

## **ESTIMATES 2021**

**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**

**Tuesday 20 April October 2021**

### **Introduction**

Chair, Members,

I welcome the opportunity to discuss with the Committee my Department’s Estimate for 2021, 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 my Department’s funding for 2021, as well as related performance information. Our time this evening is very limited, so I will keep these remarks brief, focussing on critical areas of expenditure.

### **D/HLGH Vote 2021**

Turning first to Vote 34, the Estimate before the Committee sets out my Department’s budget for 2021. This totals some €5.118 billion for the year. The gross expenditure of €5.118 billion for the Department is made up of €2.356 billion in current spending and €2.762 billion on the capital side. This will be supplemented by €214m capital carryover from 2020. In addition, my Department’s housing programmes will benefit in 2021 from non-exchequer funding of some €91.5 million that is being made available from the proceeds of Local Property Tax (LPT).

My Department’s funding represents a very substantial element of overall Government expenditure in 2021, and will be instrumental in funding core areas of activity under the remit of my Department, particularly in the areas of Housing, Water, Local Government and Heritage.

2020 was a very challenging year for Ireland, and a responsive and agile approach to both policy and finance was required. The year saw substantial additional funds flowing through the Department in the areas of Stimulus funding, waiver support to local

government and additional funding to support local authorities in the area of homelessness. As we continue to grapple with the ever changing reality of Covid-19, the provision made for this Department will continue to support the delivery of existing and necessary services, and will also keep funding flowing to areas and sectors impacted by this crisis

Budget 2021 set ambitious plans and made finances available for Housing Delivery, across all tenures, be that social, affordable or private.

Despite the very challenging situation of a very limited construction sector for the first quarter of 2021, the re-opening of activity on a broader scale now means we can work assertively to get back on track and deliver at scale. It is too early yet to fully determine the impact, but I will assure the Committee that all endeavors will be made to make up lost ground and to mitigate losses. I continue to work very closely with the local authority sector, and to support them to increase and sustain capacity to deliver locally. As we work to deliver the homes, and infrastructure needed across all areas of activity in my Department, public health and the safety of our citizens remains paramount and we must carefully balance these activities.

### **Housing**

Over €3.098 billion is being allocated to housing programmes in 2021 – representing an increase of over €508 million or 19% on the Estimate for 2020. An additional €91.5m from LPT receipts will also be used by certain local authorities to fund housing programmes. A further €117m capital, which was carried over from 2020 is being allocated to the housing programme, bringing the total housing provision in 2021 to €3.3 billion.

This €3.3 billion will enable the Department to provide for the social housing needs support over **105,000** households across a range of structures. This breaks down as follows:

- **12,750** new social homes are intended to be delivered through build, acquisition and leasing programmes.
- **15,800** new households to have their housing needs met under HAP and RAS
- **77,503** existing households under the HAP and RAS schemes.

In addition to the delivery of new social homes programmes, other key elements of the housing programme in 2021 include supports for the delivery of more affordable housing.

We are providing Capital funding of €468 million specifically to cover affordability measures including:

- €110 million which will be ring-fenced for a new national Affordable Purchase Shared Equity Scheme and a new Cost Rental Equity Loan Facility to help deliver Cost Rental homes both of which will begin in 2021;
- €50 million in Services Sites Funding which will support the delivery of more affordable purchase and Cost Rental Homes on Local Authority Lands;
- €38 million in Local Infrastructure Housing Activation Funding which will support the delivery of homes on private lands including many discounted on open market prices;
- €210m for lending under the Rebuilding Ireland Home loan which provides a route to home ownership for those who cannot secure the necessary commercial loan.
- €205m to be spent by the Land Development Agency in its progression of housing including affordable homes on key strategic sites, of which €60m will be provided through the Vote of the Department of Housing, Local Government and Heritage.
- In addition to the funds made available Department's vote, the Help-To-Buy scheme is also available via the vote of the Department of Finance.

Other notable areas of Housing expenditure include:

- €15.5 million for the delivery of Traveller accommodation
- €60 million to deliver over 10,700 grants to adapt the homes of older people and people with a disability;
- €65 million to retrofit 2,400 social housing homes to a Building Energy Rating of B2 or cost optimal equivalent.

The responsiveness of local authorities to vulnerable groups during the height of the pandemic in 2020, specifically those experiencing homelessness, was underpinned by a supplementary estimate. This year, some €218 million is being made available for the delivery of homeless services and will ensure that local authorities can provide emergency accommodation and other services to households and ensure that these households are supported to exit homelessness to tenancies, as quickly as possible.

