

# DÁIL ÉIREANN

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## AN ROGHCHOISTE UM THITHÍOCHT, PLEANÁIL, POBAL AGUS RIALTAS ÁITIÚIL

### SELECT COMMITTEE ON HOUSING, PLANNING, COMMUNITY AND LOCAL GOVERNMENT

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*Dé Céadaoin, 1 Márta 2017*

*Wednesday, 1 March 2017*

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The Select Committee met at 9.30 a.m.

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#### MEMBERS PRESENT:

Deputy Catherine Byrne, (Minister of State at the Department of Housing, Planning, Community and Local Government)	Deputy Dessie Ellis,*
Deputy Pat Casey,	Deputy Damien English, (Minister of State at the Department of Housing, Planning, Community and Local Government)
Deputy Ruth Coppinger,	Deputy Mattie McGrath.
Deputy Simon Coveney, (Minister for Housing, Planning, Community and Local Government)	

\* In the absence of Deputy Eoin Ó Broin.

In attendance: Deputy Danny Healy-Rae..

DEPUTY MARIA BAILEY IN THE CHAIR.

## Estimates for Public Services 2017

### Vote 34 - Housing, Planning, Community and Local Government (Revised)

**Chairman:** At the request of the broadcasting and recording services, members are requested to ensure that for the duration of the meeting their mobile phones are turned off completely or switched to airplane, safe or flight mode, depending on the device used. It is not sufficient to leave them in silent mode as this will maintain a level of interference with the broadcasting system.

No apologies have been received.

On 15 December 2016 the Dáil requested that the Revised Estimate for 2017 for the Department of Housing, Planning, Community and Local Government be referred to the committee. I welcome the Minister for Housing, Planning, Community and Local Government, Deputy Simon Coveney; the Minister of State, Deputy Damien English, who is responsible for urban renewal; and the Minister of State with responsibility for communities and the national drugs strategy, Deputy Catherine Byrne, and officials from the Department. The purpose of the meeting is to consider the Revised Estimate. The proposed format is that we deal with Vote 34 on a programme by programme basis. The Minister will begin by making an opening statement. We will then discuss the various individual programmes. We will then open up the discussion to allow members to ask questions on the various subheads. Members will be called in the order in which they have indicated. Is that agreed? Agreed.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the House or an official, either by name or in such a way as to make him or her identifiable. I call on the Minister to make his opening statement.

**Minister for Housing, Planning, Community and Local Government (Deputy Simon Coveney):** I will make a detailed opening statement. We will, I hope, go through the different briefs one after the other and take questions members may have.

I welcome the opportunity to discuss with the select committee my Department's Revised Estimate for 2017. I am accompanied by the Minister of State, Deputy Damien English, and the Minister of State, Deputy Catherine Byrne. To assist in our work today we provided a briefing note last week on the Department's funding for 2017. It set out details of the Vote and the local government fund, as well as other key information.

The Revised Estimate sets out my Department's budget for 2017. Gross expenditure of €1.779 billion is budgeted for. This represents an increase of almost €400 million or 29% on the provision for 2016. Such a significant increase in resources clearly indicates the priority the Government attaches to my Department's programmes and, in particular, the importance and urgency we have assigned to supporting the initiatives set out in Rebuilding Ireland, the housing and homelessness strategy. The gross provision for 2017 is made up of over €1 billion in current spending and over €700 million in capital spending. In addition, my Department's programmes will benefit in 2017 from resources available from the local government fund.

In 2017 we will see a very significant level of new investment in housing. As I have previ-

ously stated, housing is an absolute priority for the Government. This is evidenced clearly by the level of resources allocated to support my Department's housing programmes this year. The Revised Estimate shows that €1.2 billion is being made available for housing programmes in 2017. In addition, local authorities will fund a range of housing services to the value of €92 million from surplus local property tax receipts, bringing the total housing provision to almost €1.3 billion. This investment will see the housing needs of over 21,000 households being met in 2017. Through a provision of €732 million for capital expenditure which is made up of €655 million of Exchequer funds and €77 million from LPT receipts, self-funded by local authorities, local authorities and approved housing bodies will be in a position to deliver 4,450 units through a combination of construction, acquisitions, rapid build, Part V and returning vacant units to productive use.

The provision of €566 million in current expenditure which is made up of €551 million of Exchequer funds and €15 million from LPT receipts, self-funded by local authorities, will mean that 16,600 additional households can be supported in 2017 under the housing assistance payment scheme and the rental accommodation scheme and through direct leased units.

The Housing Agency will be provided with capital funding of €70 million, with the specific focus of engaging with banks and investment companies to acquire properties for social housing nationally, thereby increasing social housing delivery. It is estimated that this mechanism will deliver 1,600 units in the period to 2020.

A new vacant repair and leasing initiative will allow local authorities to provide financial assistance for property owners to bring vacant properties up to standard in order that they can then be leased as social housing. The scheme will be rolled out nationally, with a total investment of €32 million, to enable up to 800 vacant properties to be brought back into use as new homes for families on local authority waiting lists. A new buy and renew initiative will support local authorities and approved housing bodies to purchase private housing units in need of remediation, renew and make them available as social housing. An initial capital provision of €25 million will be available for this initiative in 2017.

The Government has also established a €200 million local infrastructure housing activation fund, LIHAF, supported by an allocation of €50 million in 2017. The fund will provide enabling infrastructure on key sites to open up lands for early development. The initiative has the potential to release the delivery of between 15,000 and 20,000 new homes by 2019. We hope to be in a position to announce the fund next month shortly after St. Patrick's Day.

The Exchequer funding being provided for housing authority managed homeless services is up by almost €28 million or 40% on the 2016 budget provision and totals almost €98 million. This will ensure the increased demand for emergency homeless services will be addressed effectively. It will assist in supporting homeless households to access long-term and sustainable housing solutions.

In 2017, some 3,000 exits from emergency accommodation are expected to be achieved through normal social housing tenancies, provision of rapid build housing and the housing assistance payment. Last year, the figure was 2,700 which was by some margin the highest ever in terms of housing solutions for homeless people.

As part of the Government's response to tackling housing supply issues, An Bord Pleanála has been entrusted with administering new temporary fast-track planning procedures for proposed residential developments of 100 or more units and large-scale student accommodation

projects, known as strategic housing developments. Under the new procedures the board will be required to complete pre-planning application consultations regarding proposed developments with the concerned developers and the relevant local authority within nine weeks of receipt of request.

The board will subsequently be required to make a final determination in respect of planning applications for concerned developments within 16 weeks of receipt of the planning application. This potentially will result in planning decisions in respect of such large-scale residential developments being made within 25 weeks of the commencement of formal pre-application consultations with the board, as against the current two stage planning application process which can, in certain circumstances, take up to two years from initial design concept stage to securing ultimate approval.

