

Housing Updated response re Recommendations in PAC report on 2019 Appropriation Accounts

October 2023

Recommendation 1:

The Committee recommends that the Department works to substantially reduce the expenditure year-on-year on social housing supports such as HAP, RAS and SHCEP starting from 2022, and focuses on increasing capital expenditure on housing stock that will remain an asset of the State.

Updated Response (Oct 2023)

The Department of Housing, Local Government and Heritage accepts this recommendation but wishes the Committee to note the countervailing pressures to reducing current expenditure in these areas as (i) current expenditure on HAP and RAS is demand led, (ii) the SHCEP budget supports current costs associated with the provision of homes by Approved Housing Bodies through the Capital Advance Leasing Facilities (CALF), and also supports the Repair and Leasing Scheme and the Mortgage to Rent programme. Allocations for each of these subheads have been set for 2023 in the Estimates process. The Department will work to progress this recommendation over the period of the Housing for All Plan, taking account of the NDP capital envelope for housing, while also taking into account the range of services to be delivered from the current expenditure element of the Vote.

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. Under Housing for All, the focus is to deliver social homes through build programmes delivered by local authorities and Approved Housing Bodies. In the period 2022-2030, Housing for All includes a target to deliver nearly 90,000 new build social homes. This focus on build will see a reduced reliance on leasing, with long-term leasing to be ended by 2025. Local authorities have been provided with social housing targets for the period 2022-2026 and significant work is underway to develop a pipeline of new housing developments to meet these targets. The latest Construction Status Report (Q2 2023) shows that 9,161 social homes were under construction onsite at the end of June 2023, with an additional 13,451

homes at various stages of design and procurement. In Quarter 2 2023, 138 new construction schemes, (2,389 homes) were added to the pipeline. Additional social housing developments are being added to the pipeline on a regular basis.

Over time, as the stock of social housing increases, we will see more households on social housing waiting lists in local authority allocated properties with a reduced reliance on the Housing Assistance Payment (HAP) and the Rental Accommodation Scheme (RAS). However, at end 2022 we had over 59,000 households in a HAP-supported property and more than 16,500 in RAS properties. The Programme for Government commits to ensuring that HAP levels are adequate to support vulnerable households. An increase in the HAP discretionary rate from 20% to 35% was introduced in 2022. Additional HAP supports are available under HAP for homeless households or households at risk of homelessness.

Housing for All includes a commitment that the State will continue to support households currently in HAP supported tenancies and to provide funding to support households on social housing waiting lists to secure a HAP supported tenancy, while we increase the levels of housing stock managed by local authorities and AHBs. The Department will engage with the Department of Public Expenditure, NDP Delivery and Reform through the annual Estimates process in relation to the budget requirements to meet these commitments.

The Social Housing Current Expenditure Programme (SHCEP) supports the costs of homes delivered through leasing programmes, including Repair and Leasing and Mortgage to Rent. Under Housing for All, long-term leasing will be ended by 2025. Housing for All also commits to increases in the numbers of households supported through the Mortgage to Rent scheme. The Targeted Leasing Initiative (which aims to deliver approx. 1,000 additional long term leased homes and was one of the extra measures announced at the end of the Winter Eviction Ban) will also be funded from SHCEP.

The SHCEP budget also supports current costs associated with the provision of homes by Approved Housing Bodies through the Capital Advance Leasing Facilities (CALF) and the

associated Payment and Availability agreements. Under Housing for All, Approved Housing Bodies will have an important role in the delivery of new build social homes.

The total spend for both HAP and RAS decreased in 2022 compared to 2021.

Recommendation 2:

The Committee recommends that the examination of the creation of an independent Building Standards Regulator, and the re-establishment of the Building Regulatory Advisory Body is completed by the end of quarter one 2022, and that a progress update is provided to the Committee at that point.

In light of the impact the Pyrite Remediation Scheme and the Defective Concrete Blocks Grant scheme will have on the Exchequer, the Committee recommends that, in order to safeguard public funds, a more robust regulation regime is put in place with regard to building standards nationwide.

Department response (Updated Oct 2023)

1. Whether it remains the intention of the Department to establish a building standards regulator

Department Response

The Department remains committed to establishing an independent 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 legislative proposals for the establishment of an independent building standards regulator.

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 (completed in March 2023), 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. While the Department continues to develop proposals, it is likely to be Q1 2024 before they are ready for Government.

2. A detailed note on the work involved in re-establishing the Building Regulations Advisory Body including the reason for the delay.

