

DÁIL ÉIREANN

AN ROGHCHOISTE UM THITHÍOCHT, RIALTAS ÁITIÚIL AGUS OIDHREACTH

SELECT COMMITTEE ON HOUSING, LOCAL GOVERNMENT AND HERI- TAGE

Déardaoin, 12 Samhain 2020

Thursday, 12 November 2020

Tháinig an Roghchoiste le chéile ag 10 a.m.

The Select Committee met at 10 a.m.

Comhaltaí a bhí i láthair / Members present:

Teachtaí Dála / Deputies	
Francis Noel Duffy,	
Thomas Gould,	
Emer Higgins,	
Paul McAuliffe,	
Jennifer Murnane O'Connor,	
Darragh O'Brien (Minister for Housing, Local Government and Heritage),	
Cian O'Callaghan,	
Eoin Ó Broin.	

Teachta / Deputy Steven Matthews sa Chathaoir / in the Chair.

Estimates for Public Services 2020**Vote 34 - Housing, Local Government and Heritage (Supplementary)**

Chairman: I welcome the Minister and his officials and thank them for their attendance and for the briefing material provided, which has already been circulated to members of the committee. This meeting has been convened to consider the Supplementary Estimate for Vote 34 - housing, local government and heritage, which was referred to the committee by the Dáil. While the committee has no role in approving the Estimate, there is an opportunity for the committee to make the process more transparent and to engage on relevant performance issues in a meaningful way.

I propose to proceed by asking the Minister to give a high-level overview of the pressures impacting on the Department's performance and related expenditure in each programme area in 2020. I would appreciate it if he could keep his comments to five minutes, as we have to be out of here by 11 a.m. After discussing the programme areas detailed in the briefing papers, if members wish to pose questions relating to any issues not covered by the briefing they may do so. I remind everyone that we are under severe time constraints.

Minister for Housing, Local Government and Heritage (Deputy Darragh O'Brien): I thank the committee members. I am joined this morning by three of my colleagues from the Department, Ms Marguerite Ryan, Mr. Eamonn Waters and Mr. Patrick O'Sullivan. I will quickly run through the opening statement I have circulated. I will be happy to answer any questions.

It is just over a month since I had the opportunity to meet with the committee to discuss the 2020 Estimate for my Department in its totality. I thank the committee members for their engagement on that occasion and for facilitating this meeting at very short notice. I will keep these remarks short and focus on the €432 million of additional funding to be added to the overall provision for my Department.

The Estimate I put before the committee in October detailed my Department's budget for 2020. This totalled some €5.036 billion. I will now outline the changes contained in the Supplementary Estimate before the committee today. An additional €300 million is to be allocated to the Local Government Fund; Irish Water is to receive an extra €44 million in capital expenditure and €28 million in current expenditure; and an additional €60 million in current expenditure will be allocated to addressing homelessness. This additional expenditure comes to a total of €432 million, which brings the Department's ceiling to €5.468 billion, just over €3.078 billion in current spending and €2.390 billion on the capital side.

Reducing homelessness continues to be my absolute priority and I know it is a priority of all the members of this committee. In October I provided the committee with an overview of funding and activity of the housing programmes in 2020. My Department is continuing all programmes at pace. My own homelessness task force meets on a regular basis with NGOs and our delivery partners in that sector. Our priorities are to ensure that the greatest possible number of new homes can be provided to households across all delivery streams this year; to maximise the output of additional resources allocated under the July stimulus, which particularly focused on the voids programme we covered in detail at our last meeting; to continue the

wide range of grant schemes where possible and safe; to ensure that new supply pipelines are developed in parallel; and to maintain support for teams continuing off-site activity to the highest possible degree.

We are deploying capital and current funding to all these critical areas. Looking back at the 2020 budget in comparison to today's Supplementary Estimate, I note that we will be spending an extra €100 million on homeless services this year, and rightly so. That shows the absolute priority that the Government, my Department and I have afforded to this issue. We will not be found wanting next year either. As sought, today's Supplementary Estimate includes €60 million under the homelessness subhead. This will increase the provision for 2020 to a total of €256 million. As I mentioned, the original budget allocation for homelessness accommodation and related services was €166 million. This increase represents just under €100 million in additional expenditure.

Significant additional costs have been incurred during the year due to Covid-19. This expenditure was undertaken to ensure the safety of individuals and households accessing emergency homeless accommodation. This additional funding will ensure that these vital services remain in place for the remainder of this 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 and into permanent accommodation are secured as quickly as possible for those individuals and families in emergency accommodation. It will support the operation of family hubs and other supported facilities for single individuals. We will also continue with the call for housing, an initiative I put in place in July which purchases properties on an exceptional basis, specifically focused on the homeless community and particularly on singles. The number of single people who are homeless and the lack of appropriate accommodation for them remain as challenges for this State. Good progress has been made to date. 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 done so in budget 2021 with significant additional funding next year for homeless services and, in particular, €3.3 billion on the housing side to provide more public housing than has ever been delivered in the history of the State. It is entirely appropriate that supplementary funding now be provided for the homelessness budget in 2020.