Turning to water services, which seems to be a topical issue today, committee members will be aware that Irish Water took on responsibility for the delivery of water services from 1 January 2014. The programme for Government commits to a capital investment programme, which includes the €5.5 billion in capital set out in the Irish Water business plan to 2021, to continue to upgrade the dilapidated national water infrastructure.

The projected level of subvention and equity to be provided by the Government to Irish Water assumed in its business plan to 2021 averaged €475 million in subvention and €270 million in equity contributions for both 2017 and 2018. Additional funding is being provided in 2017 to address the shortfall arising from the suspension of domestic water services charges.

The Government remains committed to supporting the group water sector as an important element of the water industry in Ireland. This is reflected in the provision of €17.8 million in 2017 for my Department's rural water programme, under which funding is provided for group water schemes. A multi-annual approach was introduced in 2016 in respect of the rural water programme.

The new multi-annual approach provides enhanced funding certainty for priority investment needs in order to support the implementation of proper planning and sustainable development in rural areas, to meet the requirements of the EU drinking water directive in relation to rural water supplies, and to support the delivery of measures identified in river basin management plans to meet the objectives of the water framework directive.

The local government fund is funded principally by motor taxation and the local property tax, LPT, which is collected by the Revenue Commissioners. In addition, a payment is made to the fund from my Department's Vote. Local property tax continues to provide a sustainable, stable, alternative source of funding for the local government sector. Save for an administrative change to the treatment of pension-related deductions, which is positive news for local authorities, the 2017 allocations of local property tax to local authorities are broadly based on the same mechanism and principles as were agreed by Government in previous years, with 80% local retention to fund the delivery of public services and the remaining 20% being redistributed to provide top-up funding to local authorities that have lower property tax bases due to variances in property values and density across the State.

These measures are necessary to ensure a balanced system of funding local authorities. The Government has devolved more powers to local authorities by giving elected members discretion to vary the rates of LPT by up to 15%. This allows for greater transparency and accountability at a local level. The income sources to the local government fund this year are estimated

to be motor tax of just over €1 billion, LPT of €460 million, and a payment from the Exchequer of €365 million.

My Department will make payments estimated at €1.837 billion from the fund in 2017, including LPT payments to local authorities of €500 million, payment of €333 million to the Department of Transport, Tourism and Sport for the maintenance of non-national roads and for public transport, payment of €639 million to Irish Water, and a payment to the Exchequer of up to €230 million.

The Department's 2017 Vote also provides funding for a range of community programmes. The bulk of the funding, over €42 million, is provided for the social inclusion and community activation programme, or SICAP as it is known. SICAP, which was rolled out on 1 April 2015 as the successor programme to the local and community development programme, takes account of the new alignment structures in its delivery and objectives. The programme is managed and implemented through the local community development committees, as the new governance model for local and community programmes in each local authority area. The aim of SICAP is to reduce poverty, promote social inclusion and equality through local, regional and national engagement and collaboration. I am confident the allocation of over €42 million for 2017 will allow for the continuation of important supports for people in disadvantaged communities and will allow for the key, essential, front-line services delivered through the programme to be maintained.

Even though my brief is wide-ranging, I have kept my remarks as brief as possible in order to allow for a full discussion on the programmes and funding of my Department this year. I hope my remarks provided a helpful introduction to what we need to get through today. I thank Deputy Casey, in particular, for taking the time to be here.

**Chairman:** I thank the Minister for his opening statement. I now call on Deputy Casey. We agreed that we would take it area by area, but as there are only a few of us here, does the Deputy want to ask about a particular area?

**Deputy Pat Casey:** No. I will just make a few general comments and observations. First of all, I thank the Minister and Ministers of State for being here this morning. I feel privileged to have three Ministers here to answer questions.

We must all welcome the increased expenditure allocation for housing. My concern has always been the percentage ratio of capital spending to current expenditure. My belief is that capital expenditure is ongoing, never-ending and never gets us anywhere. We are spending an extra €223 million on capital expenditure, whereas there is an increase of €183 million in current expenditure. I would like the balance to be tipped more towards capital than current expenditure.

I will focus on vacant units and urban regeneration, which come under the aegis of the Minister of State, Deputy English. There was greater scope to address the housing problem more quickly by examining vacant units. Realistically, we are looking at over 170,000 properties which, within a short space of time, could be brought back into use as homes for people. In that case, we would not have the infrastructural problems identified with developing new sites, because water services and road networks are already there for the vacant units.

By returning vacant properties to normal use, we would also be revitalising our town centres. That is a critical point. One of the stumbling blocks identified in the vacant units policy

concerns the certification process. There are some blockages coming down the road because we are talking about obtaining disability access and fire certification for old buildings. Such old buildings must also be compliant with planning regulations. Will authorised certifiers be willing to sign off on these issues? In fairness, as regards fire safety standards, we might not be able to certify off-the-cuff solutions that will have to be inventive in order to get old buildings back into use.

If the vacant units had been completely managed by local authorities, with additional capital being put in, we could have returned many more homes for people more quickly than by building new properties. That is my personal observation because it is my area of responsibility.

Planning has been presented here as a two stage process but, in fact, it is a three stage one. We have the pre-planning process with the local authority, which is defined as a four week period. That four week period is only to get a meeting, not a result. People still have to deal with Part V of the Planning and Development Act and maybe high-level planning issues prior to them going to the nine week pre-planning process. The fact that it is not time bound can leave us exposed in regard to the fast track planning process. At committee level, we highlighted the lack of public consultation with local councillors about large scale developments. In fairness to the Minister, he reacted to that. During the nine week process, they have to go back to the rural areas to give them an outline of the projects that have been put before the board at the time. On reflection, that should only be needed for a material contravention process, where the local representatives have had no input. Previously, any large scale development would have been part of a county development plan or a local area plan. The only real need to engage back with the local authority at local level was in regard to a material contravention. The positive that will hopefully come out of this fast track planning process is that at the end of this three year process we will know how to submit a proper planning application for a large scale development and how to deal with that process in the long term. If we get that alone out of the process it will have been worth it.

I suppose my heart is still in the local authority, which I only recently left it. I was chairman the year the Putting People First document was launched. I looked forward to the introduction of the local property tax because it felt as if it was giving power back to the councillors to make real decisions on whether to increase or decrease the property tax, and how to spend it. In fairness, it was sold very well. However, the public believed the local property tax would be a new source of revenue for local authorities but it was not. It was just replacing the local government fund. People still believe that local authorities have this new source of revenue called the local property tax. Phil Hogan did a good job on selling that one. After the first year, we all become aware that the local property tax was not returning local democracy. The local authorities are losing 20% in terms of the national equalisation fund. Local authorities that were doing reasonably well lost at least another 20% back to central government to be spent on capital projects.

