An Roinn Tithíochta,
Rialtais Áitiúil agus Oidhreachta
Department of Housing,
Local Government and Heritage

Mr. Sam Keenan
Committee Secretariat
Committee of Public Accounts
Leinster House
Dublin 2

25 April 2023

Ref: S1261 PAC33

Dear Mr Keenan,

I refer to your letter dated 23 March 2023 regarding the request for information by the Committee arising from the meetings of the Committee on Thursday 26 January 2023 and some further questions following on from the meetings on 17 November 2022 and 19 January 2023.

Further to my letter of 17 April, which contained material related to questions 3,4,5,18,19 and 20, please find attached at Appendix A the detailed response to the remaining questions.

If you have any questions on the attached, please do not hesitate to contact me.

Yours sincerely,

Graham Doyle

Graham Doyle
Secretary General

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Appendix A

Follow-up from PAC meeting on 26 January 2023

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Follow-up from PAC meeting on 26 January

DHLGH Appropriation Account 2021
Housing Issues

1. A note on acquisitions under Departmental or Local Authority schemes (pgs. 9-10).

Department Response
Housing for All is the Government's plan to increase the supply of housing to an average of 33,000 per year over the next decade. This includes the delivery of 90,000 social homes, 36,000 affordable purchase homes and 18,000 cost rental homes. Housing for All is supported by an investment package of over €4bn per annum, through an overall combination of €12bn in direct Exchequer funding, €3.5bn in funding through the Land Development Agency and €5bn funding through the Housing Finance Agency.

Under Housing for All, the Government will deliver 47,600 new build social homes and 3,500 social homes through long-term leasing in the period 2022-2026. Our clear focus is to increase the stock of social housing through new build projects delivered by local authorities and Approved Housing Bodies (AHBs).

Under Housing for All, there was provision for 200 social housing acquisitions each year. However, with increased pressures on housing and the exit of landlords from the market, the Department reinstated delegated sanction to local authorities in April 2022 to acquire social housing properties for a number of specific categories which included:

- One-bedroom units to deliver on Housing First and meet the short supply in this category;
- Other properties that allow persons/families to exit homelessness; and
- Specific housing required for/suitable for individuals with a disability or other particular priority needs.

For 2023, the Government has agreed that there will be increased provision for social housing acquisitions and the Department will fund local authorities to acquire up to 1,500 social homes and the Department will keep this number under review. The additional acquisitions will be focused on properties where a tenant in receipt of social housing supports has received a Notice of Termination due to the landlord's intention to sell the property.

A circular letter issued to all local authorities in March, setting out details of these arrangements and each local authority was provided with a provisional allocation for social housing acquisitions in 2023. This allocation will be kept under review. It will be matter for individual local authorities to determine whether a property is suitable for acquisition.

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The Minister has requested local authorities to be proactive in acquiring properties which can prevent homelessness, including properties where a notice of termination has been issued to the tenant.

Local authorities have delegated sanction to deliver the 1,300 additional acquisitions, subject to those acquisitions being within Acquisition Cost Guidelines issued by the Department. The delegated sanction provides local authorities with the authority to proceed with an acquisition, subject to specific criteria set out in the relevant circulars, without seeking the prior approval of the Department. The Department will also consider proposals for acquisitions where the cost exceeds the costs set out in the Guidelines.

The Department publishes comprehensive programme level statistics on a quarterly basis on social housing delivery activity in all local authorities, including information on social housing acquisitions.

In 2022, 960 social housing acquisitions were completed by local authorities and approved housing bodies.

Data published to date does not include a breakdown of properties acquired where a tenant has received a Notice of Termination due to the landlord’s intention to sell the property. For 2023, an amendment is being made to the Department's statistical returns to collect information in this regard.

2. With regard to housing units delivered under public-private partnerships (PPP), a breakdown of the cost per unit (pgs. 10, 36, 37).

Department Response

The Department has committed to the development of a Social Housing PPP Programme. To date, the contracts for two bundles have been entered into. These utilise what is termed an 'availability-based' PPP model, in which a private sector company designs, builds, finances, maintains and operates the social housing units in return for a monthly unitary charge payment. This payment commences upon completion of the units, and runs for 25 years from the completion of construction on each site. It incorporates all construction, maintenance and lifecycle costs for 25 years under the contract, including:

- Design costs
- Construction cost of the units.
- Maintenance costs.
- Operating and service provision costs, which includes building and asset management, void management, tenant helpdesk services etc.
- Lifecycle costs.
- Tenancy management.
- Financing costs.

The upkeep and maintenance costs apply to the whole development and not just the individual homes, including external roadways, drainage systems, green areas and landscaping, and community facilities (where provided). It can also include facilities management, waste management, cleaning of common areas and repairs and maintenance.

The planned preventative maintenance regime (lifecycle costs) includes life-cycling of key building components (e.g. heating systems) over the 25 years, including that necessary to meet the residual life handback requirements at the end of the 25 year period. These ongoing costs are designed to ensure that the houses or apartments involved are maintained to a high standard so that, at the end of the PPP contract, they will be handed over to the State in a condition that meets the State's expectations and requirements.

The tenancy management service includes the administration of the tenancy agreement and collection of rent on behalf of the Local Authorities as landlord, void management and tenant allocations, operation of a helpdesk for tenants and support of community development. The rent collected on behalf of the Local Authorities is refunded to the State.

In addition, the monthly unitary charge payment is subject to performance of required services and availability of the homes, with deductions to these payments being applied where required standards are not met.

The payments comprise two elements, a fixed-cost element and a smaller variable (indexed) element, which may change in line with inflation if this varies from the assumptions forecast at the beginning of the project.

The construction capital cost for bundle 1 amounted to €119 million (excluding VAT) or approximately €222,000 (excluding VAT) on average for each of the 534 units, while the construction capital cost for bundle 2 amounted to €129 million (excluding VAT) or approximately €277,000 (excluding VAT) on average for each of the 465 units. Further information on the total contract values and project payments for each project is available at https://ppp.gov.ie/ppp-projects/.

The figures contained in the link above are nominal, which means they also include inflation over the full 25 year period. Bidders submit their tenders on the basis of a fixed construction price (i.e. bidders take the risk on construction inflation), with recurring costs (excluding financing costs) being indexed over the life of the project.

While the construction cost is publicly available information, other cost information in the tenderers' models is required to remain confidential until a specified period of time has elapsed in accordance with the contract/Project Agreement. However, once an appropriate period of time has elapsed and the information is no longer deemed commercially sensitive (having regard also to any other similar PPP projects which may be in procurement), the information may be made public.

The only way of directly comparing different models of social housing delivery is by looking at the overall costs incurred. Guidelines from the Department of Public Expenditure, NDP Delivery and Reform on the use of PPPs, requires a comprehensive value for money process to confirm that a PPP project provides value for money (VfM) to the State.

There are four VfM tests performed by the National Development Finance Agency for the social housing PPPs as follows:

1. A preliminary appraisal of a Programme.
2. The preparation of the comprehensive Public Sector Benchmark (PSB) which represents the full estimated life costs of procuring the project using traditional public sector procurement methods.
3. Comparison of the cost of the highest-rated tender to the PSB.

4. Updates the third VfM test with any changes that may have occurred during the Preferred Tender stage in order to confirm that the winning bid compares favourably to the PSB and represents VfM.

6. A breakdown of the 7,800 private leases approved in 2022 between enhanced leasing and standard leasing (pgs. 22-23).

At the appearance before the PAC, the Secretary General outlined that there were 7,855 active leases at the end of 2022. This includes long term and short term operational leases and breaks down as follows:

- LA Long Term leasing: 4,137
- AHB Leasing: 1,383
- Enhanced leasing: 462
- LA Short Term Leasing: 1,873

There were 10,846 long term and short term leases, including 662 Part V leases, approved as at the end of 2022, broken down as follows:

- Standard Leasing: 10,051 properties
- Enhanced Leasing: 795 properties

Included in the 10,846 units mentioned above are 1,879 long term and short term leases approved in 2022, including 283 Part V leases, broken down as follows:

- Standard Leasing: 1,681 properties
- Enhanced Leasing: 198 properties

Note, the figures above exclude any leases that were approved by the Department and subsequently withdrawn by the proposer.

7. A briefing note on the enhanced leasing scheme, including an evaluation of the scheme with regard to value-for-money (pgs. 22-23).

At the time of the Government decision in 2015 to develop a new leasing scheme, consideration of costs and comparative costs was undertaken which informed the Government decision to proceed with the Enhanced Leasing scheme.

A further set of costings were undertaken to inform the Government agreement to move forward and launch the Enhanced Leasing scheme in January 2018 under Rebuilding Ireland. The purpose of this scheme was to primarily target newly built or yet to be built houses and apartments for leasing, specifically targeting property developers and investors who will deliver at reasonable scale.

The term of the lease is up to 25 years and each proposal must include a minimum of 20 properties, which can be located across multiple sites in the one local authority. In contrast to standard leasing, it is the lessor, not the local authority, who is required to provide day-to-day maintenance of the properties under a schedule of management services. This additional responsibility in relation to maintenance is reflected in the payment made to the provider, of up to 95% of the market rent, as opposed to 80/85% under the standard long-term lease arrangement.

The objective of leasing, including the Enhanced Leasing scheme, is to provide long term homes for social housing tenants. When talking about VFM in leasing terms, as well as considering the relative costs; a number of other considerations must be taken into account, such as: the overall mix of delivery, the speed of delivery, the quality and appropriateness of accommodation, sectoral capacity and the availability of Local Authority land in areas of social housing need.

The cost effectiveness of Long Term Leasing has been examined on a number of occasions as part of:

- three studies/ reviews in the 2009-2011 period around the introduction of Long Term Leasing; and
- three Spending Reviews undertaken by the Irish Government Economic and Evaluation Service (IGEES) Unit in the Department of Public Expenditure and Reform between 2017 and 2021, with the most detailed of these spending review undertaken in 2018.

