R2274 (ii) PAC33

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

Ms. Sarah O'Farrell
Clerk to the Committee
Committee Secretariat
Committee of Public Accounts
Leinster House
Dublin 2

11 December 2023

Dear Ms. O'Farrell,

I refer to your letter dated 27 November 2023 regarding the request for information by the Committee arising from the meeting of the Committee on Thursday 26 October 2023 and for response by 11 December.

Please find attached at Appendix A the detailed response to the 13 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

Response to PAC Letter of 27 November 2023 – Matters arising at PAC Meeting 26 October 2023

<u>Question 1:</u> **Statistics and analyses on HAP landlords, with a particular focus on corporate landlords or landlords with a large number of properties (pg. 11).**

<u>Department Response</u>

- The Central Statistics Office (CSO) published on 20 October the report, Social Housing in Ireland 2022 - Analysis of Housing Assistance Payment (HAP) Scheme.
- Landlords with 50 or more HAP properties owned close to one-fifth of all HAP properties in 2022.
- There is a higher proportion of A rated properties in HAP owned by non-household landlords in 2022 than earlier years.
- The proportion of HAP properties owned by landlords with 50 or more properties has increased every year from 1.3% in 2015 to 19.0% in 2022.
- The increase in the number of HAP properties owned by these larger landlords is mirrored by a decrease in the proportion of landlords with just one or two properties, with this decreasing from close to three-quarters (74.2%) in 2015 to just under a half (48.7%) in 2022. 32.3% of HAP properties are owned by landlords with three to forty-nine properties.

Evolution of Private Rental Sector

- The character of the Irish private rental sector is continuing to evolve. Since 2016, investment in build to rent developments by institutional investors has brought new rental accommodation on stream for tenants at a scale that has helped to mitigate to some extent the flow of traditional, small landlords from the market.
- The number of tenancies could be seen to increase as the number of landlords decreases. Institutional investment by its nature may involve a single landlord, e.g. a property management company on behalf of the investment fund, with hundreds of tenancies in a single development.

- Bearing this in mind, it could be logical to surmise that the exit of small landlords has been, at least to some extent, off set by the arrival of this new type of investor.
- It should be kept in mind that the offerings of 'traditional' small landlords are different to 'build-to-rent' accommodation in terms of specification and in turn, affordability.
- The retention of traditional rental accommodation providers is important to ensure that there is diversity in the market and that over-reliance on a small cohort of landlords cannot arise. A greater diversity of rental accommodation providers will ensure competition with regard to rent levels, particularly for lower income groups who are more reliant on state subvention to meet their accommodation needs in the private rental sector.

Active HAP Landlords 2018 to 2022

Year	No. of Active LL's	Change in Landlord Numbers
2018	**25,564**	
2019	**30,605**	**5,041**
2020	**33,524**	**2,919**
2021	**33,494**	**-30**
2022	**31,627**	**-1,867**
End Q2 2023	**30,896**	**-731**

<u>Question 2:</u> A note on the Department's interaction with the Revenue Commissioners regarding tax compliance on the HAP scheme (pg. 12).

<u>Department Response</u>

The Housing Assistance Payment (HAP) is designed to support eligible households immediately and to remove barriers to the commencement of HAP support. Landlords, therefore, are asked to self-certify that they are tax compliant and that their property is in such a lettable condition that it meets the statutory requirements for rented accommodation as part of the HAP application process. Landlords are also informed and agree that the data they have supplied on the HAP Application Form will be shared with other public bodies, including the Revenue Commissioners, for the purpose of the prevention or detection of fraud.

Limerick City and County Council provide a highly effective HAP transactional shared service on behalf of all local authorities. The HAP Shared Services Centre (HAP SSC) manages all HAP related rental transactions for the tenant, local authority and landlord. The HAP SSC also manages the tax compliance element of the scheme on behalf of the relevant local authorities. HAP SSC operate the HAP Scheme in conjunction with Revenue Commissioner guidance around monthly tax clearance of landlords / agents, the administration of with-holding tax rules for non-resident landlords, the collection of LPT data on HAP properties and annual data on income earned by landlords / agents from the HAP Scheme. Accordingly, the HAP SSC must follow the tax compliance requirements set down in the provisions of the scheme and the general tax requirements of all public bodies as provided for in Department of Finance Circular 44/2006: Tax Clearance Procedures - Grants, Subsidies and Similar Type Payments. HAP SSC must file a return with the Office of the Revenue Commissioners each year.

Part 4 of the Housing (Miscellaneous Provisions) Act 2014 provides for the HAP scheme and contains the statutory provisions for the payment of HAP to a landlord by a housing authority for the rent of qualifying households. Section 39 provides for the payment of housing assistance in respect of qualified households and sets out the principal features of the scheme, including that the landlord must comply with the conditions set out in section 42, including demonstrating tax compliance.

Under section 42(2) of the 2014 Act the landlord must be tax compliant. It is therefore a statutory requirement that a landlord must give a PPSN or tax reference and a current tax clearance certificate or evidence of tax compliance. In this regard, individuals receiving rental income, including HAP payments, should contact Revenue to ensure that they are tax compliant and/ or to apply for tax clearance.

Separate requirements are provided for under Department of Finance Circular 44/2006: Tax Clearance Procedures - Grants, Subsidies and Similar Type Payments. If someone receives grants, subsidies or similar type payments from a government department or public authority of more than €10,000 during the year, they will need a Tax Clearance Certificate.

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While the HAP SSC will continue to seek evidence of tax compliance from a landlord, they cannot pay them after the €10,000 threshold has been reached. The HAP SSC works with landlords on a daily basis to assist them in meeting their requirements under the scheme, including in relation to tax compliance.

<u>Question 3:</u> A copy of the Department's analysis with regard to retrofitting of local authority housing stock.

See response to Question 8 below.

<u>Question 4:</u> The number of local authority voids/boarded-up houses, and vacant local authority properties in the State.