I am not going to argue against the need to spend it on housing, but we equally need to look at the local authorities. Over the last seven years they have suffered enormously in regard to the provision of services. We all have seen services being cut over those years. Local property tax is defined as the revenue received from the local property tax to support the provision of local services by local authorities which are responsible for a range of services including, among others, housing; recreational amenities such as public parks, libraries, open spaces and other leisure amenities; planning and development; fire and emergency; maintenance; cleaning of streets; street lighting and so forth. In some local authorities over 40% of their local property tax fund is taken from their control. They have no say whatsoever in how that is spent. We need

to address that. I appreciate that €77 million of local property tax is being spent on housing and I have no problem with that. However, we need to bring other services along with that.

The local property tax baseline that has been used for local authorities needs to be revisited. The methodology used to calculate it needs to be looked at. It needs to be calculated taking account of the case on the ground. It is a historical issue that needs to be addressed. If we are going to address the deficiencies in local authority services, whether it be in housing maintenance and repairs or in the inspection of properties which we spoke about at the last committee meeting, every property in local authority ownership should be inspected on an annual basis, as should properties in the private rental market that are being taken on. Resources are needed to provide that type of service. Part of our brief is looking at the funding of local authorities. We need to see exactly how the baseline figure is calculated.

For my sins, I was chairman of a local community development committee, LCDC. I was around for the local enterprise partnership, LEP; the local area and community plans, LACP; the local action group, LAG; the local economic and community plans, LECP; and the local community development committee, LCDC. The one thing that I looked forward to-----

**Deputy Simon Coveney:** Sounds like a scene from “Life of Brian”.

**Deputy Pat Casey:** Yes. The one thing I looked forward to was the social inclusion and community activation programme, SICAP, because it was different. It did not begin with an “L”. SICAP has replaced the local and community development programme, LCDP. SICAP is using specific computer software, the integrated reporting information system, IRIS. This is having implications on the ground. I fully understand the need for data. Data is critical to us making decisions. However, there has been a little too much emphasis on getting that data, gathering it, and then inputting it, instead of helping people find solutions to their problems, such as trying to find a job.

I look forward to the Minister of State, Deputy Catherine Byrne’s announcement of the €2 million community fund, and what that will involve.

**Chairman:** Deputy Ellis is substituting for Deputy Ó Broin today. Does Deputy Ellis have any questions?

**Deputy Dessie Ellis:** No.

**Chairman:** What is the rationale behind choosing to build social housing, buy vacant units or buy on the market? Throughout the country there are different needs. Vacant units might be required more in Dublin than in Galway, Waterford or such places. Is there a blended approach behind that? Deputy Casey has already asked my second question.

**Deputy Simon Coveney:** I welcome Deputy Ellis. I am sure he will pitch in on the discussion as we go. I have given an opening speech addressing the areas of funding provision, housing, water, local government, community planning, Met Éireann and administration.

In some ways, I understand where Deputy Casey is coming from in terms of capital versus current spending on housing. This is a big priority for me. In spite of what people say about this Government, building new social houses is a huge priority for us. We have committed €5.3 billion to it. I think the Department is the only one that has a multi-annual capital expenditure agreement within Government to spend very significant resources in order to add about 47,000 social houses to the current stock. This has been committed to regardless of where the economy

goes over the next five or six years. The majority will be new builds through local authorities and approved housing bodies. However, we cannot ramp up at the pace that some people would like us to. It is physically not possible in one year to go from building 74 local authority houses to building 7,000. We are dramatically ramping up. Including approved housing bodies, AHBs, we went from a total build of 501 units in 2015 to 652 units last year and 2,434 units this year. We are also bringing voids back into use. As Deputy Casey has said, it is much faster to bring an existing house that is vacant or void or may need some work back into use than it is to go through the process of planning and building a new house. We need to do all of these things at the same time to try to deal with the housing pressures. That includes new builds, bringing voids back into use and acquisitions. From memory, we spent €203 million last year buying more than 1,000 houses. All of those properties are now in social housing use. Part of the plan was to get vacant houses back into the system and use them.

We are putting long term leasing arrangements in place. We have the rental accommodation scheme, RAS. The scheme that is providing the big numbers early on is the housing assistance payment, HAP. It does not simply switch people from rent supplement to housing assistance payment. Only about one third of people coming into HAP are coming from rent supplement. The majority are new tenancies that need State support to get a stable home. I would like to see an increased emphasis over time on newly provided social housing through local authorities and approved housing bodies and less of a reliance on the private rental market through HAP and rent supplement. In the short term, we have to put significant current expenditure into HAP while we are building up that capacity. We think 15,000 people will be added onto HAP this year.

At lunchtime today we will be rolling out HAP in Dublin. We have already rolled out homeless HAP, which has been quite successful. It provided housing solutions for more than 800 people last year even though the target was 550. We will be adding mainstream HAP to the four Dublin local authorities as of this afternoon. This will result in a lot of badly needed social housing provision through HAP across Dublin this year. We are going from providing just over 13,000 social housing solutions in 2013 to more than 18,500 last year, even though the target was just over 17,000 - we were 1,500 above that - to a target of more than 21,000 this year.

Anybody who questions the commitment to social housing provision across a range of blended measures needs to look at the financial allocation that we are adding through both capital and current expenditure. We are going from €800 million to €1.2 billion in one year, a 50% increase. That increase will be continued over the next three years. That is where the €5.3 billion comes from in terms of capital expenditure.

I agree that there is an opportunity in vacant housing. About 10% of residential properties in Ireland are vacant. In the UK and the Netherlands it is about 2.5%. If we were to reduce our vacant property percentage from just under 10% to 8% we would be bringing tens of thousands of houses back into use. Surely we have the capacity to do that.

We are allocating significant resources through the repair and leasing scheme and the buy and renewal scheme. We are trying to put a strong, stable, sensible rental market in place that will attract private property owners into the rental market when and where possible. That market will be managed by the Residential Tenancies Board.

I agree with the sentiment of everything Deputy Casey has said in terms of wanting to focus more on capital spend and build. However, in the short term I think we need a reliance on HAP to ensure we are helping the maximum number of families we can into social housing solutions

that will significantly improve their quality of life.

There is a three step process in the new streamlined planning process for large developments. There is a pre-planning element which involves an informal discussion between a developer or builder and the local authority to put in place the ground rules and make sure an application is going to be ready for what will be a statutory pre-planning nine week process.