Water services is an important issue. More than €1.2 billion has been voted, involving slightly less than €600 million on the current side and €635 million on capital. This is a priority for me on the basis that Irish Water suffered from reduced investment between 2019 and 2021 and that is something we need to reverse. In July, the Government brought forward an additional €43 million in capital stimulus, providing €30 million for Irish Water's leakage reduction programme and €13 million for capital maintenance work. Much of that work is under way and nearing completion. An additional €44 million was announced as part of budget 2021. This targets investment in a number of key areas and will lead to investment that sustains and generates employment. It will involve work across all 26 counties, accelerate the delivery of essential major infrastructure and future-proof the network for growth.

I am bringing before the committee an additional €28 million in current expenditure. This arises from an income shortfall of approximately €50 million from non-domestic customers in 2020 due to Covid-related impacts on businesses. That €28 million is provided for in the Supplementary Estimates being dealt with today. The capital and current supplementary re-

quirement for Irish Water is to ensure the continued underpinning of the overall investment in water and waste water services as planned for under Project Ireland 2040.

On the Local Government Fund, I have proposed the significant amount of €300 million to deal with the extension of the rates waiver for a further three months. The Government has been committed to supporting the SME sector. This additional funding means a total allocation in respect of the rates waiver of €900 million, which has been welcomed by businesses and employers across the country. We needed to ensure that the hole created in this important funding for local government was filled. In total, 100% of that €900 million will go back into the local government sector.

My Department is currently working with local authority representatives to ascertain the scale of other Covid-related income losses and expenditure. It is expected that flexibility within the €900 million allocation will be sufficient to cover rates losses and to partially cover the loss of non-rates income and the cost to local authorities of responding to the pandemic. We have had detailed discussions with the chief executives and local authorities. The package I am bringing to the committee has been welcomed by them. It will ensure there is no deficit in local government funding this year and shows good cause into next year, when we will have access to the Covid contingency fund if required. Local government is important to us. We have seen the incredible work that has been done by local government staff all over the country. One clear example of that is the community call programme. The local authorities have incurred significant additional work and expenditure in ensuring citizens can go about their daily lives as safely as possible during the pandemic. I take this opportunity to commend the local authorities on the work they have done. It is a priority for me to confirm this funding as a matter of urgency in order that local authorities can move on and agree their 2021 budgets. Many of them will start their budgetary meetings next week. I think Laois County Council is the only one to have held its budget meeting.

I thank the Chairman and members for facilitating this meeting at very short notice. It clearly feeds into the budgetary process for our colleagues in local government. I have kept my remarks as brief as possible and tried to cover as much as I can in that short time. I am happy to take any questions and answer them as well as I can. If there is any issue on which I and my officials cannot answer in detail today, I commit to members that we will take notes of same and respond directly to the Deputy on it.

Chairman: The three areas provided for in the Supplementary Estimates are of significant importance. The extra €60 million for homelessness is very welcome. The Minister outlined the commitment of the Department to dealing with homelessness and housing as well as the supports and services that go with that. He outlined the priority of preventing homelessness in the first place.

On local government, as members will be aware, the allocation of €300 million is critical to local authorities. Local government funding is a theme at which the committee will be looking. We hope to have the Minister back in on that issue. I know that the €300 million is emergency funding to get them through the Covid period.

The investment in Irish Water is important. Members may have seen a report relating to this issue that was published today in *The Irish Times*. For many decades there has been underinvestment in the water network, both in terms of treatment and discharges.

I invite members to ask questions of the Minister on the Supplementary Estimates. I call

Deputy Higgins.

Deputy Emer Higgins: Fianna Fáil usually gets to go first. This is exciting. I thank the Minister for his comprehensive overview. I welcome all of the investments that have been outlined for these key areas, particularly the €60 million investment in homelessness. Homelessness is a priority for everyone in this room. It is great to see that level of investment in tackling it. I appreciate that everything costs more due to Covid and health and safety and I understand that current expenditure is a priority in homelessness, but is any capital expenditure being allocated to homelessness in the Supplementary Estimates? Two of the priorities outlined by the Minister are delivering the greatest number of new homes for households this year and providing new supply pipelines. How will this funding help to achieve that?

I welcome the rates waiver totalling €900 million, which provides for an extension of the waiver from the end of September to the end of December. It is a vital lifeline to keep businesses coping through the pandemic. Does the Minister foresee a need for a rates waiver in 2021? He may not be able to answer that question.

Deputy Darragh O'Brien: I thank the Deputy for her input and support. On her second question, the rates waiver has been significant. As I stated, it has had a positive impact on businesses. The Government wishes to keep businesses going through the pandemic. There was positive news earlier in the week and it is hoped we will be able to get back to some degree of real normality next year. The rates waiver is about keeping businesses alive. It is just one aspect of the supports that are available. There are also the wage subsidy schemes, restart grants and other measures. We are looking at the ways in which we may have to support businesses into next year. I do not envisage a blanket rates waiver early next year. We would have to be more targeted in that regard. That work is ongoing and has not been concluded.