<u>Department Response</u>

The specific details requested are not collated by this Department, however, the following data is extracted from the NOAC 2022 Performance Indicator Report, published in September 2023, covering the area of vacancies and re-letting. Further information, including the tables with the breakdown for each local authority, is set out in Chapter 4 on the NOAC website:
[Report 58: NOAC Performance Indicator Report 2022 - National Oversight & Audit Commission]

<u>H2: Housing Vacancies</u>

This indicator was one of those selected for the quality assurance review by NOAC at the validation meetings. With the ever-increasing demand for social housing accommodation to meet the housing need, the management of vacant properties within local authorities continues to be a very important function. Minimising housing vacancies was a key action in relation to Housing for All and local authorities continue to be funded by the Department of Housing, Local Government and Heritage to achieve these outcomes. In that context, NOAC, year on year, looks at the number of dwellings in a local authority's overall stock that were not tenanted as of 31 December. The overall percentage of directly provided local authority stock, vacant at the end of 2022, is showing a slight improvement of 3.03%, compared to 2021 at 3.16%, and from the 2020 figure of 3.18%.

As can be seen in the data in Table H2 Chapter 4, the lowest vacancy rate was in Monaghan at 1.14%, a slight increase on last year's figure of 0.84%. It is welcome to see that there are eight local authorities, where the vacancy rates are less than 2%: Monaghan, Westmeath, Laois, Dún Laoghaire-Rathdown, Fingal, South Dublin, Tipperary and Waterford City and Council. The highest level of vacancy was Longford at 5.62%, although this was an improvement on its 2021 figure of 7.19%. Longford have advised that they have addressed some long-term vacant units and they hope to see this figure reduce in next year's report. Galway City held the second highest vacancy rate at 5.13%. The total number of vacant dwellings at end 2022 was 4,417 vacancies compared to the 2021 figures of 4,448 and the 2020 figure of 4,467. NOAC understands that while there is always a level of turnover of local authority rented properties, every effort should be made by local authorities to ensure the stock is utilised to the greatest extent possible to meet the demand and needs of applicants on the housing waiting list. Poor quality stock requiring significant works, together with difficulties getting contractors and increased costs were cited as the main reasons contributing to the poor performance under this indicator. Some local authorities explained that housing acquired at the end of the year could not be tenanted until the following year; this also impacted the figures. The lack of condition surveys and proper planned maintenance programmes are accepted as contributing to the level of vacancies. This matter was discussed in detail with local authorities during the NOAC validation visits. Exemplars of best practice in this area have been the subject of presentations at the NOAC Good Practice in Local Authorities seminars.

H3: Average Re-letting Time and Cost (A and B) NOAC has previously noted that a key action in 'Housing for All' and the previous strategy 'Rebuilding Ireland' is to achieve the refurbishment and re-letting of vacant social housing units with minimal delay, in line with best asset management practice. This involves adopting a national re- letting performance standard across all local authorities, a preventative maintenance approach to housing stock management, a greater focus on the roles and responsibilities of tenants, and funding mechanisms structured to incentivise swift turnaround and consistent standards. 19 NOAC Local Authority Performance Indicator Report 2022 NOAC is aware that the age of housing stock may also negatively impact this timeline, but active management and condition surveys should reduce it over time. The national average re-letting time, from the date the tenant vacated the dwelling to the date of the first rent debit in 2022, was 35.22 weeks, an increase on

34.44 weeks in 2021 and 32.69 weeks in 2020. The average letting cost was €21,886.04, compared to €19,653.39 in 2021 and €19,065.30 in 2020.

Given the costs of goods and services and the fact that there are higher standards in the refurbishment of the properties, it is not unexpected to see the increase in this indicator. A comparison of 2022 average re-letting times for the six main urban authorities of Cork, Dublin, and Galway Cities, Dún Laoghaire-Rathdown, Fingal and South Dublin County Councils shows variations in both re-letting times and costs, which are set out in table H3.

The longest average re-letting time across these six authorities was recorded by Cork City 58.53 weeks and the shortest at 19.97 weeks by Dún Laoghaire-Rathdown. Donegal advised that some properties were held for a longer time to consider if they should be included in the defective concrete block list. Kildare explained that they had a high level of refusals in 2022, both of which would have increased the re-letting time. Meath, on the other hand, said that they have adopted new procedures to reduce the time properties are vacant NOAC has been advised that Choice Based letting has, in many cases, improved the process of re-letting and notes that the benefits of this scheme are worthy of consideration by all local authorities.

Table H3 in Chapter 4 shows the national average re-letting time which varies from 34.44 weeks in 2021 to 35.22 weeks in 2022. Wexford County Council had the shortest re-letting time at 11.51 weeks; an improvement of 2 weeks on their 2021 figure. Longford recorded the largest increase in the average re-letting time from 67 weeks in 2021 to 99.48 weeks in 2022; an increase of 32.48 weeks. It is important to note that this includes three long term voids re-tenanted in 2022 (totaling 2,256 weeks vacant in and of themselves). If these three long term void properties were discounted, Longford believes that this would reduce their re-letting time by 55%. No further long-term voids of this nature remain in their stock, and they expect to see a significant reduction in re-letting times for 2023. The largest reduction was for Limerick City and County from 56.73 weeks in 2021 to 38.24 weeks in 2022, a reduction of 18.49 weeks. In 2022, the average re-letting cost increased for 11 local authorities, from their 2021 figures. The lowest average re-letting cost was recorded by Wexford at €11,909.85; an increase of €2,852.14 on its 2021 figure of €9,057.71. Longford had the highest re-letting cost at €35,925.76, an increase from its 2021 cost of €26,524.73. Mayo County

Council explained that difficulties contributing to longer re-letting times and costs included shortage of contractors and some building supplies and refusals of offers. This would be the case in a number of local authorities.

An extract from NOAC guidelines to local authorities on items to include for the H2: Housing Vacancies is below:

Extract from NOAC guidelines to local authorities on items to include for the H2: Housing Vacancies

The following indicator will be presented in the performance indicators report:

The percentage of the total number of LA owned dwellings that were vacant on 31/12/2023.