In spite of what some commentary has suggested, the big change is that the onus will now be on the developer to put together a much more professional planning application than we have seen in the past. I do not think poorly thought-out planning applications will even get through the statutory pre-planning process. I think they will be thrown out. Gone are the days when large applications would come in and then local authority engineers and architects would have to redesign them over a period of months through time extensions and so on to get them ready for consideration. That should not be the role of local authorities. Local authorities should be there to manage a robust and fair assessment process of professionally put-together large applications that are consistent with zoning and local area plans and so on. Then we go through the timelines of 25 weeks which give funders and developers certainty in terms of when they are going to get decisions. This certainty around timelines is very important.

We did get some negative feedback from councillors and, in particular, from Senators who were representing councillors. We made some changes to take account of those concerns and to make sure councillors were informed of the detail of big applications that were coming through. Even though councillors are not the ones that should be making planning decisions, they should know what is going on in their areas and they should be reassured that what is being proposed is consistent with the zoning decisions and the local area plans that they have approved.

I accept that the local property tax is replacing a different funding mechanism and it is true that it is not entirely new money. What is different about this is that the local authority has a say over whether to increase or decrease that fund and has more discretion over how it is spent. I am very open to this committee debating how local property tax is managed in terms of equalisation and the national equalisation fund. However, we must have some equalisation process between counties that do not have the population base and capacity to be able to raise sufficient local property tax to provide basic services, and other local authority areas that have very densely populated areas with very high property values and are making a very large income from local property tax. This year, I have decided to stick with the process that was in place last year. If people have ideas on that, I will happily take them on board and tease through these issues. I am not wedded to any one form. What we have at the moment is reasonably fair. Some local authorities argue that they should be allowed hold on to more, while others make the case that the equalisation fund does not give them enough. It is a reasonable balance.

Councillors frequently tell me that they would like to have more autonomy in terms of how they spend their budgets, rather than it being linked to national policy around housing or roads or maintenance or whatever. I am happy to have that discussion but my understanding is there is quite a lot of autonomy in terms of how LPT money is spent. The idea that some of that money might go into housing makes a lot of sense for local authorities as well as for national policy.

On the social inclusion and community activation programme, SICAP - I think the public can get lost in some of the acronyms we sometimes use - how its funding is allocated really has changed the model. There is very little political input and certainly there is no ministerial input. I was essentially given a *fait accompli* which had been assessed by Pobal where projects and organisations had been prioritised on the basis of a scoring system and we effectively approved

that. That is how it has worked, and that is probably a good thing.

**Minister of State at the Department of the Environment, Community and Local Government (Deputy Damien English):** Deputy Casey asked about vacant properties.

**Deputy Pat Casey:** I did not want to leave the Minister of State out.

**Deputy Damien English:** I thank the Deputy. It follows on from a discussion we had at Question Time in the Dáil during the week. A major focus of the Department and ourselves is on the whole area of vacant properties. The Minister, Deputy Coveney, touched on it but there is certainly a better wind for us in terms of the urgency of getting houses back on track. In many cases, the infrastructure is there already. The water and sewerage infrastructure, the footpaths, the shops and so on are there to service these units, if we can get them back into use. Many of our plans are actually activating these houses. There is accommodation in the private sector as well. Much progress was made with voids last year, with money allocated to bring 2,300 units back into use in terms of our own social housing stock. In terms of private property, we recognise that very often the people who own these properties do not have the cash to get them back to a suitable condition to be able to rent them out and that is the reason behind the repair and lease back. The amount could be €20,000 up to €40,000 but in many cases in the pilot scheme, it has been under €20,000, that is, to get the house back into use and into a condition that is acceptable. That is what that is about. There is a return on the money after a couple of years in terms of the lease back. The money allocated there is €32 million in 2017 and it could bring in a minimum of 800 units, or probably much more since that figure is based on the renovations costing €30,000 or €40,000. That is one scheme that will work well.

There is the buy and renewal initiative where €25 million has been allocated to local authorities. Some local authorities are leading here in buying up vacant properties, and I would cite Louth as an example. They are finding a mechanism under existing powers to take over vacant properties - in some cases very run-down properties - if they cannot find the owners. It enables them to bring them back into use and that is what we are trying to do, so we are providing the resources there.

I refer to regulations, planning and direction. I chair a working group on urban renewal and regeneration and we are looking at all of this. It is a cross-departmental group with representatives from the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs, who have a fair input into this. There are local authority managers on it as well and other outside agencies are involved, from an architectural point of view, to see how we can strengthen the tool kit on offer to local authorities and other agencies to make this happen. The Deputy is right that in many cases these vacant properties are on our high streets. Under some rules, it is not economical to bring them back into play. We are looking to see what we can do to ease this process around certification, planning and the regulations, including fire and so on, while not to renege on quality and on safety. In many cases, it means the local authority would take control of this and lead this conversation. It would mean meeting the owners of these properties and going street by street to see how this can be done and to get the properties back into use. We said last week that we are prepared to work on this and maybe by the end of March, we will produce our initiative in this area, which will be a range of suggestions to make this happen better.

We will also look at the regulations because we know that in some cases, they prevent this happening and, in some cases, for good reason, in terms of safety. Part of that is to come up with some new initiatives to encourage these vacant properties to be utilised again and to look at some towns and villages that have had a major difficulties because of their location. Such

towns have suffered decline over many years, predating our difficulties with the construction sector over the last ten years but going back 20 or 30 years. If we are going to reverse that, it means having a conversation about the economic purpose of those towns and villages, where they are going and what their long-term vision is going to be. That conversation is probably going to happen in terms of Ireland 2040 - Our Plan, on which the Minister is leading off on, and where we are going as a country from a planning point of view. We often cite a town where there was a 20-year plan and on which €150 million to €180 million was spent over that time-frame to bring it back to where it is today. There was a long-term vision there, and that same long-term vision will be needed in many of the towns and villages we are looking at through the urban renewal and regeneration. Long-term commitment is what is needed here but one has to have a long-term plan in the first place. We believe that the local authorities are central to making that happen, by pulling all the agencies together and taking the lead. It is up to us then to find the resources to reward that. In the short term, we want those residential properties to be in use and we are looking at the planning regulations and changes to be made in April, I think, for the commercial properties to be reused as residential properties and to make that a more streamlined process. We are doing what the Deputy has suggested we do.

The vacant property register is on track to be completed before the end of the second quarter of 2017 and that will give us the information on these vacant properties. We can then try to analyse that and see how we work it. I totally agree with the Deputy that there is a win for taxpayers in getting these vacant properties into use. Our job as a Department, along with local authorities, is to try to make this happen and make it easier, which is what we are trying to do. In some cases, that means tweaking regulations, if needs be, in the correct manner and reducing the cost of doing that and providing certainty. If one talks to someone who owns a property, having this conversation about how to restore a property and bring it back into use is a nightmare. We have to make it easier for people to do that because we want to bring the property back into use.

