

SUPPLEMENTARY ESTIMATES 2020

Vote 34 – D/Housing, Local Government and Heritage

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

Thursday 12 November 2020

Introduction

Chair, Members,

I welcome the opportunity to discuss with the Select Committee my Department's Supplementary Estimate for 2020.

It is just over a month since I last had the opportunity to meet with you and discuss the 2020 Estimate for my Department in the round, and I thank you for your engagement on that occasion and for facilitating this meeting at relatively short notice.

I will keep my introductory remarks short, and focused on the subject matter at hand, specifically the €432m additional funding to be added to the overall provision for my Department.

Supplementary Estimate

The Estimate which I set before the Committee in October detailed my Department's budget for 2020. This totalled some €5.036 billion for the year.

The Supplementary Estimate before the Committee today includes the following changes since October:

- Local Government Fund- An additional €300m Current
- Irish Water- An additional €44m Capital and €28m Current
- Homelessness- An additional €60m Current

This €432m additional provision will bring the gross expenditure ceiling for my Department to €5.468 billion and will be comprised of of €3.078 billion in current spending and €2.390 billion on the capital side.

Homelessness

Back in October, I provided the Committee with an overview of funding and activity for Housing Programmes in 2020. My Department is continuing all programmes at pace, and working intensively with local authorities and approved housing bodies to ensure that:

- the greatest number possible of new homes for households can be provided this year across all delivery streams;
- we maximise output for the additional resources allocated under the July Stimulus
- that the wide range of grant schemes continues where possible & safe
- new supply pipelines are being developed in parallel
- teams are supported to continue activity offsite to the highest degree possible

We are deploying capital and current funding into all critical areas, but one of the most critical is in the area of Homelessness. Preventing homelessness in the first instance is the primary objective of our activity, linked clearly to work to accelerate supply, but we also work intensively on exit strategies for individuals and families experiencing homelessness. Ensuring that the time that is spent in emergency accommodation is minimised and the accommodation is suited to the needs of the household to the greatest extent possible is very important.

A supplementary estimate of €60m for the Homelessness subhead is sought, which will increase the Voted provision for 2020 to €256m. The original budget allocation for homelessness accommodation and related services was €166m which subsequently rose to €196m in the revised estimates volume.

Significant additional costs have been incurred to ensure the safety of individuals of individuals and households accessing homeless emergency accommodation and this additional funding will ensure that these vital services remain in place for the remainder of the year.

This additional funding will also ensure that enhanced services remain available, particularly intensive outreach services and increased capacity for rough sleepers as we face the winter period. It will enable a continued focus on preventing homelessness in the first instance while also ensuring that pathways out of homelessness for those individuals and families in emergency accommodation are secured as quickly as possible. It will support the operation of family hubs and other supported facilities for single individuals, while efforts are made to support households to find homes.

Good progress has been made to date in 2020. Many people are being prevented from entering homelessness and exit numbers are improving. It is important that we build on this work and provide the necessary resources for it to continue. We have rightly prioritised the protection of vulnerable people throughout the Covid 19 pandemic, and is it entirely appropriate that supplementary funding now be provided for the Homelessness budget in 2020.

Water Services

Over €1.2 billion (some €596 million on the current side and €635 million capital) has already been voted on in 2020 for 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 additional €43m from the July capital stimulus package which provided €30m for Irish Water's Leakage Reduction Programme and €13m for capital maintenance works.

The supplementary estimate will now provide an additional €44m in capital and €28m in current for Irish Water.

The additional €44m in capital provision has already been announced as part of Budget 2021. This is targeted on a number of key areas including:

- Investment that sustains and generates employment;
- State wide delivery with benefits across all 26 counties;
- Accelerating the delivery of essential major infrastructure;
- Future proofing the network to provide for growth.

Much of this work will be delivered by Irish companies, small and large.

There is also an additional €28m requirement in respect of the current vote for Irish Water. This arises from an income shortfall in 2020 from non-domestic customers of around €50m due to Covid-related impacts on the business sector.

This capital and current supplementary requirement for Irish Water is to ensure the continued underpinning of the overall investment in water and wastewater services as planned for under Project Ireland 2040.

Local Government Fund

As you will be aware, last month saw a substantial increase in the Local Government Fund in 2020 with the addition of €600 million to fund the six-month commercial rates waiver for eligible businesses. This €300million concerns the extension of the rates waiver for a further 3 months, from end September to end December 2020. The initial waiver was for 6 months (end March to end September).

The additional funding is very welcome and brings to €900m the total funding being advanced to the sector. It will cover a full 3 month waiver of rates for most ratepayers, with a number of exclusions.

My Department is currently working with local authority representatives to ascertain the scale of other Covid-related income losses and expenditure, and it is expected that flexibility within the €900m allocation will be sufficient to cover rates losses and also to partially cover the loss of non-rates income and the costs to local authorities of responding to the pandemic.

It is an absolute priority for me to confirm this funding as a matter of urgency as local authorities move to agree 2021 Budgets.

Conclusion

Chair, Members, I have kept my remarks as brief as possible, and focused on specifically on the purpose of today's meeting, the Supplementary Estimate for Local Government, Water and Homelessness. I will, of course, 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.