On homelessness, the additional €60 million funding in the Supplementary Estimates relates to current spending. We had to do several things at the height of the pandemic. We moved money from other subheads to spend it specifically on homelessness. Much of that was around providing additional capacity, particularly in emergency services. Additional bed capacity was provided to de-congregate settings and allow for social distancing among our homeless community and those in emergency accommodation. We do not talk about cocooning any more, but we provided for shielding for some of our community and provided wrap-around services and supports.

The housing budget for next year is €3.3 billion, with a two to one ratio on capital versus current. The big focus of that is on capital expenditure and building public homes. Our target next year is to provide 12,750 homes, 9,500 of which will be built. They will be public social homes. We are targeting a figure of 6,000 people exiting homelessness next year, which will be significant and an increase on the number this year. Thankfully, many people have been prevented from going into homelessness this year as a result of our investment in homelessness services. For example, we have put additional resources into the Residential Tenancies Board, RTB. Deputy Higgins and many other Deputies who are present supported the Residential Tenancies and Valuation Act passed by the House in July, which provided additional supports to protect people from eviction. The Residential Tenancies Act received cross-party support and is about protecting people during the level 5 restrictions due to the pandemic. We have seen a continued decrease in homeless numbers. We want to accelerate that decrease through provision of permanent accommodation, and that is what we are focusing on.

We are continuing with our voids programme at pace in order to get 2,500 units back in use

this year and, if not actually occupied, then allocated. Every single local authority across the country has a specific target from me and my Department that they must meet by December. A sizeable proportion of those voids will be going to people on the homeless lists. That is coupled with the Call for Housing which I announced just a few weeks after I took over as Minister, which is about purchasing vacant properties and other properties around the country, and it is still moving at pace under the Housing Agency. I hope we can bring an additional 300 properties into the public housing stock through that one programme alone. That is not insignificant, and it is 300 additional families who would not have been housed before.

We are making progress. In the detailed briefing note, the Deputy will see we have highlighted the reduction in numbers across dependants and families. Behind all of those numbers are people, as we are all acutely aware. Our policy direction is about accelerating the reduction in homelessness. It is about keeping people safe through our winter plan, which is in place to make sure there is enough emergency accommodation capacity for rough sleepers in all of our cities, which there is, by the way. It is important that the committee knows that there absolutely is capacity in each of our cities for anyone who needs it. No one should have to be sleeping on the streets. There is capacity there and we will continue to work with the community to deliver on that and to keep people safe during the winter.

Chairman: That is extremely important. I call Deputy Ó Broin.

Deputy Eoin Ó Broin: I thank the Minister for the presentation and for the information. There are three sets of questions. With respect to the homeless Supplementary Estimate, is all of the additional €60 million going to the Covid-related provisions, as the Minister outlined, or is there an opportunity for some of that funding to address some of the other specific issues that have arisen this year? Obviously, there is the issue of the very significant increase in the number of people experiencing homelessness who have died, with over 50 reported so far this year. There is also significant concern about the lack of inspections of emergency accommodation, particularly in the private sector, and questions on and criticism of the quality of some of that. It is also important to say that while the Minister is right that, on paper, there is capacity in the system, part of the difficulty is that some of that capacity is in the lower threshold hostels, and people who, for example, have gone through detoxification or who have significant mental health problems may not feel safe in some of that emergency accommodation. Could some of the €60 million be used for that?

With respect to Irish Water, part of the difficulty is that Irish Water's funding position this year was already negatively affected by a cut of almost €100 million from its capital funding for other reasons last year, and there is also the €50 million in lost commercial rates revenue. Therefore, while the additional money the Minister is providing today is welcome, as well as the stimulus, the fact is that Irish Water is €150 million worse off this year than it would have been if not for the cut and Covid, and only €72 million of that money has been replaced. We see today the EPA report which again, after four, five or six years in a row, has pointed to very slow progress on addressing raw sewage being pumped into some 34 rivers, waters and lakes. How does the Minister feel that funding is going to address those problems?

Does the Minister have a date for the publication either of the affordable housing programme or the legislation? Has he any concern about the reports in today's newspapers that Dublin City Council has proposals to deliver so-called affordable housing at Oscar Traynor Road ranging between €325,000 for a one-bed and €380,000 for a three-bed, taking into account the purchase price and the serviced sites fund. It is working in the context of help-to-buy, even though there is no guarantee help-to-buy will exist when those homes are ready.

Deputy Darragh O'Brien: I appreciate the questions and I will deal with them individually. On the €60 million additional announced today, the full programme relates to Covid-related costs on the current side but it does add to the total this year of nearly €100 million more than would have been allowed for in budget 2020, so it is significant. Into next year, obviously, we have additional funding specifically for homeless services to bring that up to about €218 million. We also have capacity to access the Covid contingency fund, and this is something I have discussed at length with both the Minister for Finance and the Minister for Public Expenditure and Reform. However, with regard to the money here today, the €60 million, the full programme relates to Covid-related costs.

We are going to expand Housing First next year. If we look at those with very complex health and addiction issues, as discussed by Deputy O'Callaghan, Deputy Ó Broin and others, some 460 people have already been rehoused through Housing First. We are going to expand that across the country and there is funding into next year. That is a cohort of our citizens we really need to focus on, given many have been homeless for a long period.