In order to compile this information, local authorities should submit the following data to the LGMA:

The number of dwellings within their overall stock that were not tenanted on 31/12/2023.

EXPLANATORY NOTES:
The LG Returns system will calculate the percentage from the data returned.

Include all untenanted dwellings, regardless of the reason for the non-occupation or how long the dwelling has been unoccupied. This means empty dwellings awaiting necessary repairs works are all to be counted, as well as those awaiting re-tenanting. Illegally occupied dwellings (i.e. those occupied by persons not given a tenancy by the local authority) are also to be included.

The following should be excluded from H2:

- Demountables;
- Halting bays;
- Traveller specific accommodation;
- Family HUBs;

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- Stock managed and maintained by AHBs;
- Leased units, and
- Dwellings used for non-housing purposes including, community use, crèche, estate management, administration, etc. (houses reserved for emergency accommodation are not excluded as they are available for tenanting, albeit on a temporary basis) per H1 A and E and units earmarked for demolition per H1F.

H3: Average Re-letting Time and Direct Costs

A. **The time taken from the date of vacation of a dwelling to the date in 2023 when the dwelling is re-tenanted, averaged across all dwellings re-let during 2023.**

B. **The cost expended on getting the dwellings re-tenanted in 2023, averaged across all dwellings re-let in 2023**.

In order to compile this information, local authorities should submit the following data to the LGMA:

- The number of dwellings that were re-tenanted on any date in 2023 (but excluding those that had been vacant due to an estate-wide refurbishment scheme);
- The number of weeks from the date of vacation to the date the dwelling isre-tenanted;
- Total expenditure on works necessary to enable re-letting of the dwellings using direct cost calculations (see explanatory notes).

<u>EXPLANATORY NOTES:</u>

- Date of vacation is the date the keys are handed back.
- Date of re-tenanting is the date the keys have been issued to the tenant.
- Any dwelling not re-tenanted in 2023 will be included in the indicator for the year in which the re-tenanting occurs.
- Expenditure on re-letting includes direct labour, contracted works, plant and machinery and materials costs.

- The following costs are not included: overheads, CMC, administration and technical salaries.
- The average re-letting cost is the expenditure necessary to enable re-letting of the dwellings, divided by the number of dwellings involved.
- Where a dwelling re-let in 2023 was vacated in a previous year, all re-letting expenditure since the previous date of vacation should be included, regardless of the year in which said expenditure was incurred. If expenditure incurred is not available, this should be stated and an explanation provided in a text note.
- Newly purchased dwellings for their first tenancy should be excluded in the calculation of these averages.
- Dwellings that have been vacant due to their inclusion in an estate-wide refurbishment project, with no cost impact on the tenant, are excluded from the indicator. Individual units that were vacant due to standalone refurbishment work for whatever reason (including dereliction) are to be included.

All dwellings re-let in 2023 are to be included in the indicator regardless of the duration of the vacancy period.

Re-lets include dwellings allocated to households previously accommodated in another social housing dwelling. However, transfer of title or succession tenancies (e.g. where a tenant dies and the tenancy is transferred to a person who had been residing with the deceased tenant or any other instance where one of more of the previous occupants continue in occupation) are not to be included.

<u>Question 5:</u> A note in relation to issues at the Peter Mc Verry Trust, including information on the following points;

- When and how the Minister discover the problem with the Trust's finances?
- What financial controls were in place in the Trust?
- What oversight did the Department have relating to expenditures of housing associations?
- Whether donations and Government grants were paid into the same bank account?
- Are any of the companies trading within the Trust insolvent?
- Provide an outline of the tender process pursued relating to expenditure,
- What financial exposure is emerging from the Trust to the Department at this stage, and
- Will the regulator's report be made available to the Committee and when will that happen?

<u>Department Response</u>

1. When and how the Minister discover the problem with the Trust's finances?

In July 2023 Peter McVerry Trust (the Trust) informed the Dublin Regional Homeless Executive (DRHE) and the Department of Housing, Local Government and Heritage (DHLGH/the Department) of financial issues in the Trust. The Trust advised that it had separately informed the Charities Regulator and the AHB Regulator (AHBRA) of these issues and both regulators have since launched investigations which are ongoing. The Trust also advised the Department that a Revenue audit has commenced.

2. What oversight did the Department have relating to expenditures of housing associations?

The Department's role in relation to homelessness involves the provision of a national framework of policy, legislation and funding to underpin the role of local authorities in addressing homelessness at a local level. Statutory responsibility in relation to the provision of homeless services rests with individual local authorities. Section 10 of the Housing Act 1988 sets out the purposes for which costs may be incurred by local authorities in respect of the provision of homeless accommodation and related services.

The Department does not fund any homeless service directly but provides funding to local authorities towards the operational costs of homeless accommodation and related services under Section 10 of the Housing Act, 1988. Under Exchequer funding arrangements, local authorities must provide at least 10% of the cost of services from their own resources. Furthermore, local authorities may also incur additional expenditure on homeless related services outside of the Exchequer funding arrangements provided by the Department. Therefore, the exact amounts spent by local authorities on homeless services, as well as the type and operation of homeless services are a matter for individual local authorities in consultation with the Management Group of the relevant regional joint Homelessness Consultative Forum.

While responsibility for the provision of accommodation for homeless persons rests with individual local authorities, the administration of homeless services is organised on a regional basis, with nine administrative regions in place. A homelessness consultative forum has been established in each region in accordance with Chapter 6 of the Housing (Miscellaneous Provisions) Act, 2009. It is a matter for the management group of the consultative forum, in the first instance, to determine the services and the funding required to address homelessness in each region.

