed responsibility on housing 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 provides a structured, accommodation-based approach to the use of the private rented sector accommodation to meet long-term housing need. RAS can be used by housing authorities to accommodate homeless households who are not on Rent Supplement but do have a long-term housing need.

Where the local authority has entered into a RAS arrangement with a private landlord, the RAS tenant pays a differential rent to the local authority and the local authority will make payments to the landlord on the recipient's behalf.

The Housing Assistance Payment (HAP) operates in a similar manner to RAS in that the private landlord is the landlord to the tenant and the State makes a payment to the landlord and charges the Tenant a rent in accordance with the relevant local authority's Differential Rent Scheme.

Capital Assistance Scheme (CAS) funding provides Approved Housing Bodies (AHBs) with the capital cost of acquiring properties by way of a loan from a local authority. Repayments on the loan are waived so long as the AHB complies with the terms and conditions of the funding. The AHBs' operational costs to manage and maintain the property and take on the landlord role are funded from the rent that it collects from tenants.

The Memorandum on the Capital Funding Schemes for Approved Housing Bodies (Memorandum: VHU: 2/02 May, 2002) sets out general conditions that apply to AHBs when they seek funding under capital schemes for the provision of housing. Part 9 of the memorandum covers terms and conditions for the management, letting policies, rents and maintenance of dwellings provided under CAS.

Paragraph 9.6 of the memorandum sets out the requirements for the setting of rent for the CAS housing units. It states:

"AHBs should fix rents for the units provided at levels which are reasonable having regard to tenants' incomes and the outlay of the AHB on the accommodation including the on-going costs of management. It should be a condition of advancing a loan under the CAS that the housing authority has clear rights of consultation in relation to the fixing of rents generally".

This is known generally as an 'economic rent' in CAS. An economic rent is not a market rent or 'differential rent' but is essentially a cost rent. A cost rent is a rent that is set at a level required to fund the actual the cost of managing and maintaining a rental property.

Where there is a difference between the economic rent and what a tenant can afford to pay, a tenant could previously apply for a form of Rent Supplement to bridge the gap. This was provided for in Section 13 of the Social Welfare (Consolidated Supplementary Welfare Allowance) Regulations 2007 (S.I. 412/2007). The amount that the tenant was required to pay towards the rent was determined by way of an assessment carried out by the Department of Social Protection.

With the introduction of RAS, Rent Supplement recipients in CAS funded properties have been transitioned to a CAS-RAS funding arrangement whereby the additional payment is made from the RAS budget managed by the Department of Housing. The amount the tenant pays is determined by each local authority in accordance with its Differential Rent Scheme.