

ESTIMATES 2020

Vote 34 – D/Housing, Local Government and Heritage

Vote 16 – Valuation Office

Vote 23 – Property Registration Authority

**Statement to the Dáil Select Committee on Housing, Local Government and
Heritage by**

Mr. Darragh O'Brien T.D., Minister for Housing, Local Government and Heritage

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Introduction

Chair, Members,

I welcome the opportunity to discuss with the Committee my Department's Estimate for 2020, as well as the Votes for the Valuation Office and the Property Registration Authority which are also under the aegis of my Department.

To assist the Committee, we have provided briefing on the Department's funding for 2020, as well as related performance information.

D/HLGH Vote 2020

Turning first to Vote 34, the Estimate before the Committee sets out my Department's budget for 2020. This totals some €5.036 billion for the year.

As members are aware, a detailed Revised Estimate for the Department was first published last December in the course of the normal Budget cycle for 2020. Since then, of course, a lot has happened.

The Estimate before the Committee today includes 2 main changes since December:

- Firstly, additional funding amounting to €691.5 million has been included in the Estimate as part of the Government's July Jobs Stimulus to help reignite the economy following the impact of COVID-19. This comprises €600million to fund the commercial rates waiver which businesses have received from local authorities; €43 million for Irish Water's Leakage Reduction Programme and capital maintenance works; €40 million for refurbishing vacant social housing units and returning them to productive use; and €8.5 million for investment in the Heritage area, including to upgrade and enhance recreational and visitor facilities at National Parks, Heritage Sites and Nature Reserves;

- Secondly, the Estimate reflects the transfer to my Department of Heritage functions, and associated funding of some €95 million, following Government formation last June and assignment of ministerial and departmental responsibilities.

We have also taken the opportunity, given the stage we are now at in the year, to update certain provisions in the Estimate where the original amounts published last December have changed through necessary funding transfers over the course of the year to date.

The gross expenditure of €5.036 billion for the Department is made up of €2.690 billion billion in current spending and €2.346 billion on the capital side. In addition, my Department's programmes will benefit in 2020 from resources of some €1.235 billion that will be available from the Local Government Fund.

Housing

In 2020 almost €2.58 billion is being made available in the Vote for housing programmes – an increase of nearly €296 million on the 2019 estimate. In addition, local authorities will fund a range of housing services to the value of €90.5 million from Local Property Tax receipts that exceed their LPT funding baseline, bringing the total provision for the delivery of Housing programmes to almost €2.67 billion.

This investment will see the housing needs of over 27,500 households being met in 2020. A critical focus of 2020 activity is on preventing homelessness in the first instance while also reducing the number of individuals and families experiencing homelessness.

In 2020, it is envisaged that in excess of 5,500 adults will exit from homelessness into homes utilising the various social housing supports available. An allocation of €196 million (up €50 million on 2019) will allow for the continued provision of emergency accommodation and supports to individuals and households experiencing homelessness, while also allowing for the continued expansion of Housing First for rough sleepers.

In addition, ensuring the protection of households experiencing homelessness during COVID-19 has been a priority. This funding will allow for additional accommodation to be put in place to ensure the necessary social distancing in emergency accommodation and the provision of accommodation to allow for the self-isolation of individuals when required.

Other important housing supports and services that will be funded through the increased resources in the Estimate in 2020 include –