Funding is allocated to homeless regions based on an annual expenditure programme submitted by each of the homeless regions. Additionally, funding is provided to homeless regions towards the cost of operating services where usage is demand led and difficult to estimate such as private emergency accommodation. The management of the regional funding allocation is delegated to a lead authority in each homeless region and is governed by a protocol between the Department and the lead authority. This protocol sets out the funding arrangements and structures to ensure adherence with statutory requirements and public financial procedures. All regional authorities are obliged to ensure compliance with the Protocol and to ensure that accounting policies are in accordance with the regulatory accounting framework in place. These are subject to oversight and scrutiny at various levels, including by the Local Government Audit Service in their annual audit.

Contractual arrangements and associated service level agreements are a matter for the local authority to agree with individual service providers. In procuring services the local authority are obliged to ensure compliance with all relevant statutory obligations in respect of provision of services and use of public funds.

Under Section 149 of the Local Government Act 2001, the Chief Executive of a local authority is responsible for the executive functions of the local authority, and for that purpose to manage and control generally, the administration and business of the authority, subject to law. Audit and oversight of local government is the responsibility of two organisations; the Local Government Audit Service (LGAS) and the National Oversight and Audit Commission (NOAC).

As provided for in the Housing (Regulation of Approved Housing Bodies) Act 2019, the Approved Housing Bodies Regulatory Authority (AHBRA) was formally established on 1 February 2021. AHBRA are an independent authority tasked with providing the regulation of Approved Housing Bodies (AHBs) for the purposes of protecting housing assets provided or managed by such bodies.

AHBRA published four standards, with the consent of the Minister, in February 2022. The four standards cover Governance, Tenancy Management, Property and Asset Management, and Financial Management. AHBRA may carry out assessments against these standards and require AHBs to enter compliance plans if they are found not to meet the requirements outlined in the standards. AHBRA may also appoint inspectors to undertake investigations into an AHB where AHBRA deem necessary.

3. Are any of the companies trading within the Trust insolvent?

The DRHE appointed PwC to undertake a financial and governance review of the PMVT, and a progress report and a preliminary financial review report have been provided to the Oversight Group. The contents of the reports have been agreed with PMVT.

In September 2023, the Trust appointed PwC to work with the organisation in respect of the financial and governance issues it has been experiencing. PwC will be reporting to the DRHE, as the primary funder of the Trust's homeless services, in relation to all financial and governance matters and the DRHE will keep the Department informed.

4. **What financial controls were in place in the Trust?**

Matters relating to financial controls and governance are an organisational matter for the Trust.

The Approved Housing Bodies Regulatory Authority (AHBRA) are an independent statutory authority. There is an on-going investigation on the Peter McVerry Trust following the appointment of inspectors. The Department have not received any specifics on the timeframe for completion of this investigation

The release of the investigation report is a matter for the Board of AHBRA and will be considered by the Board on completion of the investigation.

However, it is clear from the information provided that improvements are required to both financial and governance processes in the Trust. Addressing these improvements are conditions to the exceptional funded approved by Government.

The Trust is being supported by PWC and the Consultant to the Office of the Chief Executive, appointed by the DRHE, who is working to introduced the necessary changes to financial procedures.

5. **Whether donations and Government grants were paid into the same bank account?**

The Department cannot comment on the Trust's banking arrangements.

6. **Provide an outline of the tender process pursued relating to expenditure**

Answer to Question No.2 relates. This is a matter for individual local authorities. The Department do not tender for homeless services.

There are 2 principal means by which Local Authorities may fund NGO services under Section 10 of the Housing Act, 1988. In both cases, funding must be aligned to the adopted Homeless Action Plan for the region.

1. **Applications for Grant funding** – this is typically the case when the NGO is providing a service in its own premises e.g. Supported Temporary Accommodation, Family Hubs and Long-Term supported Accommodation and/or to a specific target group using specialised interventions.
2. **Contracts awarded on foot of a tender**. These are typically used when a new service is being commissioned e.g. Housing First/Prevention

Both are subject to Service Level Agreements and compliance with the Public Spending Code.

With regard to capital expenditure for the acquisition and construction of social housing and emergency accommodation using the Capital Assistance Scheme (CAS) PMVT, working directly with the local authorities, uses the established funding approval and tendering processes appropriate for the type of project (e.g. CAS Construction, CAS Acquisitions).

7. What financial exposure is emerging from the Trust to the Department at this stage

Having regard to the financial position of the Trust and the urgent need to keep services operational, Government approved funding on an exceptional basis to the Trust up to a maximum of €15m between 1 December and 31 March 2024. This funding will be conditional on the Trust taking the necessary steps to substantially strengthen its financial and governance processes.

The work of the Peter McVerry Trust, in its core function of the delivery of services to the homeless, is of fundamental importance to the lives of a great many people living in the State. The impact of the withdrawal or loss of the core services provided by the Trust on those who directly or indirectly rely on them has the potential to be immense given that the Trust is supporting over 1,700 homeless individuals nationwide.

8. Will the regulator's report be made available to the Committee and when will that happen?

Both AHBRA and the Charities Regulator are independent in their functions, therefore questions in relation to their investigations should be directed to the respective Regulator

<u>Question 6:</u> A breakdown on the affordable housing units that have been delivered in the first three quarters of 2023, and through which paths.

<u>Department Response</u>

Data for affordable housing is published on the Departments Website up to Quarter 2 2023, and those tables are included hereunder.

Local Authorities have collated information on delivery of affordable purchase and Cost Rental homes in their administrative areas, including returns for AHBs and the LDA, for Quarter 3 2023. This data is currently being verified and the Department will be in a position to report confirmed Q3 2023 affordable purchase and cost rental housing delivery shortly.

Cumulative 2023 Affordable Delivery Tables:

<u>National Delivery to Q2 2023</u>

National Affordable Housing Delivery by Stream & Tenure Type						
	Affordable Purchase		Cost Rental			Total
	LA Affordable Purchase Scheme [1]	First Home [2]	AHB Delivery	LDA Delivered	Local Authority Delivered	
National 2023 Q1	72	569	22	0	0	663
National 2023 Q2	29	598	0	0	0	627
Total Delivery	1268		22			1290

Notes:
[1] Includes LDA sourced homes sold through the Local Authority Affordable Purchase Scheme.
[2] The reported numbers represent approvals issued from 1st January 2023 up to 30th June 2023.