In the most detailed spending review published in July 2018, IGEES Unit found that while relative cost efficiency is an important consideration in terms of the mix of delivery, it also found that it is not the only consideration and must be viewed in the context of policy objectives and wider issues. In this context, as well as relative costs, a number of other considerations must be taken into account in terms of the overall mix of delivery including the speed of delivery, the quality and appropriateness of accommodation, sectoral capacity and flexibility.

In addition to the due diligence that local authorities undertake for leasing projects, rent valuations and sustainable communities reports where required, a Cost Effectiveness Analysis (CEA) from the Housing Agency is also undertaken for large long term leasing projects over €20m. The CEA is a comprehensive business case, including a multi criteria cost benefit analysis comparing leasing to other forms of delivery and weighting under defined comparison criteria.

8. The number of housing units built directly by local authorities or Approved Housing Bodies (AHB) in 2021 and 2022 (pgs. 23-24).

Department Response

The details requested are set out in the tables below.

Table 1 – 2021 LA and AHB Build

	LA Build 2021						*CAS Build 2021*			*CALF Build 2021*			
LA	LA Construction	LA Turnkey	LA PV	PPP	Regen	Lease Part V	CAS Construction	CAS Turnkey	CAS PV	CALF Con	CALF TK	CALF PV	Total
Carlow	9	33	2	0	0	0	3	0	0	0	112	5	164
Cavan	7	8	0	0	0	0	0	0	0	0	22	0	37
Clare	4	0	0	51	0	0	4	0	1	0	14	2	76
Cork City	0	0	8	0	0	0	2	0	0	0	31	2	43
Cork County	59	132	28	152	0	0	0	0	0	0	20	0	391
DLR	23	27	20	0	0	0	4	0	0	27	75	10	186
Donegal	53	0	0	0	0	0	0	0	0	0	30	3	86
Dublin City	0	4	68	150	0	30	20	0	0	0	72	11	355
Fingal	0	0	19	0	0	0	9	0	0	65	214	118	425
Galway City	0	0	0	74	0	0	0	0	0	0	42	12	128
Galway Count	27	55	7	0	0	0	0	0	0	0	24	4	117
Kerry	87	0	0	0	0	0	6	0	0	0	109	6	208
Kildare	0	27	98	77	0	18	12	0	0	0	175	126	533
Kilkenny	79	19	4	0	0	0	0	0	0	0	54	0	156
Laois	28	0	0	0	0	0	0	0	0	0	64	16	108
Leitrim	27	19	0	0	0	0	0	0	0	0	0	0	46
Limerick	59	0	2	0	2	0	0	0	0	0	117	21	201
Longford	8	61	0	0	0	0	0	0	0	0	0	0	69
Louth	19	30	6	0	0	0	1	12	0	0	223	10	301
Mayo	17	2	0	0	0	0	0	0	0	0	11	0	30
Meath	26	0	37	0	0	2	0	8	0	0	115	31	219
Monaghan	12	6	0	0	0	0	19	0	0	0	21	0	58
Offaly	0	21	12	0	0	0	2	0	0	25	3	0	63
Roscommon	36	0	0	53	0	0	0	0	0	0	0	0	89
Sligo	21	0	1	0	0	0	0	0	0	0	0	0	22
South Dublin	2	0	1	0	0	0	0	1	0	0	136	107	247
Tipperary	79	19	2	0	0	0	0	0	0	0	0	0	100
Waterford	9	60	6	58	0	0	10	0	0	0	26	0	169
Westmeath	16	1	3	0	0	0	4	10	0	10	54	7	105
Wexford	1	34	5	0	0	0	0	6	0	0	163	21	230
Wicklow	110	5	9	0	0	7	0	8	0	0	90	5	234
Total	**818**	**563**	**338**	**615**	**2**	**57**	**96**	**45**	**1**	**127**	**2017**	**517**	**5196**

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Table 2 – 2022 LA and AHB Build

	LA Build 2022					*CAS Build 2022*			*CALF Build 2022*			
LA	LA Construction	LA Turnkey	LA PV	PPP	Regen	CAS Construction	CAS Turnkey	CAS PV	CALF Con	CALF TK	CALF PV	Total
Carlow	23	0	0	0	0	0	0	0	0	47	11	81
Cavan	21	20	2	0	0	4	7	0	0	44	0	98
Clare	121	63	6	0	0	0	0	0	0	57	9	256
Cork City	152	0	21	0	0	3	0	0	27	289	25	517
Cork County	69	169	106	0	0	8	27	0	0	172	0	551
DLR	0	2	52	0	0	8	0	0	78	58	5	203
Donegal	66	0	2	0	0	15	0	0	0	0	0	83
Dublin City	176	60	72	0	1	28	81	0	0	140	55	613
Fingal	136	0	45	0	0	10	0	0	0	75	95	361
Galway City	0	26	0	0	0	0	0	0	0	91	33	150
Galway County	68	82	36	0	0	11	0	0	0	20	7	224
Kerry	131	2	6	0	0	0	18	0	0	71	18	246
Kildare	0	82	86	0	0	0	0	0	29	81	94	372
Kilkenny	8	81	6	0	0	20	6	0	0	21	2	144
Laois	43	12	4	0	0	0	0	0	0	145	25	229
Leitrim	9	23	0	0	0	0	0	0	0	0	0	32
Limerick	49	82	23	0	0	14	0	0	0	190	25	383
Longford	0	27	0	0	0	0	0	0	0	0	0	27
Louth	0	49	22	0	22	4	0	0	0	103	27	227
Mayo	34	25	2	0	0	0	8	0	0	20	0	89
Meath	24	26	124	0	0	0	2	0	0	260	13	449
Monaghan	48	65	2	0	0	0	0	0	0	21	4	140
Offaly	7	41	6	0	0	19	0	0	0	39	3	115
Roscommon	2	0	1	0	0	0	0	0	0	0	0	3
Sligo	6	0	1	0	0	0	6	0	0	0	0	13
South Dublin	163	8	15	0	0	0	3	3	2	89	108	391
Tipperary	82	51	0	0	0	30	12	0	0	21	0	196
Waterford	30	27	19	0	0	0	0	0	0	63	10	149
Westmeath	41	56	11	0	0	0	26	0	0	25	3	162
Wexford	47	107	31	0	0	0	6	0	0	150	14	355
Wicklow	110	10	15	0	0	0	90	0	0	246	103	574
Total	**1666**	**1196**	**716**	**0**	**23**	**174**	**292**	**3**	**136**	**2538**	**689**	**7433**

Note: LA Construction includes 6 Traveller Accommodation Units in Tipperary.

9. A copy of the terms of reference of the unencumbered units working group established by the Department, and the number of units involved in the working group (pg. 24).

Department Response
A copy of the Terms of Reference of the AHB Unencumbered Units Working Group is attached with this document.

The number of units already out of mortgage and the numbers of units due to exit mortgage in the coming years are being compiled by the Working Group as per the Terms of Reference. For the Capital Assistance Scheme (CAS) and Capital Loan and Subsidy Scheme (CLSS) units, the mortgages are held between the local authorities and the AHBs. The Department is not party to these legal documents. In that context, the Working Group is engaging further with external stakeholders, including the local authorities and the AHB sector, to compile the figures needed to inform the work of the group.

<u>Note for information on the Schemes</u>

Capital Loan and Subsidy Scheme (CLSS)
The Capital Loan and Subsidy Scheme (CLSS) provided capital funding to AHBs to meet the cost of constructing units of accommodation for renting to people on the local authorities social housing waiting lists. This scheme commenced in 1991 and terminated in 2009 for new projects. The funding model involved the Housing Finance Agency (HFA) providing loan finance to local authorities to assist AHBs in the delivery of new homes, this loan finance is repaid over a 30 year period to the HFA by the local authority. The local authorities provided the loan finance to AHBs by way of a non-refundable loan, provided the AHB complied with the terms and conditions of the Scheme. The loan charges (principal & interest) remain to be paid on an annual basis to the local authorities/AHBs/HFA.

Capital Assistance Scheme (CAS)
The Capital Assistance Scheme (CAS) commenced in 1984 to provide capital funding to AHBs to meet the cost of constructing and acquiring units of accommodation for priority categories of housing need. The funding model involves the Department providing monies to AHBs through the local authorities towards the capital costs of a project. The local authority lends this money in the form of a 20/30-year annuity mortgage loan to the AHB towards the approved costs it incurs in providing the dwellings. The terms of the Scheme provide that repayments and interest charges due from the AHB may be fully waived, provided the AHB continues to comply with the terms and conditions of the Scheme and the mortgage deed contract signed with the local authority.

The main difference between the CLSS and the CAS is that the local authorities receive funding from the Housing Finance Agency under CLSS and the Department repays the loan charges, whereas the CAS provides the funding directly to the local authority.

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10. A detailed briefing note on houses built by AHBs using State funding, including:
• the rationale for charging rent in some cases, where there is not a mortgage in place,
• why the Department subsidises that rent through the Rental Accommodation Scheme (RAS),
• the number of units RAS has been paid for in AHBs,
• the RAS rate charged, and
• whether these cases represent value-for-money (pgs. 24-25).

Where a unit provided under the Capital Assistance Scheme (CAS), and is in receipt of RAS funding, is out of mortgage the "economic rent" would continue to be paid for the RAS tenancy.

The "economic rent", which would have been negotiated and agreed between the AHB and the LA, would provide funds to cover the ongoing management and maintenance of the unit (to include a sinking fund). Under the terms of CAS, this means that the AHB should set a rent which is fair, reasonable and justifiable to the tenant and takes into account the cost to the AHB of providing the accommodation including the ongoing costs of management and maintenance.