One of the reasons I brought forward the Call for Housing is that about 50 families have been homeless for four years or more. These are large family groups and we do not have appropriate homes for them and we are not building those homes. That is why we are always going to need to have some capacity to buy homes. In next year's budget, there is an allowance for about 800 acquisitions next year. I am really trying to get the Housing Agency, through our local authorities across the country, to identify larger homes so we can move some of these bigger families into permanent accommodation. The same issue pertains to singles. That is why, in some instances, we will need to buy as opposed to build, but in a much smaller way. There has been a complete shift towards a focus on our local authorities, with our delivery partners in the approved housing bodies, in regard to building additional housing stock.

In regard to Irish Water, the funding is not insignificant. I take the Deputy's point in regard to the period 2019 to 2020, and I have been critical of that myself. However, if we look at the provisions made in 2019, the total in the budget for 2019 was €1.2 billion for both current and capital, and, basically, the Estimate for 2020 was just over €1.23 billion. What we are bringing today means the Estimate and, effectively, the total spend, will be €1.303 billion, so we are significantly ahead of where we were in 2019. There is some €88 million in capital funding and €28 million in current funding to cover that loss in current funding for non-domestic water rates, which is important. Irish Water's delivery on capital programmes has been hampered somewhat by a lack of investment, which is why the Government has put in an additional €100 million in capital for next year.

We also need to look at our processes. I meet Irish Water on a regular basis and I had discussions with it earlier this morning about prioritising our capital plan and looking at where our water and wastewater infrastructure can support the delivery of additional homes. That needs to happen. I know of developments and potential developments across the country that are held up because of the lack of water and wastewater infrastructure. We need to look at that capital plan again in order to tackle that, and that is something we are doing.

Certainly, the supplementary budget puts Irish Water in a much better position. It has been in a much better position since the new Government took over in July, with an additional €88 million in capital and €28 million in current, and on top of that will be another €100 million in capital next year, which will bring the spend to well over €1 billion.

In regard to the proposals in front of Dublin City Council, I am aware that is a matter for the

council and it is going to come up on Tuesday. I have looked in some detail at the proposals in front of the city council and I do not want, in any way, to be seen to be butting in on their responsibilities as a group when they assess the plans for the Oscar Traynor Road site. When one looks at the cost of an affordable house in the region of €380,000 and that encompasses help-to-buy, I would also have some issues with that. However, I want the local authority and the members of Dublin City Council to look at the proposal that is put forward by the local authority itself. This was in train before I took over as Minister. All of us have a frustration sometimes at the speed, or lack thereof, of the delivery of public and affordable homes on public land.

The site at Oscar Traynor Road is a really significant one. I have actually walked the site with Deputy McAuliffe, as I have done on many sites across the country. We need to be delivering better and faster. On that, from what I have heard about the level of other properties within that site, I would have some concerns that these may become long-term private lets. I believe in home ownership, as does my party and the Government. It is something we may have to return to after Monday but I am not going to say too much in advance as I do not want to in any way prejudice the meeting or the decision the members of the local authority will make on Monday. Suffice it to say I am very interested in this particular project, as I am in others. I was glad to see Dún Laoghaire-Rathdown County Council give approval earlier in the week to move forward with Shanganagh. That is a significant 597 homes. I will be watching it carefully next week and taking advice from members in Dublin City Council.

Deputy Paul McAuliffe: I propose that I take two minutes, Deputy Murnane O'Connor takes two minutes and we give the Minister one minute. The Chair might give him a bit of leeway on it.

Chairman: That is okay.

Deputy Paul McAuliffe: To return to the issue of local authorities, the €900 million commercial rates waiver has been very significant at a time when local authorities have been hugely impacted by Covid, both in terms of spend and reduced income. In some local authorities, rates are not the same percentage of income that they might be in smaller counties. I name Dublin County Council. I hope the Minister will do everything he can to assure them the support he has given this year will be matched next year. I say that in a soft way because it will be hard to make commitments given that we do not know what next year will be. However, I ask the Minister to do everything in his power to assure local authorities that they can budget for next year in an uncertain year.

The community call has been hugely important and one of the key ways in which the Minister has engaged on the ground with local authorities. It is a great example of how local authorities deliver. I have questions about how we continue to do that in the Covid times of 2021 and about how, in non-Covid times, we can use the community call better.

I come back to Deputy Ó Broin's point about Oscar Traynor Road, which is in my constituency. One of the things this committee will want to see is a change of direction in housing and the Minister will also want to see that. We want to see public housing on public lands and we want to see delivery. While compromises have had to be made with the previous Government in this area, at some point we will have to draw a line in the sand and say, "New policy, new Government, new way of delivering housing". At the same time, we want to make sure that does not result in a chilling effect on delivering housing. It is a difficult balancing act that the Minister has to perform but there are concerns. The Estimates need to reflect the ability of local authorities to manage big projects like that. We have to make sure local authorities have the

skills in house to be able to deliver these products and not rely on the private sector.