Delivery by Local Authority Area to Q2 2023

2023 Affordable Housing Delivery by Local Authority Area by Provider & Tenure						
Local Authority Area	Affordable Purchase		Cost Rental			Total
	Local Authority Affordable Purchase [1]	First Home [2]	Local Authority Delivered	AHB Delivered	LDA Delivered	
Carlow County Council		13				13
Cavan County Council		1				1
Clare County Council		9				9
Cork City Council		52				52
Cork County Council		150				150
Donegal County Council		3				3
Dublin City Council		3				3
Dun Laoghaire Rathdown County Council		28				28
Fingal County Council		90				90
Galway City Council		20				20
Galway County Council		20				20
Kerry County Council		3				3
Kildare County Council		218				218
Kilkenny County Council		12				12
Laois County Council		29				29
Leitrim County Council		0				0
Limerick City and County Council		21				21
Longford County Council		0				0
Louth County Council		53				53
Mayo County Council		5				5
Meath County Council	20	127				147
Monaghan County Council		4				4
Offaly County Council		12				12
Roscommon County Council		2				2
Sligo County Council		2				2
South Dublin County Council	29	123		22		174
Tipperary County Council		2				2
Waterford City and County Council	52	17				69
Westmeath County Council		8				8
Wexford County Council		33				33
Wicklow County Council		107				107
Total Delivery	1268		22			1290
National Delivery	**1290**					

Notes:

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

[2] The First Home reported numbers for Q1 2023 represent approvals issued from 1st January 2023 up to 30th June 2023.

<u>Question 7:</u> A note on the changes made by the Department to enable local authorities to do more in relation to the use of standardised housing designs (pgs. 41-42).

<u>Department Response</u>

Design Manual for Quality Housing was published in January 2022. Over the first six months of 2023 the Department ran a series of workshops with technical and administration staff from all local authorities and many AHBs to support the use of this tool for the efficient design of new social housing projects. The Department has seen very positive responses with many new projects using the Design Manual for Quality Housing standard designs.

The Department is looking at appropriate mechanisms to record and measure the use of the standard designs by design teams progressing new social housing projects including adding appropriate fields to the Departments new ICT programme, Project Díon.

The Social Housing Design, Approval and Delivery: Process and Procedures Review (2017), recommended that *'the promotion of optional standard internal layout type templates should be advanced in order to realise potential benefits in terms of resourcing at design stage and the production of components and build packages at production stage'*.

This review did not make any recommendation in respect of standard design for the whole build as it was understood that this would raise a large range of practical, contractual, legal and potentially procurement issues, quite apart from concerns with regard to the potential for a monotonous public realm, contrary to government policy to promote quality in the built environment.

External Works

In relation to external works, it can be appreciated that the design of external works is entirely site specific and does not readily admit of standardisation. Every site configuration and site levels will involve different lengths of road, different widths of pavement, different slopes on the roads, at different levels to best suit the existing topography. Underground services will run in different directions on different sites to suit the location of existing services, and will differ in design for instance different sizes of sewer pipe or water sizes to suit the number of dwellings being served.

In addition, the design of individual services must meet the requirements of the specific utility provider and/or the local authority, who must approve same on a site specific basis.

Apartments

The standard internal layouts of apartments as set out in the Department's *'Design Manual for Quality Housing'* are designed to be used in a variety of configurations, including with internal corridor access, external deck access, or even own door access in the case of apartments located at ground floor level. The internal layouts for apartments are also such that they can be located above ground floor retail or commercial use, and can be located on any floor in a multi floor development. The number of apartments on plan will be determined by the site layout, moving away from the placement of individual, isolated apartment blocks, sitting in open space, which has historically proven to be problematic and would not be consistent with good urban design principles. Current best practice promotes the design of apartment buildings to face onto and create people focused streets[1], so the design of apartment buildings becomes more site specific. The plan layout will also be influenced by the mix of apartment types and sizes, which will respond to predominant need and particular site opportunities.

Accordingly, to cover all eventualities which might arise in a standardised whole build, a wide range of apartment buildings would need to be fully designed with a variety of storey heights, (i.e. one for two storey block, one for a three story block, one for a four storey block etc.) and to suit various locations and site configurations, some with ground floor commercial, some with deck access, some with corridor access, with a variety of plan layouts, sizes, and shapes. This is not practical and the variety of plan configurations and building heights, which may be needed (and many may not even be used) for full build standardisation for apartments would be difficult to categorise.

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[1] See for instance the Design Manual for Urban Roads and Streets p 69 – 73 and the Design Manual for Quality Housing Section 3.4 – 3.6

In relation to completing the full design, it should be appreciated that structural approaches are also project specific. For instance, the size of structural columns will need to increase as the number of stories increase, and indeed lower apartment buildings may be more feasible with loadbearing walls in lieu of a column and beam structure. In addition, higher buildings are likely to have more apartments, and would need wider stairs for fire evacuation purposes, and may need additional passenger lifts to comply with accessibility requirements. As such, changes in structural sizes and staircase sizes mean that the floor layouts for different height apartment buildings will differ, unless a standardised whole building design is prepared to cater for the worst case scenario, which would clearly be uneconomical.

This is apart from other specific design items such as the foundations, (discussed under houses below), or the provision or extent of basement car parking, which would be decided on the basis of location and access to public transport[2], amongst other considerations.

Houses

Considering straightforward houses, there are again complexities of construction and delivery which would create onerous requirements in delivering standard design for the whole build.

The Building Control (Amendment) Regulations [3]2014 and the Code of Practice for Inspecting and Certifying Buildings and Works [4](September 2016) require that at completion of the design stage, the designer (the design certifier[5]) certifies compliance of the building with the Building Regulations, if constructed as designed. This certificate must be submitted as part of the Commencement Notice documentation, under the BCMS system before construction commences.