In some instances, the amount of rent charged may not be affordable for CAS tenants therefore these tenants may require some assistance in meeting their rent payments. This assistance is provided under CAS/RAS arrangements and is paid by the local authority (and recouped by the Department) and subject to a cap of €55 for a single person and €60 for a couple with the balance paid directly by the tenant.

Rents continue to be charged on AHB properties whether a CAS mortgage is in place or not - this is on the basis that the units are socially rented in conjunction with the respective local authority. It is the Department's experience that when a CAS mortgage is discharged from a property, the situation, as should be the case, does not alter on the ground and the property continues to be made available for social housing by the AHB.

CAS tenants are charged a fixed rent, also known as an "economic rent" which should provide funds to cover the ongoing management and maintenance of the unit. Memorandum VHU: 2/02 of May 2002 states that rents should be fixed at "levels which are reasonable having regard to tenants' incomes and the outlay of the approved housing body on the accommodation including the ongoing costs of management." It is important that properties are sufficiently funded from a management and maintenance perspective. The amount of rent charged may not be affordable for CAS tenants; therefore, tenants may require assistance in meeting their rent payment. It should be noted that in many cases a CAS tenants' only income may be from social welfare payments.

There were 6,934 AHB households supported under the scheme with related expenditure of €15.5m in 2022.

Where a unit provided under the Capital Assistance Scheme (CAS), and is in receipt of RAS funding, the rent payable is an agreed economic rent (and not a market rent) negotiated and agreed between LAs and the AHB. The economic rent takes account of management & maintenance costs so that a sustainable project is provided that will not need more capital funding in future years.

The economic rent consists of the rent paid by the tenant and the RAS subsidy amount (to be paid by the LA and recouped by the Department).

In general, a minimum rent contribution of €30 for a single person and €35 for a couple is payable by the tenant(s) and a maximum RAS subsidy amount of €55 for a single person and €60 for a couple is currently payable by the LA (and recouped to the LA by this Department).

In summary, the maximum weekly subsidy that can be paid by the LA (and recouped by the Department) is €60.

Capital Advance Leasing Facility (CALF)
CALF funding is a loan and is repayable by the AHB at the end of the agreed period. The loan (capital advance) differs from the CAS and CLSS loans that have traditionally been provided through housing authorities in that it is for a maximum of 30% of the value of the acquisition or construction of the dwellings and it is repayable. The loan agreement is called the Capital Advance Agreement (CAA).

A nominal interest rate of 2% fixed per annum is charged by the local authority on the initial capital amount. Repayments on either the capital or interest are not required during the term of the loan, although where an AHB chooses to, repayments can be made during the term.

Under CALF, the AHB proposes to purchase or build a number of units using private/ HFA finance and receives payments as set out in the P&A Agreement and the AHB may request a capital injection from the Department/ local authority; this amount should be based on a percentage of the acquisition or construction cost.

The AHB then enters into two agreements with the local authority:
The P&A Agreement that will cover the conditions under which the properties will be made available for the term of the agreement; and

A Capital Advance Agreement (CAA) that stipulates the terms and conditions on which the money is being made available from the State and also stipulates the repayment conditions.

The main financial drivers of a private finance/CALF project are:

- the acquisition/construction cost;
- the market rents for the project which generate P&A payments; and
- the cost of finance and borrowing period.

In addition, other factors include:

- differential rent income; operational costs (management, maintenance, life cycle costs, service charges etc.); and assumptions in relation to future inflation for income and expenditure.

As part of the assessment, the Housing Agency examines the overall capital cost indicated in the application and, where appropriate, costs that are ineligible for the CALF assessment are deducted. Where a property becomes vacant, the AHB will have 3 months to fill the unit, before the availability payment is suspended; therefore the risk lies solely with the AHB.

The risks associated with these units are solely a matter for the AHB; the upkeep, management and maintenance of the units will be the sole responsibility of the AHB and the Exchequer is not liable for these costs. The AHBs have to ensure that there is adequate funding to meet the operational costs of the units they are providing through the P&A Agreements.

11. A note on the proposed increase in the number of compulsory purchase orders of vacant properties, including:

- **information on instances where it is not deemed cost-effective to bring such properties into social housing and are sold to the private market instead, and**
- **whether the Department issues guidelines to local authorities on the turnaround of same (pg. 29).**

Department Response
Full-time Vacant Homes Officers (VHOs) are now in place across 30 local authorities. Their role is to identify vacant properties, proactively and systematically engage with the owners and actively promote and lead the uptake of initiatives, schemes and funding programmes e.g. the Vacant Property Refurbishment Grant, the Repair and Leasing Scheme, that will bring those properties back into use, working with the relevant teams in the local authority to do so.

Where the owner cannot be identified or does not engage in bringing their property back into use, local authorities must consider compulsorily purchasing or acquiring the property.

The Vacant Homes Action Plan, launched in January 2023, includes objective 19.5 from Housing for All which provides for the introduction of a new programme for the CPO of vacant properties for resale on the open market.

As part of this programme, the Department, in conjunction with the Housing Agency, and local authorities is producing a guidance document to assist local authorities in compulsorily acquiring vacant and derelict properties using their legislative powers under the Housing Act, 1966 and the Derelict Sites Act, 1990. The guidance outlines the relevant steps for the compulsory purchase of properties (under the Housing Act) and the compulsory acquisition of properties (under the Derelict Sites Act). Each property acquisition will vary depending on a number of factors including the legislative power used, the level of engagement by owners (where they can be identified), potential objections, decisions by An Bord Pleanála.

Any properties compulsorily purchased or acquired may subsequently be used for social housing, made available for sale on the open market or used for other purposes e.g. community use.

As detailed in the Guidance, local authorities in the first instance should engage with their Housing Section to consider if the property is suitable for social housing use. Cost effectiveness is one of a number of factors to be considered by each local authority

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when assessing whether the property should be used for social housing or made available for sale on the open market. Therefore, each property should be considered on a case-by-case basis.

Once acquired, the objective for the local authority is to bring vacant and derelict properties back into use as quickly as possible. Where the property is being made available for sale, limited refurbishment only should be carried out where possible, to meet this objective.

Targets are being set for each local authority relating to properties which will enter the CPO Activation Programme i.e. identification of vacant and derelict properties, engagement with owners and communication of various schemes and supports available to bring the property into residential use, and for those which may be compulsorily acquired, where engagement with the owner has not resulted in the property being brought back into use.

The Department and the Housing Agency will provide support to local authorities in the implementation of this CPO Activation Programme, and monitor and report on progress made and outcomes.

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12. A breakdown of the 2022 targets for affordable purchase schemes with local authorities, cost rental schemes and the shared equity first home scheme, and the number of units delivered under those three areas in 2022 (pgs. 33-34).

Department Response

The total affordable housing delivery target for 2022 was 4,100. The 2022 delivery is set out in the tables below.

2022 National Affordable Housing Delivery by Stream & Tenure Type						
	LA Affordable Purchase Scheme [1]	Cost Rental (684 total)			First Home [2]	Total
		AHB Delivery	LDA Delivered	Local Authority Delivered		
National 2022	323	470	164	50	750	**1757**

Notes:

[1] Includes LDA sourced homes sold through the Local Authority Affordable Purchase Scheme.

[2] The First Home scheme launched in July 2022 and the reported numbers represent approvals issued up to 31st December 2022.

2022 Affordable Housing Delivery by Local Authority Area by Provider & Tenure						
Local Authority Area	Local Authority Affordable Purchase Scheme Delivered [1]	Cost Rental (684 total)			First Home [2]	Total
		Local Authority Delivered	AHB Delivered	LDA Delivered		
Carlow County Council					1	1
Cavan County Council					2	2
Clare County Council					4	4
Cork City Council	135		105		40	280
Cork County Council	38				82	120
Donegal County Council					3	3
Dublin City Council					3	3
Dun Laoghaire Rathdown County Council		50			15	65
Fingal County Council	23		14		95	132
Galway City Council					6	6
Galway County Council					15	15
Kerry County Council					1	1
Kildare County Council			202		202	404
Kilkenny County Council					8	8
Laois County Council					9	9
Leitrim County Council						
Limerick City and County Council					17	17
Longford County Council						
Louth County Council					9	9
Mayo County Council					1	1
Meath County Council			22		57	79
Monaghan County Council					3	3
Offaly County Council					4	4
Roscommon County Council					5	5
Sligo County Council						
South Dublin County Council	16		127	22	81	246
Tipperary County Council					2	2
Waterford City and County Council	65				12	77
Westmeath County Council	10				3	13
Wexford County Council					14	14
Wicklow County Council	36			142	56	234
National Delivery	323	50	470	164	750	1757

Notes:

[1] Includes LDA sourced homes sold through the Local Authority Affordable Purchase Scheme.

[2] The First Home scheme launched in July 2022 and the reported numbers represent approvals issued up to 31st December 2022.

13. A note on the Department's consideration of generic designs for social housing, including what is being proposed, and any reason(s) why this cannot be implemented (pgs. 34-35).

Department Response

On 21 January 2022, Minister Darragh O'Brien launched the Design Manual for Quality Housing, which is available both on the Department's website and in hard copy, which at the time was distributed to all local authorities and the larger Approved Housing Bodies (AHBs). The Manual is predominantly aimed at local authorities, AHBs and their consultants, who are involved with the design of social housing and with delivering individual social housing developments or larger mixed-tenure developments and is intended to give guidance on the design of residential site layouts, and on the design of internal layouts of new apartments and houses.

The Manual contains a suite of over 50 internal layouts (generic designs) for a wide variety of houses, duplexes and apartments, finalised following consultation with local authorities and some of the larger AHBs. The internal layouts are economic in design. They achieve this by minimising circulation space and maximising useable space within compact layouts, and by generally meeting or only slightly exceeding the target floor areas in Department publications. The use of economic layouts to reduce construction costs is intended to provide better value for money.