- Investment of €58 million will support the remediation of some 4,000 voids in 2020 thereby ensuring that these homes are brought into use for households on social housing waiting lists and to ensure that as many social homes as possible are available for tenants as part of the COVID-19 response. Some 2,500 of these units will be supported through the funding provided as part of the July Jobs Stimulus.
- €14.5 million (up €1.5 million on 2019) in capital funding to support a range of Traveller specific accommodation schemes;
- €23 million to support the continuation of the Mortgage to Rent Schemes and allow for some 330 households to be supported under the schemes;
- Almost €72 million towards supporting the National Regeneration programme targeting some of the country's most disadvantaged communities;
- €10 million to improve up to 400 social housing homes under the energy efficiency programme. In addition, through the carbon tax funding provided for energy efficiency upgrades to local authority houses in the Midlands, 100 units will be completed in 2020 and a further 650 units are expected to be at various stages of works by the end of this year;
- €59 million (up €2 million on 2019) for home adaptations to be undertaken, facilitating people with disabilities and older people to continue to live in their own homes;
- €40 million to support necessary remediation works to dwellings in Donegal and Mayo affected by defective concrete blocks and for the continued remediation of homes affected by pyrite;
- €10.5 million (up €0.5 million on 2019) to meet the operational costs of the Housing Agency and to support the Agency in its role in the delivery of housing services and supports;
- €6million to assist local authorities to accelerate the rental inspections programme and for the enforcement of the short-term lettings provisions;

- An exchequer investment of over €88 million in 2020 under the Service Sites Fund will contribute to key enabling infrastructure that will help unlock local authority lands specifically for affordable homes to buy or rent. To date, €127million has been allocated in Service Sites funding for infrastructure that will facilitate the development of about 3,200 homes that will be sold across 35 developments in 14 local authorities and under Affordable Purchase and Cost Rental schemes. Many of these developments will also include the provision of social and private homes; and
- The Local Infrastructure Housing Activation Fund (LIHAF) will be supported by an allocation of €60 million in 2020. This funding will go towards the provision of public off-site infrastructure to relieve infrastructure blockages, thereby enabling the accelerated delivery of housing in Dublin and in other urban areas with high housing demand. Funding of €200 million has been allocated across 30 projects and work is underway to deliver the infrastructure with an associated housing delivery of up to 20,000 homes.

Water Services

Turning to water services, as the Committee is aware, the costs of normal domestic water services provided by Irish Water continue to be met by the Exchequer from the Vote of the Department.

In 2020, over €1.2 billion (some €596 million on the current side and €635 million capital) is included in Programme B of the Estimate for meeting Irish Water costs in respect of domestic water services and providing a capital contribution towards investment. This includes an increase of €34 million on the current side to meet the expanding demand on its operations. On the capital side, the additional €43million stimulus package for Irish Water's Leakage Reduction Programme and capital maintenance works ensures the continued underpinning of the overall investment in water and wastewater services as planned for under *Project Ireland 2040*.

The Group Water sector continues to be an important element of the water industry in Ireland. Reflecting this, a provision of €25 million is made in 2020 for capital spend under the Rural Water Programme through which funding is provided for group water schemes – an increase of €2 million on the 2019 estimate.

Local Government Fund

Chair, following changes in recent years, principally involving motor tax receipts now going directly to the Exchequer and Irish Water being funded directly through the Department's Vote, the Local Government Fund has returned more fully to its original purpose of funding local authorities and without the circular flows of funds that had built-up over the years.

In 2020, income sources into the LG Fund are estimated to be Local Property Tax (LPT) of €480 million and a payment from the Vote of some €756 million. The payment from the Vote includes the exchequer contribution to LPT equalisation of €37 million. This brings the total LPT allocations for 2020 to some €517 million.

The largest element of the Fund in 2020 is €600 million to fund the six-month commercial rates waiver for eligible businesses. The remaining €156 million will be used as a contribution to local authorities for pay and pension costs arising from the unwinding of FEMPI legislation, for LPT equalisation and to support other local government initiatives including shared services.

My Department has already paid the entirety of LPT in 2020, some €517 million and, once it's approved, will immediately begin the process of disbursing the €600 million to local authorities in lieu of commercial rates foregone due to the waiver.

Finally, in the local government area, capital investment in fire and emergency services in 2020 will amount to €12.5 million, an increase of €1.325 million on the 2019 estimate. This will allow greater progress on our programme for the construction/upgrading of fire stations, the procurement of fire appliances and other essential, specialised equipment, and the provision of enhanced communication facilities.