Leaving aside who should prepare and sign such a certificate in the case of a full standard design, in order for anyone to be able to do so, the building in its entirety must be designed, including the external works, which as we have seen are site

[2] Page 39 Sustainable Urban Housing: Design Standards for New Apartments Guidelines for Planning Authorities https://www.gov.ie/pdf/?file=https://assets.gov.ie/243715/d60aaacd-0b2b-4422-ab91-d511a4720132.pdf#page=null

[3] https://www.irishstatutebook.ie/eli/2014/si/9/made/en/print

[4] https://www.gov.ie/pdf/?file=https://assets.gov.ie/80497/7c5e1298-58b3-4444-a8ee-f1c589f131c2.pdf#page=null

[5] https://ors.ie/the-role-of-a-design-certifier/

specific. Other elements of the design are also site specific such as the foundations, which will be designed to suit the actual ground conditions.
For instance, in very poor soils, costly piled foundations are required. A standardised whole build would require the worst case scenario be designed for, so all social housing would accordingly need to be designed with expensive piled foundations.

As the design must be fully complete for certification under BCAR, the form of construction would have to be decided on. If for instance, blockwork walls were specified, it would not be possible for the contractor to use modern means of construction (MMC), and vice versa, with expected legal challenges from respective manufacturers.

The requirement for a fully designed building pre-tender is also implicit in the standard Government forms of construction contract[6]. The exception to this would be the design and build contract, where the detail design is undertaken by the contractor's design team. This form of contract, which is facilitated by the use of the standard internal layouts, has been successfully used by a number of local authorities, and can assist in reducing both the pre-construction and the construction periods. Accordingly the Department is encouraging local authorities to make greater use of this form of delivery.

It should be appreciated that the original standard internal layouts produced by the Department whilst permitting panellised MMC, were not best suited to volumetric MMC. Following input from manufacturers, the Department is currently reviewing a number of the standard internal layouts, to make them more suitable for adoption of volumetric off site fabrication.

A further element of the design which is subject to change, and thereby undermine any approach to a standardised full build, is the choice of external materials and finishes. Whilst Section 179A temporarily exempts Social Housing from full planning oversight, Planning Authorities frequently impose planning conditions as to what external finishes and materials may be used, to correspond with the prevailing local context. Apart from the planning consideration, and to take just one example the use of a brick finish whilst acceptable in Dublin, would be out of place in Connemara,

[6] https://constructionprocurement.gov.ie/contracts/

where a rendered finish would be more appropriate, and where stone faced boundary walls would better match the prevalent finishes in the area, but would be considered to be inappropriate in an urban location.

The Department's '*Employer's Requirements*' document is a standard form of outline specification that allows for such regional deviations in external materials and finishes. A standardised full build would not allow for such changes in external materials and finishes.

Conclusion

It can be seen that the Department has moved beyond what was intended in the original review in that the use of the standard internal layouts is not simply optional, but that local authorities have been requested to adopt these standard internal layouts or to explain at the Capital Appraisal submission why they cannot do so.

The use of standardised internal layouts are the most satisfactory approach to standardisation, without the practical, legal and economic difficulties which a full standard design for the whole build would entail, even were this feasible.

The Local Authority's Design team are encouraged to use the standard layouts, which meet the Department requirements in terms of space standards, but remain responsible for the full design for compliance with building regulations and for certifying same. Whilst using the standard internal layouts, the full design can also be adapted to best respond to the most appropriate form of construction, to the site conditions, to best locate and size windows to suit orientation and views and to use locally prevalent materials and finishes and to best suit the local authority's maintenance programme.

The use of standardised internal layouts across both traditional employer designed and Design and Build contracts will provide a consistency in social housing delivery nationally. In particular, when combined with the design and build approach, the use of the standard internal layouts can generate efficiencies in both the pre-construction and the construction periods.

<u>Question 8:</u> A breakdown, by local authority, of social housing units by energy efficiency and BER rating.

<u>Department Response</u>

The details in relation to the social housing dwellings by efficiency and BER are not collated by this Department apart from those dwellings that achieve B2 BER rating or Cost Optimal Equivalent under the revised Energy Efficiency Retrofit Programme. Full details in relation to the social housing stock should be available upon request from each individual local authority.

A breakdown of the funding provided and the output per local authority since 2013 can be found on the Department website (link below):

https://www.gov.ie/en/publication/668c1-energy-efficiency-retrofitting-programme-expenditure-output/

The current Energy Efficiency Retrofit Programme was launched in response to a commitment made under the Programme for Government, which called for the 'retrofit' of 500,000 homes to a B2/Cost Optimal Equivalent BER standard by 2030, of which approximately 36,500 are expected to be local authority owned homes.

In 2023, the EERP has seen an increase in funding support to local authorities to €87 million, allowing approximately 2,400 local authority homes nationally to be upgraded to a B2 or Cost Optimal Equivalent Standard.

Work in relation to the 2023 programme continues, however, full details in relation to the 2023 Energy Efficiency Retrofitting Programme will not be available until early in 2024.

Current estimates suggest that:

Total LA Housing Stock –	Circa 140,000 (100%)
Already at B2 (built post-2008) –	35,000 (25%)
Shallow retrofit (2013-2021) –	75,000 (54%)

…..

Newly Enhanced EERP including MRP

2021	1,038	Heat Pumps Installed 750 (72%)
2022	2,283	Heat Pumps Installed 1,898 (83%)
2023 (target)	2,400	
EERP Scheme (2021-2023 target)	5,721	(15.67% of total EERP Target of 36,500)

Question 9: The rate of testing of private septic tanks, broken down by local authority, by overall number per annum and by percentage.

Department Response

The number of Domestic Waste Water Treatment System (DWWTS) inspections required nationally is set out in the National Inspection Plan for Domestic Waste Water Treatment Systems. The Department does not compile the specific information The rate of testing of private septic tanks, broken down by local authority, by overall number per annum and by percentage .

Section 70K of the Water Services Act 2007 requires that the Environmental Protection Agency (EPA) prepare a National Inspection Plan that includes "appropriate and specific qualitative and quantitative criteria, targets and indicators for inspections". It is the responsibility of the local authorities to implement the Plan and the EPA report on its implementation on an annual basis.