The Design Manual provides a wide range of layouts to reflect the varying site context and particular housing need. For instance the dwelling layout used must be best able to fit the site, and whilst deep narrow dwellings might ordinarily be favoured, wide fronted houses may be needed where the site depth is limited. This is in addition to the diversity in dwelling size needed for different sizes of household, and a diversity of building types, including individual dwellings, apartments in multi occupancy buildings, and duplex dwellings.

Similarly a number of the dwelling types are suitable for disabled persons or older persons, designed with input from the Centre for Excellence in Universal Design, and which meet Universal Design Home standards.

The variety of types included is intended to answer a wide variety of needs, but there is no requirement for a local authority or AHB to use a particular internal layout, and so in practice, many authorities may normally only use a small number of the types included in the Manual.

Whilst the internal layouts are set, it is considered appropriate that the external design appearance be within the responsibility of the architect and the design team, in order to best respond to site conditions, to best suit the chosen form of construction, and to provide some flexibility on other design elements such as the location and size of windows, and on the choice of external materials to best suit local conditions and traditions. It is also important that the architect and design team have responsibility for the form of construction and accordingly for compliance of the design with building regulations, and other statutory or regulatory requirements.

The Department's 'Employer's Requirements for Detail Design of Quality Housing' document, published in 2020, is an outline specification that sets out the quality of materials, fittings and finishes which the Department considers appropriate in the context of housing provision, whilst balancing initial cost with long-term maintenance and the need to deliver value for money. A reasonable range of materials finishes and fittings are supported as set out in the Employer's Requirements document.

As well as the internal layouts of the dwellings, the Manual includes a number of sample site layouts which set out the urban design and placemaking priorities required to deliver a high-quality and sustainable development, consistent with planning policy. These sample site layouts are intended to illustrate the design principles and good practice that the Department, when evaluating the acceptability of scheme designs for funding approval, would expect to see implemented. Of course, it is also well accepted that each scheme will have its own site-specific influences and particular requirements, and will rely on the design skills of the architect and the design team to achieve a quality public realm, a well-considered and attractive environment, whilst achieving the best use of the site.

Crucially, by using the standard internal layouts for houses, duplexes and apartments, and by following the design principles for site layouts, local authorities and AHBs will be able to improve delivery times for residential developments. Adopting any of the pre-approved internal layouts should allow the design team to complete their detailed and site specific design and prepare costs within an efficient timeframe. Where funding applications are received which include proposals adopting standard internal layouts, (in conjunction with the Employer's Requirements for Detail Design of Quality Housing), approvals should be more efficient, as the Department will not need to re-evaluate such standard internal layouts, as is necessary with unique, bespoke designs.

Whilst use of the internal layouts was originally intended to be optional, the Department has seen increasing use of these standard internal layouts over the past year, and the Department has recently concluded that consistency with the Design Manual and Employers Requirements should become mandatory for inclusion within briefing documents issued to Design Teams on all future social housing developments.

14. Whether the Minister for Housing is aware of the figure of €633,000 per unit for the first two bundles of housing delivered under the current PPP schemes (pgs. 37-39).

Department Response

The Minister is aware of these unit costs which incorporate all construction, maintenance and lifecycle costs for 25 years under the contract. The figures also include inflation over the full 25 year period.

See more detailed information regarding costs in the response to Question 2.

15. Using a sample of projects, and as far as can be demonstrated, the Department's methodology and/or value for money assessment for housing schemes administered in the State (pg. 47).

(see also response to Q7 re VFM and Leasing)

Department Response
Under the CALF scheme there are a number of controls currently in place both internally and externally in order to control costs within the CALF Funding model and achieve Value for Money.

In terms of their internal consideration prior to submitting an application for funding support, an AHB, and in particular those larger AHB's, would have to submit a proposal to their own board for approval. This would ensure that the applications would fit within their internal parameters as AHB's have a vested interest in keeping the capital cost as low as possible as it in turn reduces the amount they have borrow (and repay) under CALF.

In terms of processing an application, this Unit would insist on an AHB submitting either a value for money report or a market valuation along with their application. This would give us a reassurance that the proposed capital cost is reflective of existing and new properties of a similar nature in the area. We will continue to utilise these approaches in the revised CALF Funding model. Typically a value for money report would take into consideration elements such as

- Local Housing need
- Savings on the costs of supplying housing supports through the HAP and RAS schemes when people are transferred into AHB CALF properties
- Savings on the costs of supplying homeless services where AHBs can facilitate people exiting homelessness
- Comparison of costs of similar projects undertaken by AHBs

It should also be noted that the Housing Finance Agency, the main lender to the AHB Sector, will only lend them up to 80% of market value of a unit which again keeps a certain level of restriction regarding the prices that an AHB can pay for a property.

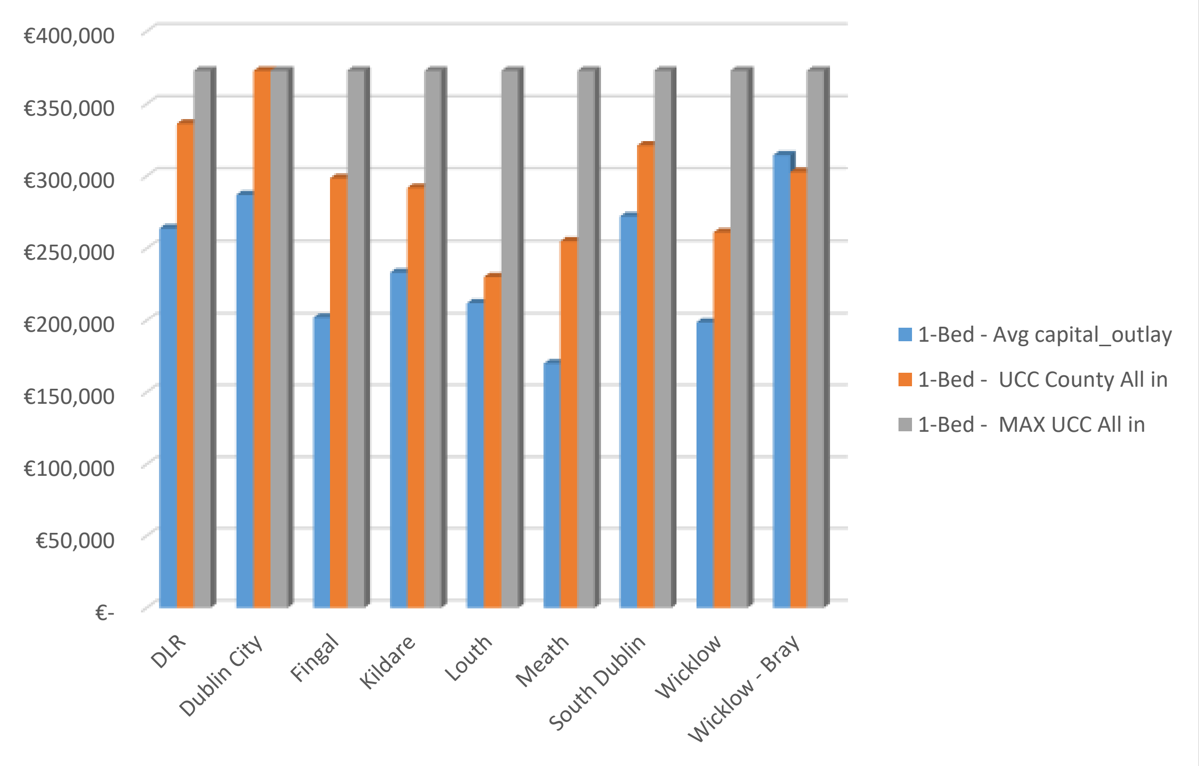
In addition to the above, this Unit when dealing with applications for reassessment of projects in cases of construction inflation will send a proportion of these claims for scrutiny to our in-house quantity surveyor team.

An analysis of the 2021 average capital cost of nine different types of housing units funded under CALF against the UCC's for the same types of development for eight local authorities, the four Dublin local authority areas plus Kildare, Louth, Meath and Wicklow.

These eight local authorities would capture a broad representation of the picture countrywide and would also represent the local authority areas with some of the most expensive areas in which to locate and acquire social housing projects.

The results of this analysis is set out in Appendix A and shows that in the main the average capital costs funded under CALF were within the max UCC all-in costs. There were 57 individual scenarios outlined in all of the nine examples across the eight local authority areas. 52 (91.2%) out of the 57 different scenario were within the max UCC all-in costs from their particular local authority areas. In the limited situations where average costs were above UCC's, the range involved was <1% to 5.5% and these were in the main in the Dublin City Council area.