Deputy Jennifer Murnane O'Connor: I thank the Minister. He was here this morning when we had the representatives of the Department in and they spoke about the statement of strategy to cover the period from 2021 to 2025. That is about strategy and policies. The 31 local authorities are doing their best but we need proper policies and procedures, whether it is to do with homelessness, mental health, disabilities, thresholds or the tenant purchase scheme. We have a chance to make a difference because Covid has changed everybody's lives and we need to make sure that, when we get the strategy ready, we take in everything from our local authorities. Now is the time to do it. Local authorities can play a huge role in people's lives. We need to make changes and they need to come now.

I will ask about Irish Water. I had a few businesses ring me during the week to say it had been printed that there would be an increase in Irish Water charges for businesses from next May. Perhaps the Minister will come back to me because he spoke about that.

I welcome the amount of money the Minister has given to local authorities for grants. Has there been a big uptake on grants? Because of Covid and people working from home, in my local authority we need extra staff. What is the update on that? With housing policies, in relation to Rebuilding Ireland, as we call it, it is important that the local authorities and the approved housing bodies work together and that we get the correct amount of housing we need. More than ever, we need to build houses. People need their own home. We were speaking at another meeting on a referendum on the right to housing. It is important that we have the referendum because everybody needs a home. The Minister has been working hard since he came in so perhaps we will come back to me on some of them.

Deputy Darragh O'Brien: I neglected to answer Deputy Ó Broin on the affordable housing legislation. That is well advanced and will be introduced in this session. I did not get round to answering that.

I will say a couple of things to Deputy McAuliffe. There is a change of direction on housing with a clear focus on public homes on public land and the delivery of affordable housing for working people, both rental and purchase. Next year we have an allocation in the budget which means that for the first time with the agreement of all of the Government parties we will deliver affordable rental homes, which have been talked about for a long time, and a national affordable rental scheme. The allocation is to get that up and running and to partner with approved housing bodies. They have been helpful in that regard and open to it.

On rates, I take the Deputy's points that some local authorities may have made 95%-96% rate collection. In this year, that would not have been the case because businesses have shut down. We are putting up 100% of the rent rebate.

To give local authorities and Members here some comfort, everything we have done by way of the Supplementary Estimate and the additional funding for local government we have done in step with each of the local government managers. All of the chief executives, the Local Government Management Agency, LGMA, and the County and City Management Associations, CCMA, are fully in tune with this.

After this meeting, each of the local authorities will receive correspondence from me and the Ministers of State, Deputies Peter Burke and Noonan, outlining what we are doing, showing good cause for this year and showing that we will be there to support local government next

year. As Deputy Murnane O'Connor has said, the local authorities are extremely important to us. They are the front line of government and the boots on the ground. I come from a local government background. I was a councillor. I see the work that is being done. We will not be found wanting and they know that. The Supplementary Estimate today, once passed, is significant for them and that will be done.

On the delivery of public homes on public land, I am looking at the serviced sites fund, how we can improve the delivery of it and how that might deliver some flexibility with regard to pricing on State-owned land. I am fully aware of the issue that is in front of Dublin City Council next week and I do not want to say too much more on that.

I will get Deputy Murnane O'Connor the figures with regard to the drawdown of grants. Members of this committee brought to my attention the last time we met that some works were not happening because, once we went into levels 4 and 5, it was deemed they could not happen. That was clarified. I got on to the chair of the CCMA and I issued as Minister a further circular to all the local authorities to the effect that these works are essential works and can be carried out, with the permission of the householder. That is the one complication. If adaptation work is required or new bathrooms put in, if the householder does not want someone or does not feel safe for someone to come into their house during Covid, that is understandable. The drawdown is reduced and I will get the Deputy the exact amount. That money will be carried over.

On non-domestic customers, the Commission for Regulation of Utilities, CRU, has a plan to issue for next year a standardised tariff. Some 98% of businesses will either have a reduction in their water payment or a very slight increase. I welcome the fact that they have delayed and it is a the decision they made. They are completely independent so I cannot direct them but they have made the correct decision because of where we are and where businesses are right now. That was to happen earlier this year and again in November. Letters would have been going out this month to businesses. They have taken the correct course of action, in my view, to delay that until next year. It is not for me to make suggestions to the committee, but I have met with the CRU on a couple of occasions about this and it might be worthwhile for it to do likewise. Nothing will be happening between now and next May in relation to non-domestic charges on water. As part of the new arrangement, a substantial number of businesses will see a substantial decrease in the water bills they are paying.

Deputy Cian O'Callaghan: I thank the Minister for coming in. I welcome his comments on expanding Housing First next year. I ask him to look at making sure all the individuals who have been identified with higher support needs, including people who have been in emergency accommodation for a long period of time, are included in that. I agree with his comments to the effect that there will always be a need for some targeted acquisitions, especially for larger families or individuals and to plug particular gaps. Acquisitions have been used towards the end of the year when direct-build construction targets were not met. Could the Minister comment on whether the annual budget process is part of the problem? Would multi-annual budgeting help with the planning and delivery of direct build units?