The Chairman asked about build versus purchase or renewal of vacant properties. We have a range of offers across the different schemes. The Minister and I meet local authorities and engage with officials and our message to them is that there is a range of schemes and that they should let us know what suits best in their areas. In certain counties, it makes sense and it is better value for taxpayer to buy up properties and bring them back into use, certainly where there are many empty properties. In other areas, it is essential that we fast-track construction and get construction projects up and running again but there is space within the schemes to apply what suits best for each local authority. As the Minister said, it takes time to rebuild that construction capacity for social housing, which is the end game here. That is what we want to do. In the meantime, in some cases, it makes a lot of sense to activate vacant properties and buy up empty properties, which we are doing through the Housing Agency and the various schemes. If we go into any estate in any county, we come across empty properties. We are trying to find out who owns them. Local authorities are doing that and they are compiling a register. Most of those properties are probably mortgaged and owned by a lending institution. The Housing Agency is trying to buy them in bulk. On streets, often properties have gone into decline over a number of years.

We have enough schemes with enough options. We have to work with local authorities at county level to make a decision about what is best for them in their own county and we will facilitate that, as will the Department.

**Deputy Dessie Ellis:** Is any provision being made for affordable housing? This has been

requested by many people. The Minister will be aware of Ó Cualann in Ballymun, which is co-operative housing, and it is working off a site that was fully serviced. As the Minister said in respect of plans to service different sites, money has been set aside for the local authorities. Is there any way to use co-operatives, such as this one, a bit more? They are delivering affordable housing at a price.

I refer to the plan for PPPs. We have five sites or whatever the number is and there is one such site in Finglas. We are running into major problems with this in terms of the communities. I have very serious concerns about the way it is being done in the Finglas area but what has happened is that we have sold people the idea that the social mix was there. That is the message which has been sold by Fine Gael, Fianna Fáil, the Labour Party and even our party, that is, that there should be social, affordable and private together. With the PPPs, for example, there will be 100% social housing in the Finglas area. If that was delivered in the right way, with all the proper facilities, I would not have a problem with it but, unfortunately, that is not the case. From what I can see, the PPPs are in serious trouble. I know from talking to managers in Dublin City Council that many of them have serious doubts as to whether PPPs can be delivered. I am unclear what provision has the Department made for this year. Most of them will be delivered down the road but is any provision being made? I note that in an increase of €38 million, a provision of €98 million went into homeless services. Does the Minister envisage that rising further or does he see it levelling out? The indicators at the moment show that homelessness is still rising, which indicates something is going wrong somewhere in what is being delivered. We have the rapid builds coming on stream across a number of areas, including 40 units in my own area. Does the Minister envisage the policy changing? Are these to be directly solely to homeless people or will there be a combination of people who are on the housing list, homeless people and so on? Does the Minister see that the rapid build housing will be used more in that way?

**Deputy Ruth Coppinger:** The Minister provided figures on spending for housing and referred to how much of a commitment it is to the Government. The Revised Estimates show €1.2 billion is being made available for housing programmes in 2017 whereas that is an increase on previous years, it is on a par with or less than what was spent on social housing even in the 2000s. This has to be put into context. Fingal County Council, to give one example but there are many others, has not built a house in three years. It probably will not build a house this year either. There are a couple of schemes but we will see. The level of investment that would be required to make up for the lack of action for a number of years, while the Minister's own party was in office by the way, requires a lot more than that. I wanted to raise what the money is being spent on because we know it is not being spent in the old way of just giving local authorities money to build public housing but is being spent on a whole range of things. At least ten times, the Minister of State used the phrase getting properties "back into use". I have a major problem with public money being given to private owners of property to get them to get it back into use to be "leased for social housing" or in other words, probably let out for HAP or one of these other schemes. That is not investing in public housing and makes no sense. When the committee on housing met over the summer at a time when others did not - I am beginning to wonder why we bothered - the idea was raised of acquiring empty vacant houses for public use, not just doing them up for whoever owns them. Acquiring properties is something on which we should be spending money.

**Deputy Simon Coveney:** We do.

**Deputy Ruth Coppinger:** I do not know how much of it we are doing because the em-

phasis seems to be on getting units back into use for the people who own them. Councils are buying houses on the open market and I do not have a problem with that because there is an emergency and it has to be done but we all know that is not a sensible policy in the long term because it means buying houses at top dollar when they could be built.

I refer to an affordable mortgage scheme. I would have thought that Fine Gael, as the party of the home owner and so on, would be interested in this but there seems to be very little interest. Will councils be encouraged to have an affordable mortgage scheme? We have often debated this mixed tenure policy, which sounds great in theory. I live in a mixed tenure estate of 720 units that was built by Fingal County Council in the early 2000s with a private developer. Of those, 200 were sold on the private market, 400 were sold as affordable mortgage units and about 100 were for council tenants and consequently, there is a range of incomes in the estate. There are teachers, nurses, manual labourers and all sorts of people. If an affordable mortgage scheme was in place the councils could build estates in which some units could be for social housing and others could be for affordable mortgages for those who do not qualify for social housing but cannot buy a house on the open market. I wonder why there apparently is so little enthusiasm for doing that because it used to be something councils did routinely.

On the section on water, yesterday afternoon this issue seemed headed towards a resolution, in that the committee which had been set up by the Dáil to look into it seemed to be reaching some kind of consensus that water charges should be abolished, people should get refunds -----

**Chairman:** We are not going to talk about the Joint Committee on Future Funding of Domestic Water Services here, we are merely talking about the Estimates.

**Deputy Ruth Coppinger:** It is in the Estimates.

**Chairman:** It is mainly about group water schemes. We have to keep to the topic, we are not getting into a water debate here.

**Deputy Ruth Coppinger:** I know but I ask the Chairman not to be partisan. Water and the spending on water are mentioned here and I am going to get around to it now.

**Chairman:** I have always been impartial in this Chair and I am saying in respect to our other colleagues, we will stick to the Estimates before us here today.

**Deputy Ruth Coppinger:** With respect to the three people who are here, there is plenty of time. I just wanted to ask a question about water related to page 4 of the Estimates.

**Chairman:** Work away.

**Deputy Ruth Coppinger:** Will the Minister implement legislation to abolish water charges if that is what is voted for by the committee and by the Dáil?