APPENDIX A

1.	Studio Apartments
	

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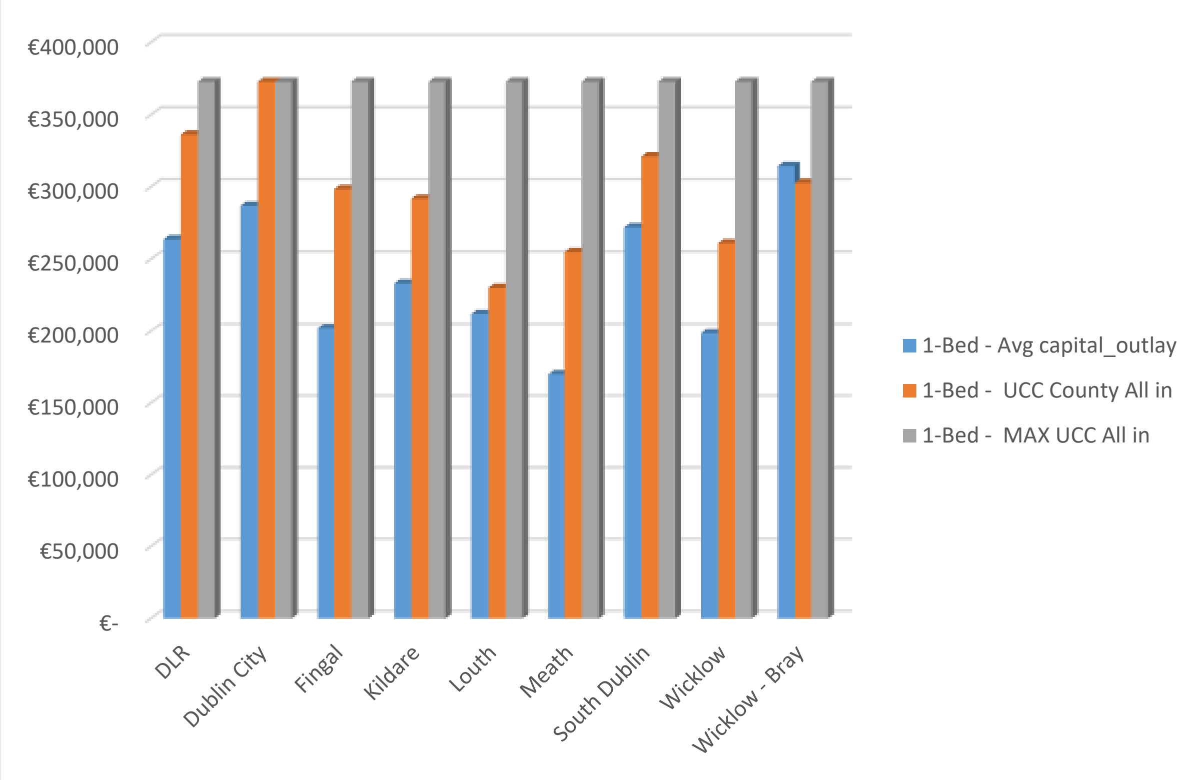
2.	1 bed Apartments and Duplexes
	

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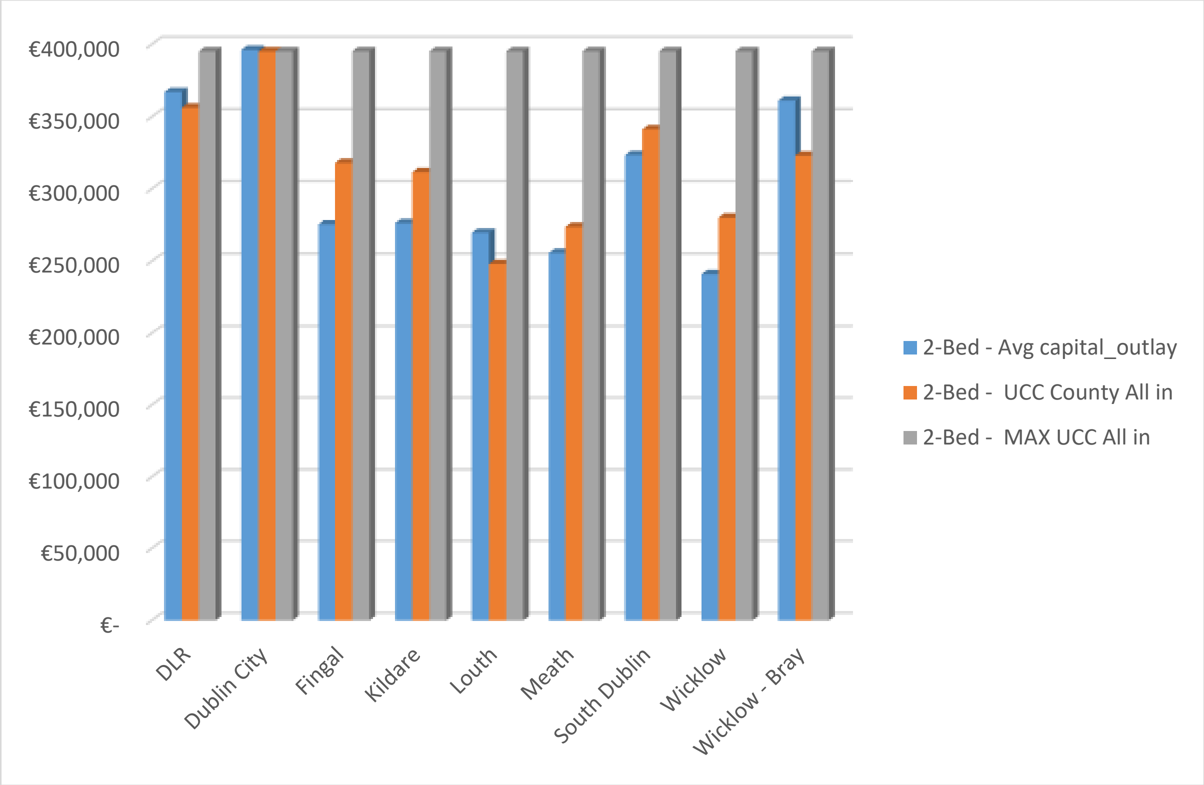
3.	2 bed Apartments and Duplexes
	

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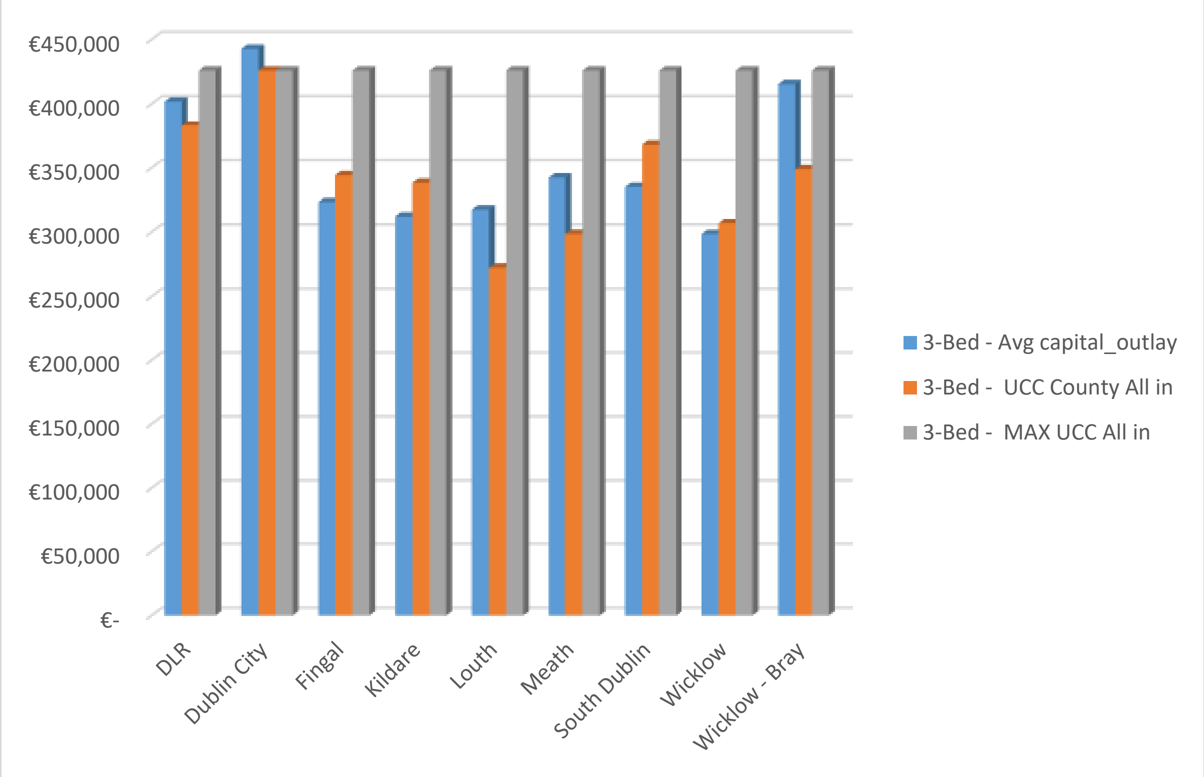
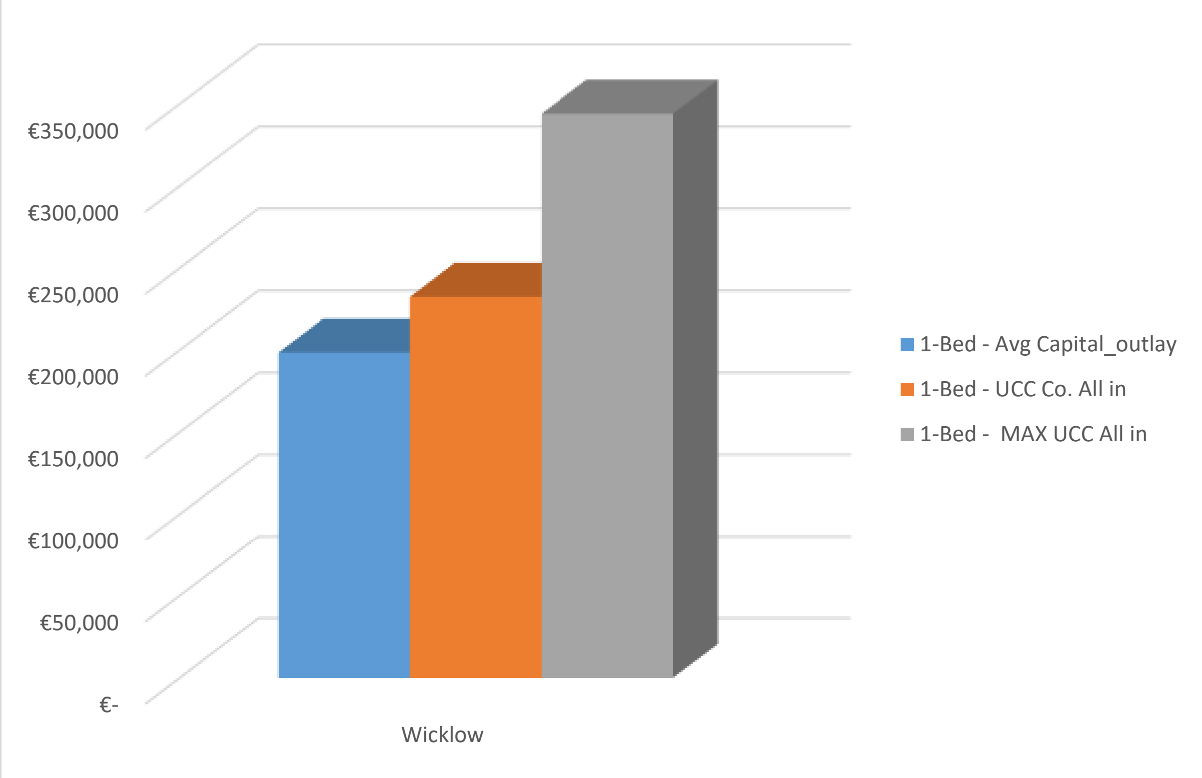
4.	3 bed Apartments and Duplexes
	