Heritage

Turning now to Heritage, which has transferred to my Department following the recent restructuring of Departmental responsibilities. The total provision under the Heritage Programme is now some €95 million; as I said earlier, these programmes have benefited from an extra €8.5 million under the July Stimulus Package.

A provision of some €18 million is being made available for the National Parks and Wildlife Service. The 87,000 hectare National Parks and Nature Reserve network saw unprecedented levels of visitors this year as they offered a lifeline providing physical and mental health space where people could safely access the outdoors for fresh air, exercise, mindfulness and wellbeing during the COVID-19 pandemic. Parks and reserves have remained open throughout the response to COVID-19 and the 2020 funding supports

these sites, providing conservation, amenity, health and well-being benefits to our citizens, as well as supporting tourism and economic development in the communities in which they are based.

Further dedicated funding of some €3.2m was provided as part of the July stimulus package towards an accelerated programme of vital upgrades and enhancement of aging recreational and visitor facilities at National Parks, Heritage sites and Nature Reserves to balance the upsurge in visitor numbers and the increased demand for outdoor recreational and wellness activities. This includes funding to enable a COVID-proofing of facilities at sites, carrying out urgent trail, boating and road maintenance and resurfacing works, habitat and invasive species management, equipment, public safety and security upgrades and to make improvements to public reception and visitor centres.

€10.85 million has been provided in the Vote for peatlands restoration, management and conservation. Within this allocation, over €3.5 million has been paid in annual payments to turf cutters from raised bog designated sites injecting much needed resources into rural communities. In addition, it is estimated that almost 1,900 hectares of protected raised bog peatlands will be restored this year in 7 counties in the midlands region, resulting in an estimated 28 million tonnes of carbon stored over the next 5 years.

Finally, funding of €26 million has been provided in 2020 to support the activities of Waterways Ireland, one of six North/South Implementation Bodies established under the British-Irish Agreement of 1998. This funding has enabled the Agency to progress a number of priority programmes including the on-going restoration of 13km of the Ulster Canal. This project is important for the border region with potential to stimulate economic activity, giving a much needed boost to job creation.

Waterways Ireland is also continuing to work with its local authority partners to develop 22km of greenway along the Ulster Canal from Smithborough, Co. Monaghan to Middletown, Co. Armagh.

Other Departmental Programmes

In the Planning area, €130 million in capital funding is being provided as part of the planned €2 billion Urban Regeneration and Development Fund, which has been established under *Project Ireland 2040* and is aimed at transforming our cities and towns and helping achieve sustainable growth in these areas. The €130 million is made up of €33.5 million carried forward from 2019 and a further €96.5 million in 2020 funding.

Also in the Planning area:

- over €17 million has been allocated to resource the work of the Land Development Agency in 2020; and
- €2.6 million is provided to meet operating costs of the new Office of the Planning Regulator.

Further areas of expenditure set out in the 2020 Estimate include meeting the capital and current costs of An Bord Pleanála (€19.5 million) and Met Éireann (€36 million).

Property Registration Authority and Valuation Office Votes 2020

Chair, as the Committee is aware, my Department also has responsibility for Ordnance Survey Ireland, the Valuation Office and the Property Registration Authority. A provision of nearly €18 million is made in Vote 34 for Ordnance Survey Ireland in 2020, while the other two organisations have separate Votes – amounting to €17.6 million for the Valuation Office and €32 million for the Property Registration Authority. These bodies are to merge to form Tailte Éireann and work is proceeding in my Department on this important project.

Conclusion

Chair, Members, I have kept my remarks as brief as possible, and focused on some but by no means all spending areas, in order to allow for a full discussion on the programmes and funding of my Department and related organisations this year. I will be happy to deal with matters that members wish to raise and to revert to the Committee if I don't have the detail with me today. Thank you.