**Deputy Simon Coveney:** I will deal with the last question first because it is obviously topical today, although I will try to stick with the Estimates but it does impact on the Estimates to a certain extent because we have to account for the suspension of water charges this year. That was already part of the Estimate and it will be part of a Revised Estimate if the decision is made to proceed in a way that does not involve a revenue stream from water charges in the future for the rest of the year. My position on this and that of the Government has been to try to find a compromise that the Dáil can support, that parties can work towards, that makes sense for the country, that can be accepted broadly across society and that can be consistent with our

legal obligations under the Water Framework Directive. All I said yesterday was that I do not see how I can introduce legislation against the advice of the Attorney General when I know that it is likely to lead to court action by the European Commission and to fines being imposed on Ireland. That would be hugely irresponsible of me. I am happy to work with the compromises that everybody is working towards whereby effectively we are doing away with water charges for normal use in houses. The only thing that I have said, and I am very consistent with the expert commission and the European Commission on this, as well as with the Attorney General's advice, that of my own Department and some other political parties, is that for us to be compliant with commitments to which we have signed up under the Water Framework Directive, there needs to be some polluter pays principle under our water strategy whereby there is a consequence for wasting large volumes of water. That is all. The Joint Committee on Future Funding of Domestic Water Services will continue to do its work. I hope it can work on the basis of a working paper that the committee Chairman made available yesterday, which I think is a very good working document that involves everybody having to make some compromise. While I hope that can be the basis of finding a resolution, I will leave that to the committee concerned. I was asked a direct question yesterday as to whether I would introduce legislation against the advice of the Government's independent advice coming from the Attorney General's office and I said I could not do that. While I think that is just a fair and honest position from me, I am happy to work with all parties to try to find a resolution to this issue because it is something that has dogged Irish politics for far too long. We have big issues to deal with as a country, as a Government and as an Oireachtas. I hope that everybody will work towards finding a solution to this issue so that we can move on. That is really all I can say on the water issue.

In regard to some of the other issues-----

**Deputy Ruth Coppinger:** Frankly, they had found a resolution of the point-----

**Deputy Simon Coveney:** They have not, actually.

**Chairman:** The Minister is going to follow on with the other questions that were asked. We will not be going into a debate about the Joint Committee on the Future Funding of Domestic Water Services.

**Deputy Ruth Coppinger:** That committee was set up by the Dáil to find a resolution. If it finds a resolution, will the Minister implement it?

**Deputy Simon Coveney:** It has not.

**Chairman:** Deputy Coppinger, we are not getting into debate about the Joint Committee on the Future Funding of Domestic Water Services.

**Deputy Ruth Coppinger:** Why not?

**Chairman:** This is the Select Committee on Housing, Planning, Community and Local Government. We are talking about the Estimates today.

**Deputy Ruth Coppinger:** That is not the Chairman's decision. Water is on the agenda of this committee as well, and I am asking the Minister about it.

**Chairman:** Deputy Coppinger, the Minister has answered your question. I have allowed leeway on both sides. We will move on to the Estimates, which is what we are here to debate.

**Deputy Simon Coveney:** There is a process still under way in that committee. We should

let the committee do its work. The Chairman is attempting to bring people together. They are meeting again today. We should not try to influence its work from the outside. We should let that process take its course.

We had looked at introducing a new affordable rental model that would apply-----

**Deputy Ruth Coppinger:** It is not affordable mortgages.

**Deputy Simon Coveney:** I will come to the affordable mortgages. I am answering Deputy Ellis's question, if that is okay with Deputy Coppinger.

**Deputy Ruth Coppinger:** Okay. I asked about affordable mortgages.

**Deputy Simon Coveney:** I will come back to that. Affordable rental is linked to mixed tenure developments, which is something that we are trying to progress. I live next door to a mixed tenure development that works very well.

**Deputy Ruth Coppinger:** I am sure the Minister does.

**Deputy Simon Coveney:** I do. Deputy Coppinger seems to have preconceived notions as to where I come from every time we have this debate.

**Deputy Ruth Coppinger:** Yes.

**Deputy Simon Coveney:** We are trying to ensure that mixed tenure is provided where possible in the new social housing developments that we are funding. It is not always possible. Sometimes we will fund the more traditional local authority housing estate. We have signed off on many of those in the last six months. Tens of millions of euro are being spent on them. On big sites such as O'Devaney Gardens, Oscar Traynor Road, St. Teresa's Gardens and so on, there are very significant sums of public money going into regenerating communities as well as providing social housing. We are trying to incorporate mixed tenure, which would include affordable rental where possible and private housing, as part of those developments. That is a good thing to attempt to do. Many other parties support us in trying to do that. However, it is not always possible. It depends on the size of the site and the number of houses concerned. Many of the sites Deputy Ellis referred to comprise 30, 40 or 50 social houses. Trying to force mixed tenure into smaller estates might be more trouble than it is worth. The core issue here is to get social housing of good quality built with good facilities as part of those developments.

**Deputy Dessie Ellis:** I do not generally have a problem with affordable rental. However, I am aiming for the affordable housing that was delivered in the past in different estates. Substituting affordable housing for affordable rental housing, as the Minister is doing, is not what many people are looking for in certain areas. We need an affordable housing scheme where people have mortgages.

**Deputy Simon Coveney:** That can be looked at. Our focus to date has been on trying to get social housing built, trying to get capacity in place to build, trying to get a lot of sites that have been basically stagnant for a decade up and running again and trying to build capacity within affordable housing bodies and local authorities to build social housing. Many local authorities were very badly caught out with affordable housing estates and projects. My own local authority, Cork County Council, was badly caught out when affordable housing suddenly became more expensive than private housing which had dramatically reduced in value over a very short period of time. Some of the financing arrangements that local authorities had in place for af-

fordable housing projects exposed them to a lot of debt.

**Deputy Dessie Ellis:** That is what happened with shared ownership.

**Deputy Simon Coveney:** It is not necessarily shared ownership, it is also affordable housing estates. In principle, I do not disagree with Deputy Ellis that we need to look at an affordable housing model. How we provide accommodation in places like Dublin city centre for people to be able to work and live in close proximity is key. I have an open mind on whether that is through affordable rental, through increasing supply to try to bring prices down, or through some form of affordable purchase scheme in the future.

All the pressure on me to date has been finding social housing for the 91,000 people on housing lists, how are we going to deal with the needs of families that are homeless or under threat of becoming homeless, people who are being squeezed out of the private rental market, people who are living with relatives and so on. Most of those people are not able to buy at the moment. We need to focus our resources on trying to get social housing provision increased.

**Deputy Dessie Ellis:** I mentioned Ó Cualann, the co-operative model operating in Ballymun. The Department has provided a good deal of money for underground services. The council could get the sites ready. Could we not look at models like Ó Cualann, which is going to deliver the houses for less than €200,000? We could expand it as an affordable housing model. Ó Cualann is looking to deliver more.