5.	1 bed Houses
	

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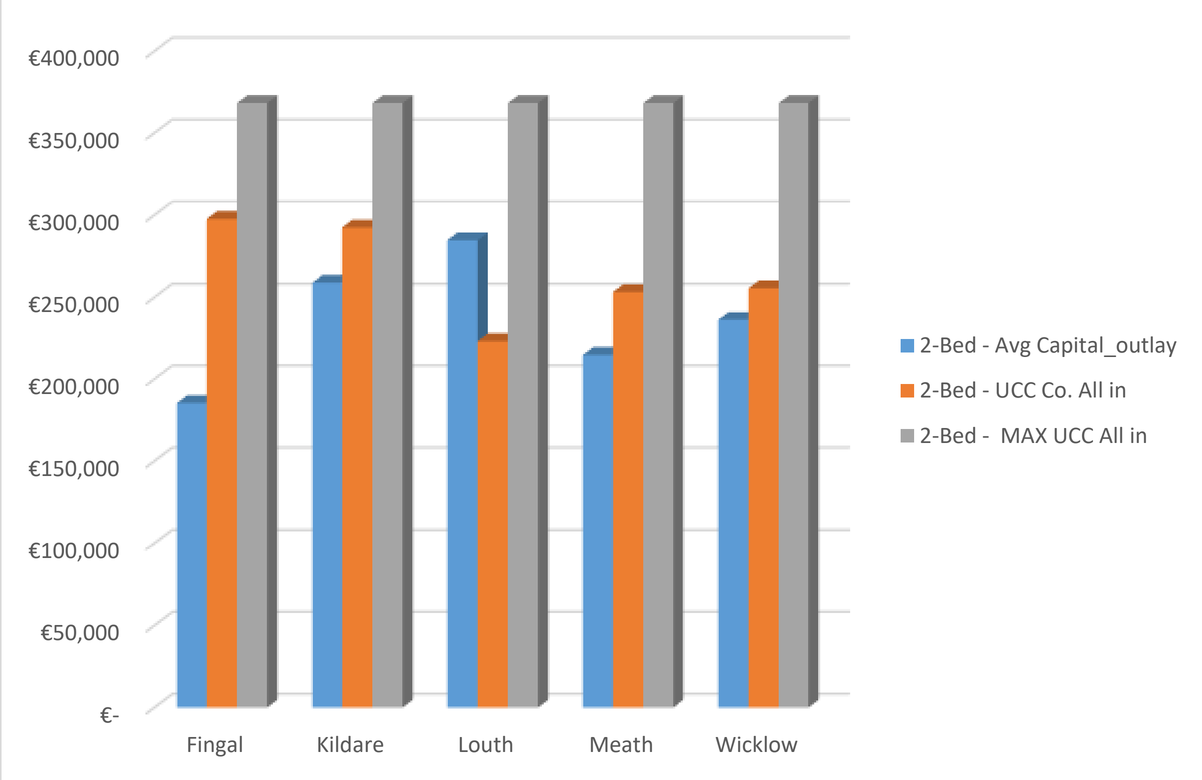
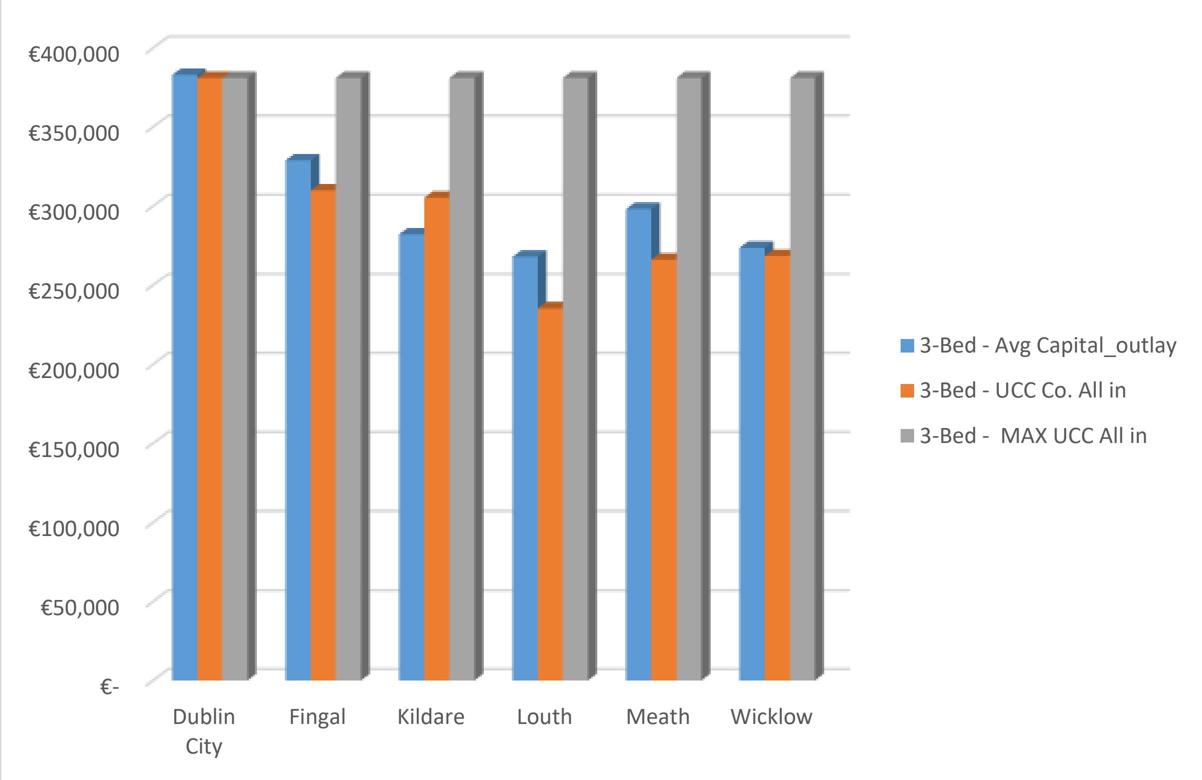
6.	2 bed houses
	