The National Inspection Plan and annual reports, completed by the EPA, which provide the information are available at the following link: https://www.epa.ie/water/wastewater/nip/.

The Census of Population provides details of the numbers of registered DWWTS in each county and is available at the following link: https://www.cso.ie/en/releasesandpublications/ep/pdwwts/domesticwastewatertreatmentsystems2022/

<u>Question 10:</u> A note on the takeover by Met Éireann of OPW's flood forecasting service, including the timeline for same, and whether the recruitment issues in that regard have been resolved.

<u>Department Response</u>

Background

In January 2016 the Government decided to establish a National Flood Forecast Warning Service (NFFWS) with an operational Flood Forecast Centre (FFC) based in Met Éireann and the OPW (Office of Public Works) providing guidance and standards via an Oversight Unit. It was decided to develop the NFFWS in a staged basis and, through the NFFWS Steering Group chaired by the OPW, a Stage 1 Implementation plan was put in place. This plan set out steps for the development a Stage 1 NFFWS across a range of activities including developing forecasting capabilities and operational arrangements.

The FFC is part of the broader Government of Ireland National Flood Forecasting and Warning Service (NFFWS) under the oversight of OPW. Met Éireann's objectives as set out in the Stage 1 Implementation plan for the NFFWS have been successfully achieved.

As part of the NFFWS, Met Éireann has successfully developed 36 river catchment flood forecasting models and has recently assumed responsibility for the tide and storm surge forecasting (TSSF) service previously implemented by the OPW. These predictive systems support the provision of Met Éireann's flood advisory and guidance services for local authorities the NDFEM and Emergency Management stakeholders. Flood advisory and guidance services are developed, implemented, and provided by specialist, expert, experienced hydrometeorologists retained by Met Éireann in its Flood Forecasting Centre (FFC).

Description of OPW's Tide and Storm Surge Flood Forecasting Service

The OPW provided the Tidal and Storm Surge Forecast Service (TSSF) since 2009. Under contract from OPW, RPS Ltd. ran a TSSF model for the coast of Ireland on behalf of the OPW. The TSSF service consisted of:

- The operation of a TSSF model which produced forecasts for tides and storm surge.
- The regular monitoring of model forecasts by OPW staff, and the issuing of a High Tide Advisory to key stakeholders (including Local Authorities, the National Directorate for Fire and Emergency Management) during periods of heightened flood risk.
- The production of annual performance reports on the service and the implementation of improvements to the TSSF model and website by the OPW and their Contractors.

The OPW's TSSF service has served to date as a critical mechanism for informing stakeholders of potential coastal flood events. Stakeholders also have the option of viewing TSSF model forecasts on the TSSF website. The tidal warnings from the OPW Storm Surge Forecast Systems are also referred to in the Framework for Major Emergency Management, which sets out common arrangements and structures for front-line public-sector emergency management in Ireland.

Description of OPW's Flood Forecasting Service takeover by Met Éireann

The transfer of responsibility for the Tidal and Storm Surge Services from the Office of Public Works (OPW) to the Department of Housing, Local Government and Heritage (DHLGH), Met Éireann took effect from the 3rd of October 2023 to become part of its enhanced Flood advise services delivered by its Flood Forecasting Office. This marks the culmination of a significant amount of specialist work by Met Éireann in successfully migrating the TSSF model to an operational High Performance Computer environment (HPC) and the development of the technical systems, expertise, and capability to deliver and maintain continuity of the existing TSSF service for stakeholders.

Required staffing and recruitment issues

Met Éireann will require 2 additional FTEs to continue provision of the TSSF service that has been delivered by the OPW. These staff will be responsible for conducting research to improve the TSSF model monitoring the TSSF website; preparing and issuing HTAs; coordinating the operation, maintenance and upgrading of both the TSSF model and website; managing an on-call facility and interfacing the system with others in place.

These staff have not yet been on boarded. A Hydrometeorologist recruitment campaign commenced on 19th October with a view to hiring additional FTEs. Interviews are scheduled to take place throughout January 2024 and new staff will be on boarded as quickly as possible.

The Hydrometeorologists role is highly specialised with only a limited number of suitable candidates within the Irish job market. Accordingly, the recruitment process to fill these FFC positions can be challenging and protracted, impacting schedules for development of the FFC including a FFC database, research projects and key observational infrastructure.

Ongoing recruitment difficulties across the Civil Service which have been widely acknowledged and these recruitment challenges have heavily impacted Met Éireann as a Civil Service Department line division. Despite Local and Departmental HR making every effort to secure new staff through open competition, recent recruitment campaigns for Flood Forecasters have not yielded the successful candidate numbers that were required.

<u>Question 11:</u> A breakdown, by county, of the number of lead pipe replacement grants that have been issued since the grant scheme was established.

<u>Department Response</u>

A breakdown, by county, of the number of lead pipe replacement grants that have been issued since the grant scheme was established (transcript pgs. 51-52).

The table below sets out the information requested.

Lead Grants paid from February 2016 to end October 2023											
Local Authority	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**		**Total**	**Total Paid**
Carlow				1						**1**	**€3,715**
Cork		3								**3**	**€6,421**
Cork City		1		4		3	1			**9**	**€21,978**
Dublin City		12		11		20	7	12		**62**	**€127,437**
Dun Laoghaire Rathdown		1			1	1				**3**	**€6,589**
Galway			4		1					**5**	**€10,656**
Galway City	2	7		1		1				**11**	**€26,195**
Kerry		1	1	2	1					**5**	**€10,590**
Kilkenny		1				1				**2**	**€3,687**
Laois		2		1	1					**4**	**€12,630**
Limerick		16	6	6	1	3	2			**34**	**€122,619**
Louth		1		1	1					**3**	**€8,873**
Mayo			1				1			**2**	**€5,861**
Meath			1							**1**	**€3,200**
Offaly			2				1			**3**	**€9,056**
Roscommon				1						**1**	**€1,616**
Sligo	1			1						**2**	**€1,523**
South Dublin				1						**1**	**€1,646**
Tipperary		3		2		1				**6**	**€18,733**
Waterford		4				3				**7**	**€14,477**
Wexford			1							**1**	**€1,376**
Total	**3**	**52**	**16**	**32**	**6**	**33**	**12**	**12**		**166**	**€418,878**