**Deputy Simon Coveney:** Factoring in the cost of sites is a big problem in Dublin, in particular. It is less of a problem outside Dublin, apart from areas such as Galway and Cork. We are looking independently at the cost of building houses through the Housing Agency and through the Department. In Dublin, depending on what estimate one looks at, one needs to factor in €60,000 for site purchase. This seems crazy to me. If we are talking about private site values of €60,000 to €80,000 per house, using publicly owned land to provide affordable houses as well as social housing in mixed tenure developments is a good strategic way of getting value. There is very little black and white here. There is a lot of grey when it comes to housing. We need to get many different approaches working in tandem to increase supply where it is needed.

I know there is frustration that the number of homeless people continues to rise. We have a big focus on families and on getting families out of hotels. This will continue for the next four or five months. I have said that we do not want hotels to be used as emergency accommodation for families after the middle of this year. This is primarily a Dublin issue. We have a plan with chief executives from each of the four Dublin local authorities. We are going to work incredibly hard to try to deliver on that commitment but I think we can do so. We are also delivering for people who are at risk of rough sleeping. We need to deliver more. Most of them are individuals in emergency accommodation. The focus for the first six months or so was to try to get emergency facilities improved and to get sufficient numbers of beds in use in Dublin, in particular, so that people would not have to rough sleep on the streets. I have spoken to rough sleepers, particularly last September when we were trying to assess how many extra beds were needed in the system to ensure that people had the option to go to a safe emergency shelter. That is why we added three new emergency facilities before Christmas and why we are adding another hundred beds at the moment. We are spending millions of euros doing that. However, that is not the solution to homelessness. The solution to homelessness is to find homes for people. Emergency accommodation needs to be a temporary transition, not a permanent or semi-permanent solution for people. Ultimately, that means social housing. It means long-term leasing arrangements, an increased emphasis on rapid builds and a housing first ap-

proach towards homelessness. Last year we saw increases in the numbers of people coming into homelessness, and obviously we need to slow that down. If one looks at the results in this regard, while significant numbers still are in homeless accommodation, 2,700 housing solutions were put in place for homeless people and families last year. That is significantly more than ever before and this year, that figure will be more than 3,000. If one takes the figures for families, on which I have a real focus, the figure for January shows the number of families that are homeless has fallen and the number of children, in particular, in emergency accommodation has also fallen but it is still far too high. The estimate has increased from approximately €70 million last year to just under €100 million this year. I think we spent approximately €40 million on hotel rooms last year. We can get much better results for families by spending that money in a different way. That will be a combination of rapid build, conventional social housing, long-term leasing arrangements for people, homeless HAP and HAP generally, as well as much more suitable tailor-made emergency accommodation for families as a short-term transition measure while we find long-term housing solutions for them. Some people have accused me of promising too much in this area but we should promise in an ambitious way on a short timeline and try to deliver on that, which is what I am trying to do.

**Deputy Dessie Ellis:** I ask the Minister to respond to the question on PPPs.

**Deputy Simon Coveney:** We have €300 million of capital value earmarked into the plan between now and 2021. In total, that programme is expected to deliver 1,500 social housing units through PPPs. There is a tendering process that will mean that in most of these projects, the money will be spent next year rather than this year because it takes time to ramp that up. We should use public private partnerships. They were much more expensive ten years ago than they are now and we should use PPPs for infrastructure generally. We can put together much more competitive funding packages for that now. Ultimately, for me, this is about trying to build houses as quickly as we can and using the capacity and the efficiencies of the private sector to be able to build social housing for us. If a PPP model is the best model to do that, then I am up for that. We take every site and every project on a case-by-case basis.

**Deputy Dessie Ellis:** I have been running into this issue and have spoken to the officials in Dublin City Council, many of whom are convinced that this is not going to work. They are even talking about a lot of these public private partnerships going to co-operative or voluntary housing and perhaps the councils themselves buying some of the units within these PPPs. Is it acceptable to the Minister that the councils could buy into the PPPs as well? I am curious because this is being suggested now.

**Deputy Simon Coveney:** My understanding is that Dublin City Council has been one of the leading proponents of using PPPs. It has been appointed to act as the lead local authority for the delivery of the social housing PPP programme in respect of this first project bundle with Cork County Council appointed to act as the lead local authority in respect of the second project bundle. The identification and selection of sites for the third project bundle is currently under way and is expected to be finalised in coming months. One can consider how PPPs have worked in delivering schools, for example, where one gets developers who have the capacity to deliver quickly on real scale and to help finance projects. We should learn lessons and take what has worked and what has not worked with some of those PPPs and apply that to delivering social housing; that is all we are trying to do. If there are specific issues in respect of sites and cases, I would be happy to hear about them.

**Deputy Dessie Ellis:** We could spend an hour going into that and I am not going to.

**Deputy Simon Coveney:** I am not saying now but if the Deputy has any particular concerns we can talk to Dublin City Council about them.

**Deputy Dessie Ellis:** I will talk to the Minister separately because I would be here for an hour explaining.

**Deputy Simon Coveney:** On Deputy Coppinger's questions, in Fingal there are 21 projects in the pipeline there. There are three projects at stage 1 for 61 units, there are two projects at stage 2 which is ten units, four at stage 3 which is 85 units, two at stage 4 which is 97 units and there are six on site for 238 units, as well as four completed last year, which was 48 units. That is a total of 539 units.

**Deputy Ruth Coppinger:** There were 48 last year.

**Deputy Simon Coveney:** In Fingal. I note we are ramping up. I am not defending the numbers for last year and the year before. We need to continue to ramp up. Fingal has had a big focus on acquisitions in the last number of years. The Deputy is right, actually, that we should be focusing on buying up properties to get them into social housing use quickly. We spent €203 million last year buying more than 1,000 properties that were vacant and were not being used last year and are now in social housing use. As for the idea that we are not acting on that; we do not agree on some things but we do agree that we need to buy up properties that are not being used and may be vacant to get them into social housing use quickly because many families need the State to act with a sense of urgency on social housing provision and it is. That is why we are also driving rapid build. Rapid-build projects have been a real headache for this Department and for local authorities but we are trying to use new technology to get houses built faster. We will look at anything that can do that, within reason, that still represents good quality of build and planning and so on. Rapid build is only part of the solution but it is something that can deliver projects on a timeline that probably would not be possible with conventional projects.