7.	3 bed houses
	

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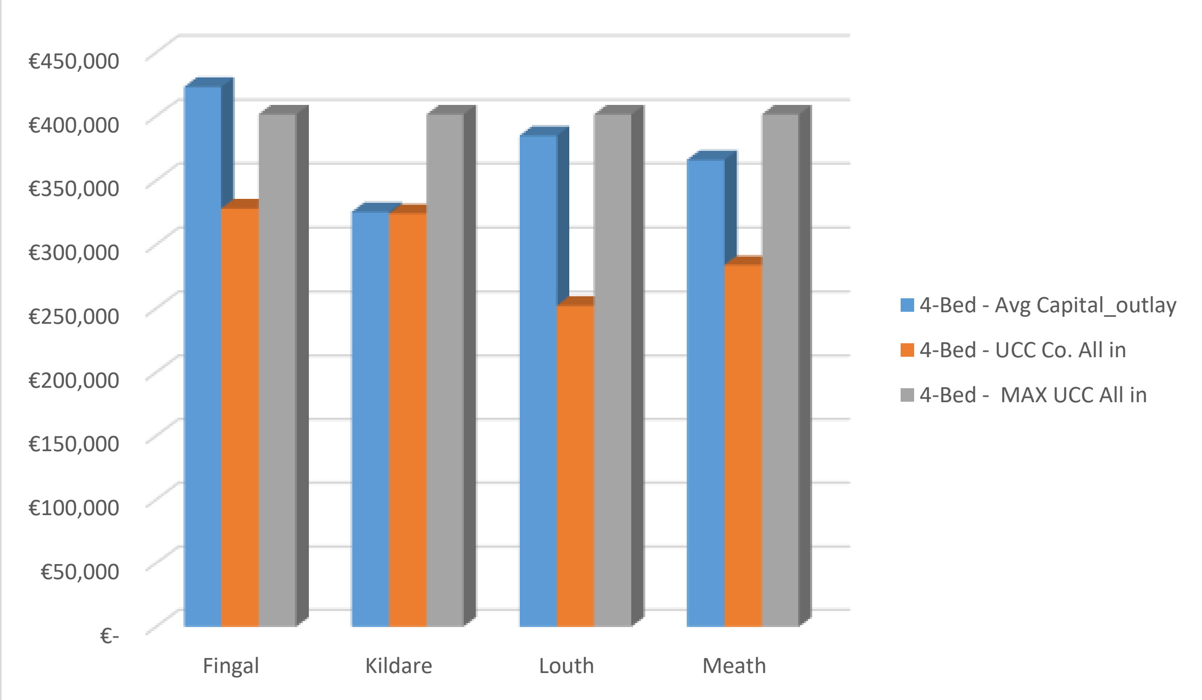
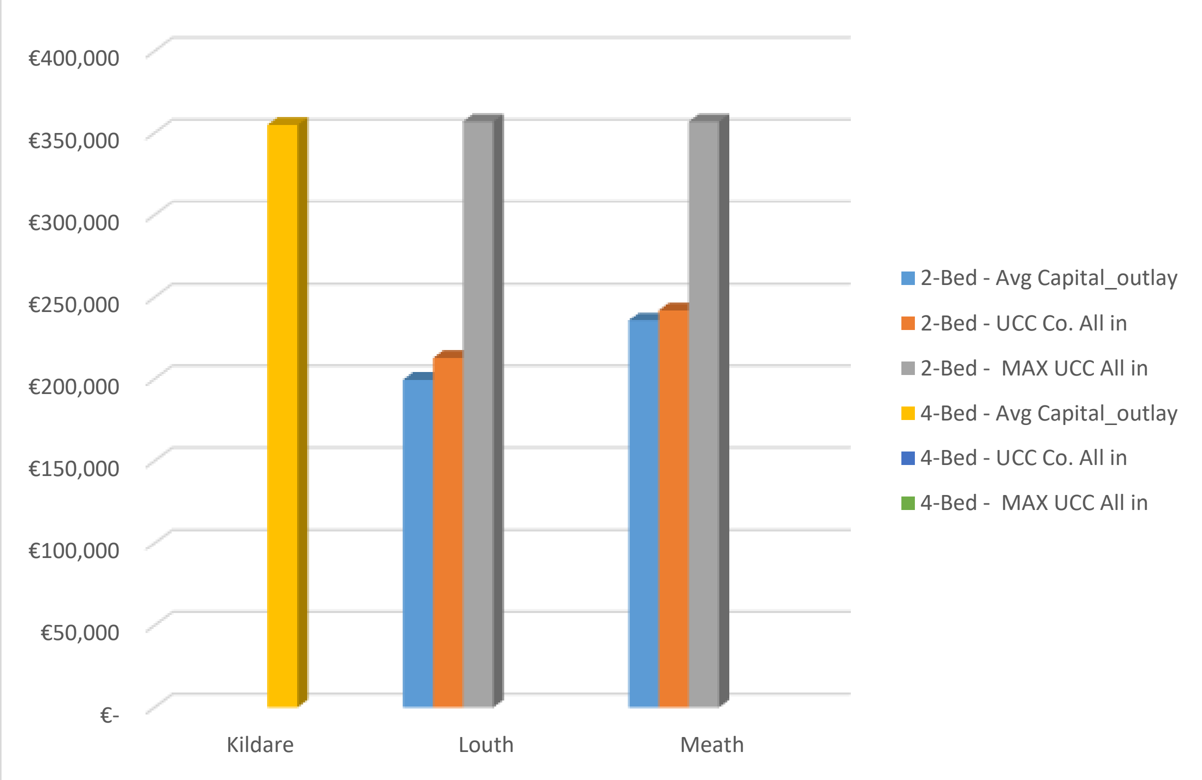
8.	4 bed houses
	

9.	2 and 4 bed bungalows
	

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16. An update on the re-establishment of the building regulatory advisory body, including the rationale for the delay until 2024 mentioned in the previous update (pgs. 57-61).

Department Response
The Department is committed to establishing a building standards regulator to strengthen the oversight role of the State with the aim of further reducing the risk of building failures and enhancing public confidence in construction-related activity. The objective is to ensure that this regulator has sufficient breadth of scope, effective powers of inspection and enforcement, and an appropriate suite of sanctions.

It is intended that the building standards regulator will be established on a statutory basis (through primary legislation). In this regard, the Minister informed the Government on 18 January of his intention to develop proposals for the establishment of a building standards regulator for further consideration by Government.

As a first step, a comprehensive desktop study was undertaken by the Housing Agency in collaboration with the Department, which documented the current building control system and construction product enforcement system in Ireland and other countries. It also provides an overview of other relevant regulators and inspectorates in Ireland.

Building on the information contained in this study, the Department has commenced dialogue with the County and City Management Association with a view to determining the scope, functions, role and structure of the regulator.

The Department is also committed to re-establishing the Building Regulations Advisory Body to advise the Minister on matters relating to the Building Regulations. The optimal role of this Body is being considered in the context of the establishment of the building standards regulator as outlined above.

17. A breakdown of each local authority's spend on building control services (pg. 57).

Department Response

The expenditure details for 2021 are set out in the table below. The income figures in the table include income from commencement notices and any incomes in respect of the recoupment of enforcement costs in respect of building control. Dublin City Council is the lead local authority for the National Building Control Office and they received funding from the local authorities for running this service.

Local Authority	EXPENDITURE	INCOME			
	TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local authorities	TOTAL
	€	€	€	€	€
Carlow County Council	148,185	-	14,248	-	**14,248**
Cavan County Council	158,439	-	2,330	-	**2,330**
Clare County Council	439,937	-	37,561	-	**37,561**
Cork City Council	538,204	-	8,948	-	**8,948**
Cork County Council	1,295,318	-	22,506	-	**22,506**
Donegal County Council	177,403	-	126,359	-	**126,359**
Dublin City Council	4,618,561	746,082	622,861	1,600,000	**2,968,943**
Dun Laoire/Rathdown County Council	1,517,087	-	593,478	-	**593,478**
Fingal County Council	1,724,609	-	219,747	5,122	**224,869**
Galway City Council	343,561	-	42,930	-	**42,930**
Galway County Council	318,112	-	6,137	-	**6,137**
Kerry County Council	383,701	-	237,384	-	**237,384**
Kildare County Council	560,594	-	467,709	-	**467,709**
Kilkenny County Council	54,927	-	63,472	-	**63,472**
Laois County Council	131,749	-	46,576	-	**46,576**
Leitrim County Council	95,984	-	2,275	-	**2,275**
Limerick City & County Council	165,822	-	2,132	-	**2,132**
Longford County Council	57,198	-	1,140	-	**1,140**
Louth County Council	312,579	-	63,299	-	**63,299**
Mayo County Council	333,838	-	37,898	-	**37,898**
Meath County Council	126,452	-	1,000	-	**1,000**
Monaghan County Council	222,291	-	45,414	-	**45,414**
Offaly County Council	101,788	-	22,257	-	**22,257**
Roscommon County Council	157,143	-	36,056	-	**36,056**
Sligo County Council	71,996	-	10,720	-	**10,720**
Sth Dublin County Council	585,480	-	195,941	-	**195,941**
Tipperary County Council	183,116	-	30,829	-	**30,829**
Waterford City & County Council	299,426	-	93,751	-	**93,751**
Westmeath County Council	183,282	-	59,757	-	**59,757**
Wexford County Council	876,881	-	88,962	-	**88,962**
Wicklow County Council	259,412	-	70,353	-	**70,353**
TOTALS	**16,443,076**	**746,082**	**3,274,033**	**1,605,122**	**5,625,236**

21. A detailed note on the enhanced leasing scheme, including details of:

- **How many leases are or were in place and what is the average cost involved;**
- **The average cost per county**
- **When will the scheme be phased out, and why has it not been phased out to date;**
- **How can the Department conduct a cost-benefit analysis in circumstances, such as this scheme, where the assets are not for sale; and**
- **How does the build-to-rent aspect work in the context of Part V housings (pgs 25-26)**

How many leases are or were in place and what is the average cost involved; The average cost per county

547 properties have been delivered through the Enhanced Leasing scheme since the start of the scheme to the end of 2022. 39 of these were secured under Part V obligations. As at the end 2022, 485 of these properties had been claimed from the Department, a figure which includes 23 properties under Part V. The average cost of Enhanced leases claimed by LA can be seen in the table below:

	Enhanced Leasing - Standard – Average	Enhanced Leasing – Part V - Average	Enhanced Leasing - Overall – Average
DLR	€24,568		€24,568
Dublin City	€23,718	€21,807*	€23,278
Galway County	€9,690		€9,690
Kildare	€19,504		€19,504
Louth	€11,970		€11,970
Wicklow	€18,650		€18,650
Overall Average	**€20,816**	**€21,807**	**€20,863**

*This figure does not include any discount received under Part V agreements such as rent free periods or lump sum payments to the local authority.

When will the scheme be phased out, and why has it not been phased out to date;

Under Housing for All the Government plans to increase the supply of housing to an average of 33,000 homes per year over the next decade. Over 300,000 new homes will be built by the end of 2030, including a projected 90,000 social homes, 36,000 affordable purchase homes and 18,000 cost rental homes.

This includes the delivery of 47,600 new build social homes in the period 2022-2026. Housing for All is supported by an investment package of over €4bn per annum,

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through an overall combination of €12bn in direct Exchequer funding, €3.5bn in funding through the Land Development Agency and €5bn funding through the Housing Finance Agency.

Under Housing for All, the Government has committed to a managed phasing out of new long term leasing projects over the lifetime of the Plan. It is envisaged that 3,500 homes are to be delivered through long term leasing from 2022 to the end of 2025, many of which are already committed to, tapering down from a target of 1,300 units in 2022 to 200 units in 2025. Annual Housing for All targets were allocated to 13 Local Authorities in September 2021.

Immediately ending long term leasing, and inherently Enhanced Leasing, would reduce the amount of social housing units to be delivered in the short term and cause issues for following through on commitments that local authorities have already negotiated. The phasing out of leasing enables a greater proportion of social housing need to be addressed in the short run within a tight budgetary environment whilst the other benefits of Housing for All are being realised.