Background

- The **Domestic Lead Remediation Grant** scheme was established in 2016 to assist householders with the costs of replacing lead pipes and fittings where present.
- Since 2022, there is no longer a means test requirement to qualify for payment and maximum cost payable is €5,000.
- The grant is administered by local authorities. The grant had a means test requirement. The grant scheme was revised and improved in 2022. The grant is now funded at 100% of the cost up to a maximum of €5,000. The means test requirement in the previous grant scheme was removed.
- In an effort to increase the take up of the grants available the Department in 2023 ran a nationwide media campaign to promote greater awareness of the improved grant.
- The media campaign consisted of national radio and press advertisements as well as a dedicated digital and social media element.
- In addition to this, an on-line customer leaflet was designed and is prominent and available on the Department's website and that of all local authorities and interested bodies.
- There was further publicity undertaken by the Department at the National Ploughing Championships in September 2023.
- The Department has also engaged with Uisce Éireann who are directly assisting by getting the leaflets to individual households and linking in with their Customer Opt-In Lead Pipe Replacement Scheme.
- The Department hopes that the media campaign, along with the improvements, will lead to increased applications for the grant over time.

Question 12: A note on the status (legal or otherwise) of approved housing body builds from the 1990s that are coming out of their term of finance, concerning the units that have come in, are coming in and will come in over the next five or six years, and whether these must continue to be treated as social housing (pgs. 57-59).

Department Response

Approved Housing Bodies (AHBs) (also called housing associations or voluntary housing associations) are independent, not-for-profit organisations. They provide affordable rented housing for people who cannot afford to pay private sector rents or buy their own homes; or for particular groups, such as older people or homeless people.

Since the establishment of AHBRA on 1 February 2001 all 450 AHBs are deemed registered and fall under the remit of AHBRA. The vast bulk of AHBs are also registered charities and, as such, cannot divest themselves of charitable assets under the provisions of the Charities Acts.

The Department of Housing, Local Government and Heritage (DHLGH), through the local authorities, provides funding to the Approved Housing Body (AHB) sector through a number of funding models which allow them to build or acquire units for social housing.

Once these units reach the end of their mortgage/charge period, the terms of the funding agreements no longer apply, including rent setting, monitoring and reporting responsibilities and nominations from the local authority. In addition, some AHBs have acquired units without the assistance of State funding including from fundraising, donations and bequests and utilise these units for the provision of accommodation to those on the social housing waiting list.

While subsequent to the completion of the terms and agreement of any state funding, the AHB is the sole owner of a property. However, any disposal of property would have to comply with its own Articles of Association, and any obligations as a charity. It would be advisable for an AHB to consult with the Charities Regulator if it is a registered charity.

However, it is a matter of general policy that AHB homes developed for social housing purposes are retained as such.

The Department established the AHB Unencumbered Units Working Group to consider the impact of AHB properties reaching the end of their mortgage/charge period or becoming 'unencumbered' and to look at the possible options on how to ensure the continued use of these units for social housing. The membership of the group comprised the relevant policy areas within the Department.

The report of the AHB Unencumbered Units Working Group was published on 19th October 2023.

AHB unencumbered units are only a small part of the wider challenges facing the sector and considered that the approach to this issue could not be seen in isolation from wider issues which need to be considered. It was appropriate that the continued work on unencumbered units should now fit within the role of the new AHB Strategic Forum which has been established to consider the strategic future of the sector in response to a number of existing and emerging challenges.

Question 13: A note on the National Building Control and Market Surveillance Office, focusing on the following matters:

- **an update on staffing at the Office,**
- **the number of fines handed out by the office, and the value thereof, since its inception,**
- **the number of business cessation notices handed out in the past few years, and**
- **the number of product recalls have there been on foot of inspections by the office (pg. 59).**

Department Response

Staffing at the National Building Control and Market Surveillance Office

The National Building Control and Market Surveillance Office (NBCMSO) is a key element of the Government's building control reform agenda. It provides centralised oversight, support and direction for the development, standardisation and implementation of Building Control, across the 31 local authorities/building control authorities.

The full complement of staff in the NBCMSO is 12. A bespoke recruitment process took place through the Public Appointments Service earlier this year, which resulted in the establishment of a panel. At present, 2 offers have been made to panel members to fill the 2 existing vacancies in the NBCMSO.

The Department continues to work with the County and City Management Association (CCMA) and Dublin City Council to ensure that the NBCMSO is properly positioned and supported to provide an optimal shared service to the local authorities. New governance structures are being introduced to provide a formal mechanism for reviewing the delivery of Building Control and Market Surveillance functions in local authorities. This includes the establishment of a National Steering Group for Building Control and Market Surveillance. This Steering Group will be responsible for the agreement of the work programme, ensuring the availability of adequate resources and funding, and monitoring/reporting on progress and budgets etc.

Fines, business cessation notices and product recalls

The European Union (Construction Products) Regulations 2013 as amended set out provisions for the service of notices, offences, penalties and prosecution. A person guilty of an offence under the Construction Products Regulations is liable on summary conviction to a class-A fine, or imprisonment for a term not exceeding 3 months or both: or on conviction on indictment to a fine not exceeding €500,000 or to imprisonment for a term not exceeding 12 months or both. The National Market Surveillance Office does not issue fines or cessation notices.

In accordance with the European Union (Construction Products) Regulations 2013, as amended, a Market Surveillance Authority may request the Minister for Housing, Local Government and Heritage to prohibit or restrict a construction product from being made available on the market, to withdraw it from the market or to recall it. No formal notices have been issued to date with respect to recalls.