### **Water Services**

Turning to water services, the 2021 water services programme will be focused on delivering national economic recovery in a way that, as set out in the Programme for

Government, embeds resilience within our economy and delivers the transformative change required to respond to water quality challenges, biodiversity loss and climate change.

Under this Programme, the allocation of over €1.4 billion will allow the Department to:

- deliver significant improvements in our public water and wastewater services;
- support improved water supplies in rural Ireland; and
- support a range of programmes delivering improved water quality in our rivers, lakes and marine area.

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.

- Over €1.3 billion is being provided to Irish Water in 2021 when account is taken of €10 million in carry-over from 2020. This investment in public water services is vital to support housing delivery, economic recovery, and for delivering environmental compliance.
- €105m is being provided to support water programmes delivered by the Department, including the Rural Water Programme, investment in legacy problems (such as problematic stand-alone waste water treatment systems in housing estates); a wide range of environmental programmes required to deliver compliance with the Water Framework Directive; and work in the Marine Environment including the development of Marine Protected Areas.

### **Local Government**

Chair, the Local Government Fund's primary purpose is to channel LPT to local authorities following collection by the Revenue Commissioners, as well as supporting certain local authority initiatives.

This Programme includes a contribution to the Local Government Fund of €192 million in 2021 to support the local government sector in providing a range of essential services at local level, including:

- assistance towards increased pay and pensions costs arising under national pay agreements;
- LPT equalisation payments;
- important local government initiatives across the country, including supporting shared services.

In 2021, income sources into the Local Government Fund are estimated to be LPT of €485 million as well as the payment from the Vote of some €192 million. The payment from the Vote includes the exchequer contribution to LPT equalization of €35 million. This brings the total LPT allocations for 2021 to just under €530 million, which includes the impact of all local variation decisions.

A significant element of the Fund in 2021 will be funding of the commercial rates waiver for eligible businesses. It is expected that this will be dealt with in Q3 or Q4 2021 when greater certainty around the funding requirement and impact of Covid-19 is in place. Government has announced funding of €320m for 2021 and local authorities are in the process of applying the 6 month waiver to eligible rate accounts. In 2020 some €900 million was provided to the sector in respect of the waiver and other Covid related costs and income losses. Once approved again for 2021, my Department will immediately begin the process of disbursement to local authorities. In the meantime, my Department is in close contact with the sector to ensure local authority cashflow is sufficient to deliver services.

Finally, in the wider local government area, capital investment in fire and emergency services in 2021 will amount to €18.4 million, an increase of €4.6 million on the 2020 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 transferred to my Department following the restructuring of Departmental responsibilities in 2020, the aim of this Programme is to conserve and manage Ireland's heritage for the benefit of present and future generations.

The 2021 Programme provides funding of almost €96 million which will allow the Department to:

- Progress an expanded programme of peatlands restoration, biodiversity investment and conservation works;
- Advance conservation and restoration of protected natural heritage areas and expand the Farm Plan programme;
- Continue to support the protection of our archaeological and built heritage;
- Invest in and support Ireland's national parks and reserves; and
- Maintain and invest in waterways for some 15,000 registered boat users through Waterways Ireland.

The 87,000 hectare National Parks and Nature Reserve network saw unprecedented levels of visitors in 2020 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. The 2021 funding continues the supports for these sites, providing conservation, amenity, and health and well-being benefits to our citizens, as well as supporting tourism and economic development in the communities in which they are based.

### **Other areas of funded activity in 2021:**

In the short time we have, it is not possible to cover the full remit of all activity in the Department, but I think it's important to note the following:

- €150 million provided for the Urban and Regeneration Development Fund in 2021;
- €65 million (current and capital) is being provided towards the cost of the activities of the Land Development Agency (LDA) in 2021, ahead of its expected capitalisation through ISIF following the enactment of the relevant legislation;
- €37 million funding for the operational budgets of An Bord Pleanála, the Office of the Planning Regulator and the Ordnance Survey Ireland;
- Met Éireann continuing to provide a range of meteorological services to customers, including monitoring, analysis and prediction of Ireland's weather and climate to ensure the quality, timeliness and reliability of these essential services.

### **Property Registration Authority and Valuation Office Votes 2021**

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 €18.6 million is made in Vote 34 for Ordnance Survey Ireland in 2021, while the other two organisations have separate Votes – amounting to €17.6 million for the Valuation Office and €33 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.