How can the Department conduct a cost-benefit analysis in circumstances, such as this scheme, where the assets are not for sale

All long term and short term leasing schemes, including Enhanced Leasing are off-balance sheet as there is no asset at the end of the term. A multi criteria analysis is prepared by the Housing Agency for leasing proposals where the number of dwellings exceeds 30 units and or the cost of the leases over the full term exceeds €20m.

This Multi Criteria Analysis compares leasing with other delivery mechanisms available to local authorities, for example HAP, Construction on LA Own Lands, Construction with Site Purchase, Multi-Unit Acquisition and Single-Unit Acquisition.

Leasing is scored using a weighting criteria against all other delivery mechanisms available to the local authority and ranked against four main criteria (costs, delivery timeframes, location and sustainable communities) to inform the project approval decision.

It is important that any costing exercise is not simply an extrapolation of monthly rent over the term of the lease. The Enhanced Lease reduces ongoing maintenance, insurance and other costs normally borne by Local Authorities and these should be factored into any assessment. Also of importance is the value of money over time, i.e. any costings should factor in the appropriate discount rate to arrive at the Net Present Value cost of the units.

How does the build-to-rent aspect work in the context of Part V housings (pgs 25-26)

The Social Housing Current Expenditure Programme supports the delivery of social housing by providing financial support to local authorities for the leasing of houses and apartments, including Part V leasing.

Section 96(3)(b)(iva) of the Planning and Development Act 2000, as amended, provides that a Part V agreement may be satisfied by the lease of housing units either on the site subject to the application or in any other area within the functional area of the planning authority.

In reaching an agreement on how the Part V contribution will be achieved, a planning authority is required to have regard to —

> (i) the proper planning and sustainable development of the area to which the application relates,
> (ii) the housing strategy and the specific objectives of the development plan which relate to the implementation of the strategy,
> (iii) the need to ensure the overall coherence of the development to which the application relates, and
> (iv) the views of the applicant in relation to the impact of the agreement on the development.

In 2016, the introduction of Build to Rent (BTR) as a specific category of development, led to a further rationale for Part V leasing as it was a more practicable option for units within BTR developments. As such it is possible for local authorities to acquire or lease homes in BTR developments. It should be noted however that as of 22nd December 2022, BTR no longer exists as a separate planning class.

Housing for All is committed to ending long-term leasing for social housing by local authorities and focussing on new-build to provide social homes.

In the context of the phasing out of long term leasing by 2025 year end, the future of the Part V leasing option is currently under review.

26. The number of AHBs that received funding in 2021-22, whether any AHBs that received funding from the Department were not been registered, whose registration was pending or were not fully registered (pg. 37).

Department Response

Approved Housing Bodies (AHBs) are key delivery partners for the provision of social and affordable housing. This Department does not administer funds directly to AHBs, rather it is primarily provided to local authorities who, in turn, advance the funding to the AHBs, as appropriate.

Information in respect of funding for individual AHBs is not readily available within the Department. However, over the period 2021 - 2022, funding of over €1.4 billion was provided by the Department in respect of a range of AHB capital and current funded Housing schemes. In addition to this funding, relevant information in respect of homeless expenditure is available on the Department's website at the following link: https://www.gov.ie/en/collection/80ea8-homelessness-data/#local-authority-regional-financial-reports

Eligibility for funding is linked to Circular 8/2022 (copy attached with this document), which requires AHBs to have a satisfactory outcome in the last assessment cycle of the Voluntary Regulatory Code (VRC).

All AHBs that were signed up to the VRC were "deemed" registered with the Approved Housing Bodies Regulatory Authority (AHBRA) on 01 Jan 2022. As a result, AHBs receiving funding must be on AHBRAs register, and, must have received a satisfactory outcome in the last assessment cycle.

While the Department does fund AHBs directly, as provided for in Circular 8/2022, AHBs should provide evidence of a satisfactory outcome, or local authorities should contact the Department if they wish to check the status of any AHB in this matter.

**An Roinn Tithíochta,
Rialtais Áitiúil agus Oidhreachta**
Department of Housing,
Local Government and Heritage

The Secretary General is a Designated Public Official under the Regulation of Lobbying Act, 2015

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Terms of Reference of the AHB Unencumbered Units Working Group

The AHB Unencumbered Units WG is tasked with examining and making recommendations, where appropriate, in relation to the following:

- Ascertain the number of units already out of mortgage on a geographical basis to end 2022, including the name of the relevant AHBs, stock conditions, level of repairs (if required), vacancy/ occupancy rates, tenancy arrangements and sinking funds available;
- Work with the Housing Agency, ICSH and representative bodies to ascertain the numbers of units due to exit mortgage by 2040 on a geographical basis and include the classification status of the AHBs;
- Examine sectoral proposals in the context of housing policy, the National Development Plan, the National Retrofitting Plan and *Housing for All* more generally;
- Explore funding and other arrangements for similar units in other jurisdictions;
- Explore appetite and capacity of lenders for new loan products, including for example the Housing Finance Agency;
- Explore the different options available to include any funding requirements needed based on the initial funding of the AHB Unit(s) (Units acquired without the assistance of State funding including from fundraising, donations and bequests) and ascertain if a one size fits all funding arrangement meets the needs of all unencumbered units or if bespoke funding mechanisms are required;
- Evaluate if there are any synergies with future funding requirements for CAS voids /vacant units and AHB Unencumbered Units;
- Prepare options for any new arrangements, to include a funding stream if deemed appropriate, including alignment with the Local Authority Housing Delivery Action Plans;
- Define terms and conditions of any new arrangements, to include funding arrangements if deemed appropriate, including funding eligibility, Key Performing Indicators, monitoring and reporting requirements;
- Evaluate the costs and risks associated with proposed options, including the possible impacts of statutory regulation for the AHB sector, fiscal constraints as a result of classification, resource implications for Local Authorities and the DHLGH; and
- Recommend pathways for these units with a view to seeking funding, if deemed appropriate for same as part of the Estimates process for future budgets.

An Roinn Tithíochta,
Rialtais Áitiúil agus Oidhreachta
Department of Housing,
Local Government and Heritage

To: Chief Executives
Directors of Housing

CC: Irish Council for Social Housing
LG Auditors

Housing Circular: 08/2022

23 February 2022

Update on Statutory Regulation of Approved Housing Bodies

Dear Chief Executive,

I refer to Circular 16/2021 in relation to the establishment of the Approved Housing Bodies Regulatory Authority (AHBRA) and funding eligibility for AHBs during the transition period and now wish to update you further on the progress made on the introduction of statutory regulation for the AHB sector and specifically wish to draw your attention to the following:

i. **Ending of the Voluntary Regulation Code (VRC) and Revoking Circular 15/2016.**
As you will be aware the Approved Housing Bodies Regulatory Authority (AHBRA) was established on the 1st February 2021 and all AHBs which were on the Department's Register on 31 December 2021 are deemed to be registered with AHBRA from **1 January 2022**. The interim Regulatory Committee which oversaw Voluntary Regulation of the AHB sector since 2013 was dissolved on 31st December 2021 and as such there will be no further opportunity to be assessed under the VRC. The most recent assessment cycle in 2021 was the last assessment cycle carried out by the Regulation Office.

It is no longer possible for AHBs to demonstrate commitment to, and engagement with, both the VRC and the Financial Standard and Assessment Framework, in accordance with Circular 15/2016. As such, Circular 15/2016 is now revoked and funding eligibility for AHBs seeking new funding during the final transition to statutory regulation will be in accordance with this Circular.

In order to mitigate risk and to ensure that State funding is prioritised to AHBs that have recently demonstrated that they are well governed, well managed and are financially viable, <u>AHBs must have received a satisfactory outcome in their most recent assessment under the Voluntary Regulation Code (VRC) to be considered eligible for **new funding**</u>. AHBs should provide evidence of this in support of their application for funding. As the list of AHBs that signed up to the VRC is no longer available publicly, local authorities should contact ahb@housing.gov.ie if they wish to check the status of any AHB in relation to this matter.

The Department will develop a new policy in relation to the eligibility of AHBs for funding in the context of a statutory regulatory framework and will issue further guidance before regulatory assessments under a statutory framework commence.

ii. Standards and the Development of a Statutory Regulatory Framework

The Minister has approved the Standards for AHBs which were submitted by the AHBRA in accordance with the provisions in the Housing (Regulation of Approved Housing Bodies) Act 2019. The standards focus on a series of high-level outcomes that AHBs are required to achieve. These outcome-based standards allow for greater flexibility and a recognition of the diversity within the AHB sector. They enable AHBs to demonstrate and evidence their approach to a particular outcome, recognising that AHBs have different deliverables based on their nature, scale and complexity of activities. All AHBs must comply with the standards.

AHBRA will collect information on the sector which will allow AHBs to be categorised depending on their nature, scale and complexity of operations. AHBRA will also be issuing guidance to the sector on the standards and how they will apply to each category of AHBs. The standards form part of the wider regulatory framework including; the registration of AHBs; monitoring and assessing of compliance with the standards; encouragement and facilitation of better governance, administration and management within AHBs; promotion and awareness of the Act and the collection and publication of certain information on AHBs.

Risk-based regulation forms the basis of AHBRA's regulatory approach. This utilises data and information to identify and evaluate risk trends and enables informed decision-making on the application of their regulatory functions. Risk-based regulation will ensure AHBRA's regulatory approach is appropriate, measured and proportionate. AHBRA will develop their regulatory framework during 2022 and will engage with key stakeholders in the process. Further information about the AHBRA can be found at www.ahbregulator.ie.

If you have any queries in relation to this circular, please do not hesitate to contact us at ahb@housing.gov.ie.

Yours sincerely,

Catherine Rawson

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AHB Policy & Regulation

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