Regarding homelessness and the €60 million in the Estimates, the analysis of Professor Eoin O'Sullivan in Trinity College and Focus Ireland indicates there is not enough spent on prevention, long-term secure housing and Housing First. The Minister said the €60 million is to cover Covid-related costs. Is some of the €60 million for Covid prevention? How much of it is going towards long-term secure housing? Is it all emergency focused? Of the amount for emergency accommodation, how much is going to private providers? As the Minister will be aware, there are many concerns over and criticisms of some of the private providers. There

have been reports of no-chatting rules being implemented by some of the accommodation providers. There are concerns over a lack of inspections, quality control and regulation. With regard to the Estimate and the extra money going to private providers, will there be measures to ensure basic standards are met? With regard to some of the private providers, people are being met by security guards rather than support workers. This needs to be looked into. There are also concerns that it has become harder to gain access to emergency accommodation because of a change to the thresholds. The Minister might address that.

I totally agree with the Minister's comments on public housing on public land. With regard to the proposal for Oscar Traynor Road lands, it would not mean public housing on public land. Fifty percent could well end up being used for build-to-rent units, and the State could then end up paying large amounts to landlords through housing assistance payments in respect of social housing on what is currently public land. I ask the Minister to consider that.

Deputy Darragh O'Brien: I thank the Deputy. I have couple of points on Housing First. There is a firm commitment in this regard in the programme for Government. We have now moved that on to another level with the budget for next year, or the additional moneys to expand Housing First across the country.

Regarding the most recent data that I have, the national implementation plan, issued in September 2018, includes a target of 663 tenancies for the period to 2021. We have been moving in that direction. Really good progress has been made on the national implementation plan for Housing First. According to the most recent figures I have, 27 individuals entered Housing First tenancies in quarter 3 of this year, bringing the total number of individuals housed under the programme to 459. That is with all the wraparound supports we need. I am 100% committed to this, as are my colleagues in the Government. It works and we want to expand it further. Yesterday, I launched the Peter McVerry Trust report for 2019. The trust is heavily involved in the delivery of 14 other programmes associated with Housing First across the country and expanding it out.

On the total expenditure on Covid measures, I can give the Deputy the quarter 3 figures, which are the most up-to-date ones I have available. To the end of quarter 3, local authorities reported expenditure of about €28.5 million on Covid-19 measures. Ongoing expenditure on Covid-19 is difficult to predict but the current levels indicate an additional €12.5 million from quarter 3 onwards. Therefore, the sum is fundamentally Covid-related. It is a matter of additional bed capacity and decongregated settings on the homelessness side. On the local government side, the expenditure has pretty much been Covid related. The additional capital for the next year is what we are focusing on.

I will obtain for the Deputy the figures on the provision of emergency accommodation on private lands versus public lands. The standard of private emergency accommodation has been brought to my attention on a couple of occasions. We are examining this very closely. I do not have the split to hand but I will get it for the Deputy.

As Deputy Ó Broin stated, inspections are important. That is why we have provided additional moneys to local authorities to employ staff to carry out inspections. That was in this budget. There is a significant increase in funding for additional staff in the RTB for the inspection of private rented accommodation. In many instances, we have decent regulations, but they need to be enforced. We need staff out enforcing them. The additional resources are in place for next year. The RTB and local authorities are recruiting inspectors in this area.

Deputy Cian O’Callaghan: What about private accommodation for the homeless - hostels?

Deputy Darragh O’Brien: We are inspecting them for quality. If they are getting State money, there are standards set that they must meet. This is an area we are examining.

Deputy Thomas Gould: I welcome the funding going to local authorities to offset the shortfall in rates. Cork City Council has its budget meeting next Monday night. It has a shortfall in its budget which excludes the funding coming in for rates. Cork City Council has put up its local property tax by 7.5%, which will bring in an initial €2.5 million, but that will still not fill the gap because the deficit is €4.5 million. Next Monday night, therefore, the council will probably put up rent. It is putting up rents in local authority housing because it has no other way to fill the gap. The Minister says he is talking to the chief executives. In Cork city, we face an increase in rents and cuts to front-line services, affecting libraries, parks, playgrounds and staff. I assume there are other local authorities in the same position. Will the Minister consider additional funding? Although he obviously cannot provide it this side of Christmas, could it be provided in the new year, in 2021? Could he talk to the Department about this? We are going to try to be positive and raise these issues with him. I am just using Cork City Council as an example because I was a councillor there for 11 years and I understand it.

The last time the Minister was before us, I raised the issue of voids. He outlined his plans for voids, which I welcome, but I want local authorities to have more freedom and independence to fast-track the void system. Properties should not be lying idle for months or, in some cases, years. Rather than having local authorities going back and forward to the Department, involving red tape and bureaucracy, they should be given permission to fast-track, carry out the work and then submit the funding application, knowing it will be looked after. Cork city has more than 100 derelict sites that could be used to house families and others. Owing to a lack of funding, however, the council cannot purchase them compulsorily. A former Minister responsible for this matter, Deputy Coveney, changed the rules on the compulsory purchase of properties that have been derelict for two years or more. The funding was never made available to support this. There would be an easy victory to be had if local authorities had a funding stream to acquire properties that would get families off the waiting list.