Department Response

The Department remains committed to re-establishing the Building Regulations Advisory Body (BRAB) under Section 14 of the Building Control Act 1990.

In line with the Government's Public Service Reform Plan, published by the Department of Public Expenditure and Reform in November 2011, the BRAB was listed as one of the forty six "Candidate Bodies for Critical Review by end June 2012". The outcome of that review process was that the work of the BRAB was to be absorbed into the Department.

Since the rationalisation and reduction of State Bodies was made by way of a Government Decision, it is proposed to submit a Memo for Government seeking Government approval to re-establish the BRAB.

Preparatory work has commenced in this regard with a view to re-establishing the Advisory Body in H2, 2024.

Recommendation 3:

The Committee recommends that the Department furnish it with a timeline by the end of quarter one 2022 as to when it expects to receive the full liability due from HomeBond, and requests that the Department provide it with quarterly updates thereafter on the progress in recouping the full amount from HomeBond.

3. Whether the proposed agreement with HomeBond will ensure the payment of the full liability due from the insurer.

Department Response

The Department has been made aware of an agreement reached between the Housing Agency and HomeBond. Signed contracts were sent to HomeBond by the Pyrite Resolution Board on the 25th of April, 2023. The PRB are following up on the return of the counter signed agreement. Meanwhile, HomeBond continue to provide the services to the Pyrite Remediation Scheme.

Recommendation 4:

In order to achieve more satisfactory outcomes for the Exchequer and tenants, the Committee recommends that the Department engages with the RTB to increase transparency in the process of referring an unregistered property to the RTB. Specifically, the Committee recommends that the following actions are taken by the RTB to address the matter:

Create a reference number for each property reported to the RTB as unregistered, in order that the individual(s) making a referral have a record of same,

Establish a target timeframe for resolving each reported case, and

Publish a register of tenancies for Student Specific Accommodation as a matter of priority.

1 & 2 Non-registration of tenancies and resolution timeframe

- The RTB's Statement of Strategy 2023 – 2025 has a key focus on the effective delivery of four core service areas. These are: registering tenancies, resolving disputes, ensuring compliance, and providing accurate information, research, data and insights to inform the public and policymakers. The RTB's priority actions during 2023-2025 will be centred on these core service areas and on delivering demonstrable gains in performance in relation to each. Taken together, the actions under these four areas will see the RTB create positive impact for the public in keeping with its mission and ambition as a public body carrying out important functions in the public interest.
- The RTB is responsible for ensuring that there is compliance by landlords with their legal obligations to register all tenancies. The regulatory approach is to assume, in the first instance, that landlords are willing to comply with their statutory responsibilities and to support voluntary compliance through information provision and by putting in place processes which are designed to make compliance as straightforward as possible. Where the RTB has evidence to suggest that, despite this positive approach, a landlord is not complying with the law, then the RTB has regulatory powers to address this non-compliance.
- Failure by a landlord to register a tenancy which should be registered with the RTB remains a key priority for the RTB. In keeping with its policy to support compliance, the RTB writes to landlords where non-registration is suspected and gives the landlord reasonable opportunity to comply before a prosecution is initiated. Landlords receive two Notices from the RTB before any legal letters are issued.
 - The RTB continues to operate a process of contacting potentially non-compliant landlords to give them reasonable opportunity to comply with their obligation to register. By the end of 2023, the RTB expects to have

written to around 15,000 potentially non-compliant landlords to provide information on how to comply.

- The RTB also expects to issue around 300 statutory legal notices before the end of the year as part of the statutory prosecution process under Section 144 of the Act. The RTB expects that the vast majority of landlords will engage with the RTB's approach to compliance, however, where landlords fail to engage with the RTB prosecution under Section 144 of the Act will be considered by the RTB.
- Arising from the significant performance issues with the new RTB Registration System in 2022 and 2023, the RTB's capacity to publish its new regulatory approach were impacted. However, the RTB has continued to make progress on this important remit.

3. Student Specific Accommodation register

- The RTB's Student Specific Accommodation register is published on the RTB website on a quarterly basis. The SSA register published on the website was last updated in July 2023. The published register itself was reviewed and reformatted in 2023 to improve its presentation and user experience.

4. Useful public sector databases

- The RTB is continuing to engage with the Revenue Commissioners on Action 2.5 of *Housing for All - a new Housing Plan for Ireland*, which looks at expanding the data sharing between the two bodies.