The Minister is coming in with loads of plans. I appreciate that he is trying to make a difference but the problem is that there has been a decade of underfunding and a lack of supports for social housing measures to tackle the housing crisis. I am trying to offer solutions whereby we can have the quickest possible turnaround.

I recognise much work is being done on housing but the reality on the ground for those I am dealing with right now is that the crisis has become worse because of Covid. Even with all the work that is planned, it will take a while to make a difference. I recognise the work that is being done but we need to deliver quick victories where they can be had.

Deputy Darragh O’Brien: Regarding the Deputy’s last point, on the need for quick victories, with which I agree, one of the first steps I took was to improve the single-stage approval process, raising the value to €6 million, to give more autonomy to local authorities to build themselves. I really want that. Next year, local authorities throughout the country are fully funded to deliver 12,750 new public homes. These are social homes. After next week I will spend most of the rest of the year visiting all of the local authorities. Many of them are setting their housing targets and targets for delivery for new public homes for next year. Deputy Gould is right to say that it is not going to change overnight, but I appreciate the positive and construc-

tive nature in which he made his comments. We all want a resolution to it.

I have been looking at homeless services and where we are with homeless numbers. It is still tough and the numbers are far higher than they should be. They are unacceptably high. However, the position has improved over the course of the past 12 months in particular. We have to use that progress to accelerate the progress in this area by delivering more public homes. This means using our stock of public housing better. Some local authorities are better than others at turning voids around - I am not referring to Cork. Some local authorities have left stock for various reasons that they believe are appropriate. It takes some authorities longer to turn properties around and to de-tenant and re-tenant properties. That is why the €40 million voids programme in July was targeted and focused. The programme will work to get 2,500 homes back in place. There is provision in next year's budget of funding for a further 1,000 units to be put back in use next year. That is targeted for each local authority. We need to do that.

There is another important point relating to the budget. I have discussed this with all the chief executives, including the officials in Cork. We have provided absolute flexibility within the waiver moneys returning to the local authorities. There should be no reason for cuts in services relating to housing programmes. That is not the feedback we are getting from any of our local authorities. They are more than satisfied with the package that we brought forward. I have also given a commitment to them. I am saying for the second time this morning that I believe my Department and I have shown our bona fides this year with regard to supporting local governments and filling any deficits. We are committed to working with local authorities into next year in the same vein. To be fair, they have accepted that.

I do not envisage any local authority cutting any services. They should not be. After today's meeting there should not be a deficit for any of our local authorities in their budget preparation for next year. They have been given a wide range of flexibility with regard to how they can use the rebated money we are sending to them. That has been the direct feedback from chief executives across the country. Obviously, I will watch the budget process carefully. I will come back to the Deputy on derelict sites - he made a good point on that.

Chairman: I am going to come back to the second slot for Fianna Fáil. I gave Deputies some leeway so I would appreciate if they could cut it short. Deputy Higgins has to get in as well. It would be great if Deputies could keep it to three or four minutes.

Deputy Paul McAuliffe: The Estimates reference €520 million from the local property tax fund. I am unsure whether it is the method I would have use to raise the local property tax, but many properties are paying no local property tax and there is unfairness to that. When will the review come? The issue is around the rebalancing or redistribution of rates outside the larger local authorities, outside Dublin essentially - let us be honest about it. The Minister might comment on that.

Deputy Jennifer Murnane O'Connor: I have brought up with the Minister several times the issue of capital funding for Carlow. To me this is still an issue. I know the Minister is working on it. I welcome it. My biggest concern is that after Christmas we will still have Covid-19 - it will be with us for a long time yet. How many businesses will actually reopen? It is a concern. I can see it now with people buying online. People will be nervous going out. I know everyone wants a Christmas. We are facing into 2021. I believe local authorities will experience a major impact from Covid-19. Do we have a plan to help? If businesses are closed, the main streets will be affected. What about Carlow and Kilkenny? I know the Minister has been promoting a living over shops and things like that. I hope it will not be the case but the

fear is that because of Covid-19 businesses will close early next year. When they do reopen they will run as well as they can after Christmas. I know many of them will open for Christmas but what will happen after Christmas? Do we have a plan on working with local authorities? Is any special funding available? Can be put in place? Is there any extra funding to promote more living in town centres? I believe that will have a major impact in bringing life to town centres.

Deputy Darragh O'Brien: My thanks to both Deputies. Deputy McAuliffe mentioned the local property tax review. The review was paused. It actually sits under the Department of Finance but it has a direct input in our area and what we are discussing. Many properties have been built since 2013 that do not actually pay any property tax. This is significant. The loss to the Exchequer is in the millions each year. Up to €32 million is lost to local government in that regard. The Minister for Finance, Deputy Donohoe, has spoken to me about this matter. Deputies might recall that prior to the budget he made a statement in the Dáil that his next priority Bill is around the exceptions to the local property tax, especially in providing for properties to be brought back in or to be brought in for the first time to pay local property tax. I see it the full review of the tax being carried out next year. It has been paused twice now for good reason, to be fair. Anyway, it needs to be reviewed. It is led by the Department of Finance. We have an input. The Minister for Finance has said that he and I will work on that legislation in partnership. He was hopeful when I last spoke to him that it would be in the coming month or two and that it would address in particular properties not paying local property tax at the moment.

Deputy Murnane O'Connor referred to regeneration and funding for our regions. As Deputies know, only this week I made a significant announcement in respect of investment under the urban regeneration and development fund for Waterford. Between my Department and the Department of Transport, the funding amounts to a €110.6 million investment between. With the support of all Government parties I believe this will be a game-changer for the south east. Balanced regional development and investing in our regions is at the heart of the programme for Government. The North Quays project in Waterford is the first real tangible measure in that regard. I believe it has the potential to be transformative, to create thousands of additional jobs and to really unlock the vast potential that is Waterford and the surrounding south Kilkenny region. I expect that later this month or in early December further announcements under the new urban regeneration and development fund will be made from the second call. The assessments are being assessed in my Department at the moment although I have not received them yet. They will come to me for decision later this month or in early December.

Deputy Jennifer Murnane O'Connor: I have Carlow. That is why I brought it up. I wanted to ensure Carlow was in that plan. I had to ask the Minister whether Carlow was in it.

Deputy Darragh O'Brien: I am aware that Carlow has made an application, as have many others.

Deputy Jennifer Murnane O'Connor: It is a very good one.

Deputy Darragh O'Brien: I am sure it is a very good one. I am sure all of them are.

Chairman: We will not get parochial. I wanted to ask about Arklow wastewater treatment plant.

Deputy Jennifer Murnane O'Connor: I had to ask the Minister nicely.

Deputy Darragh O'Brien: The urban regeneration and development fund is significant. The reason I want to make announcements on the second call this side of the year is to open up

the fund again next year. It is an important vehicle. It is one of many Government initiatives that will help our regions to thrive and prosper. It is really important.

Deputy Jennifer Murnane O'Connor: I am ensuring that the Minister keeps it in mind.

Chairman: It is important to note that the first objective in the programme for Government is for urban regeneration and revitalising town centres, towns and villages. If Deputy Higgins can keep it to one minute it would be great and then we can get out because of Covid-19 restrictions.

Deputy Emer Higgins: It is a done deal. One of the top priorities of people my age who are not homeowners is being able to buy their own homes. I welcome the Minister's remarks on affordable housing because so many people my age are waiting with bated breath for the delivery of affordable housing. The uncertainty of living in rental accommodation is being compounded by the uncertainty that Covid presents as well as the fear of the economic impact Covid will have.

I welcome the Minister's actions to help renters from eviction during lockdown and to safeguard people whose income has been reduced or has disappeared due to Covid-19. Renters need security but they also need to be able to aspire to owning their own homes. Will the Minister give us a little more information on the affordable housing scheme and the budget behind it?

Deputy Darragh O'Brien: I would be delighted to. The budget contains a number of measures on affordability ranging up to €468 million in value. It is significant. It is in the housing for all section of the programme for Government. Affordability and associated measures are at the centre of it. The serviced sites fund is part of it. I am working on measures that I believe can improve the delivery on that. As I mentioned already, we will bring forward the national affordable rental scheme which has been outstanding for some time. It is a new mode of delivering housing and a new tenure of housing for many people who are above the social housing limits. I believe in home ownership, as I have said before. My party does and the Deputy's party does. This Government does and, according to most surveys, the vast majority of people who are asked their preferred tenure of housing opt for home ownership at an affordable rate. That is why in the coming weeks of this session I will bring forward an affordable housing Bill to the Dáil. We will do extensive work with the Attorney General and others. We have not had a national affordable housing scheme in many years. It has been complex but I am happy, given the work and progress that has been made, that we will have an affordable purchase scheme on top of our affordable rental scheme and the delivery of affordable homes through serviced sites and other mechanisms, for example through the Land Development Agency. Work is advancing on a significant Bill relating to the agency which will come to this committee.

In the interim, I remind Deputy Higgins that the Government made a decision to retain the help-to-buy grant at the increased level of €30,000, which has helped nearly 20,000 homeowners to get onto the housing ladder. I know some people completely disagree, as is their right, with helping first-time buyers to get their deposits together but this mechanism has helped a lot of families to own a home. I want to see a more sustainable model. That is why I look forward to working with the Deputy and her colleagues on delivering a real and robust affordable housing scheme. Central to our programme for Government is the provision of high-quality affordable housing that our citizens can purchase or rent. That needs to happen, particularly for the Deputy's generation. Home ownership has slipped away from almost an entire generation of people. The average age of a person buying his or her first home is now 35 or 36. I want to see that trend reversed and that is why home ownership is an absolute priority for this Govern-

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ment and for me as Minister. I hope that answers the Deputy's question and I look forward to working with her on this matter.

Chairman: We could go on for another hour but, unfortunately, with Covid restrictions we have vacate the room. I thank the Minister and his officials for their attendance.

Message to Dáil

Chairman: In accordance with Standing Order 101, the following message will be sent to the Dáil:

The Select Committee on Housing, Local Government and Heritage has completed its consideration of the following Supplementary Estimate for public services for the year ending 31 December 2020: Vote 34 - Housing, Local Government and Heritage.

The select committee adjourned at 11.02 a.m. *sine die*.