On the repair and leasing scheme, we are not giving people grant aid to do up their houses. What we are saying is that if somebody has a property at the moment that is vacant and is not being used, and if we ask them why they are not renting it, particularly in areas where there is quite high rent, one often gets the answer that the owner would be obliged to put €10,000 or €15,000 into the property to make it ready for the rental market. We would like to be able to tell such people that we will fund that for them and will then take that cost out of their rent for the next ten years. As a result, the cashflow problem a property owner may have to make available that property for a long-term tenancy for social housing purposes can be a win-win for everybody. We get a house into which to put a family for ten years, the local authority or an AHB looks after that tenancy for the landlord and manages the repair that is needed to get the property up to the standard needed to be able to do that. That gets a vacant property into use for social housing. This is not a grant. It is simply the State helping with a cashflow problem that would otherwise result in a vacant property remaining vacant indefinitely into the future. We will see how that works. We have piloted it in Waterford and Carlow - they are particularly keen on it in Waterford and think that it can work - and so we are going to test, particularly in Dublin where there are real pressures, as to whether this can deliver long-term tenancies for social housing tenants.

On affordable mortgages, I would like to do more about local authority mortgages. If one looks at the statistics, a lot of people do not even know they exist. Do not forget that for someone to get a mortgage from a local authority, they must be able to show they have been turned down by at least two banks but there are a lot of people in that category. We are looking at re-

launching local authority mortgages. There obviously must be a robust assessment of the ability to pay and credit rating and so on, otherwise the State would be lending irresponsibly and we cannot stand over that. I would like to see more of a role for local authorities to work with people who may be transitioning from social housing to buying something affordable. There are many properties across Ireland, outside Dublin, that are for sale for €70,000 or €80,000. Not every house for sale costs €200,000 or €300,000. There are many towns and villages that can accommodate people at relatively affordable house prices, particularly if we are bringing many vacant properties back into use. Local authorities could do more here. We need to work with them to make sure that is a financially sound proposition and that it is also legally sound with regard to state aid rules and so on. We are looking at that and we may come back to the committee about it if and when we launch it.

**Deputy Pat Casey:** I thank the Minister. On the planning process, is the initial pre-planning with the local authority a requirement before one goes to the nine week pre-planning with the board? My concern is that there is no timeline for that. On the local property tax, LPT, I fully agree with, and understand, the national equalisation process. I also fully accept that there has to be something there but my argument is about the LPT baseline that is applied to local authorities. Those of us coming from local authorities would argue that is probably incorrect. Is the methodology in calculating that LPT baseline similar or consistent in all local authorities? How does that mechanism work? I accept that the excess over and above that is rightly being spent on capital infrastructure for housing but it is having an effect on the services being provided at local level.

I am not getting into the water debate and what might happen there but I welcome the slight increase in funding for group water schemes. I refer primarily to rural Ireland and smaller towns and villages in the context of the national planning framework that is on the horizon. Regardless of what happens at the committee and what water charging regime comes out of it, it will never fund the capital investment required to deliver a revitalised rural Ireland with respect to water and sewerage schemes in towns and villages. We know that most of them are at capacity and have no room to expand.

I come back to vacant units. I have my constituency office in Arklow. It is a prime example of how important vacant units are. Arklow has no wastewater capacity at all. It is the pipeline. It might start in 2019 and might be finished in 2022. There is no capacity for new builds in Arklow. We have nearly 1,000 on the list. Probably 60% of the properties over shops on the main street in Arklow are vacant, and probably 35% to 40% of the properties on the street are vacant. That is why we need to put more emphasis and resources, if we can, into converting vacant units into potential homes for people. That is the case I am making. That is the reality on the ground out there.

**Deputy Danny Healy-Rae:** I want the Minister to clarify repair and leasing. Will vacant houses in rural places qualify for the repair and leasing scheme, or will the towns that have greater need and greater housing lists come first? The Minister says he has €32 million for 2017. Will it be for cities like Dublin, Cork and Limerick, where there is a much greater need? Can the Minister clarify if everyone who applies to get this loan - it is a loan, not a grant - will qualify? If they qualify, will the councils only give the loan to areas to which they want to give it, or where they need it for someone who is on the housing list? Will the loan extend to areas where there is neither need nor pressure for someone to be housed? Many people in my county expect that this will apply to every small village and rural community, and that they will be able to avail of this loan. When I speak to the local authority-----

**Chairman:** We are straying slightly because we are talking about the Estimates.

**Deputy Danny Healy-Rae:** I ask the Minister to clarify that. The local authority has told me that only areas with greater need will qualify for the loan.

I refer to elderly people who go to live with their families and rent out their houses. Will people on a non-contributory pension be allowed to keep it?

**Chairman:** We are talking about the Estimates today, Deputy, and it is an opportunity for the committee to engage with the Minister and his Department about information, accountability and transparency.

**Deputy Danny Healy-Rae:** I am sorry. Those are my two questions. I thank the Chairman.

**Chairman:** The Minister might answer, but I do not think the latter question is relevant.

**Deputy Danny Healy-Rae:** He mentioned it in his housing strategy when he went to Kerry.

**Chairman:** We are only talking about the Estimates today. We are trying to focus on that, if that is okay with Deputy Healy-Rae.

**Deputy Danny Healy-Rae:** That is fine, but if it is a proposal of the Minister's. It has to be in the Estimates. There has to be some figure or concession given to-----

**Deputy Simon Coveney:** I will answer that.

**Chairman:** No problem. Are there any further questions for the Minister? I call the Minister, Deputy Coveney.

**Deputy Simon Coveney:** I am glad Deputy Healy-Rae remembers what I said in Kerry, which is good. We had a really good day in Tralee. We are investing a large amount of money in some big social housing projects and redevelopment projects there, particularly in the Mitchells area. I said that the repair and leasing scheme will be going nationwide this year but the emphasis will be on providing social housing provision where there is social housing need. I ask the Deputy to hear me out, because that includes Kerry.

**Deputy Danny Healy-Rae:** Kerry is a big county and there are rural places-----

**Deputy Simon Coveney:** I ask the Deputy to let me answer. We have an agreement with the Department of Public Expenditure and Reform to spend €32 million to go through an initial phase which will involve approximately 800 to 1,000 units with the money that is available. That money is available this year. We will be working through approved housing bodies, AHB, and local authorities to try to get properties back into use where there is the most need. I think there will be some repair and leasing schemes in rural areas, but the majority will be in urban areas where there is the most social housing need. There are other things that we need to do to help people to repair homes in rural areas. The Minister, Deputy Michael Noonan, has announced initiatives around that involving home improvements and tax incentives.

This is primarily part of a social housing strategy. We have to focus on the parts of the country that have the most social housing need, and we have to put money into getting private houses into long-term lease arrangements that can accommodate people on social housing lists. To be clear, it is not a loan, *per se*, although I suppose it could be called that. It is essentially a local authority or an AHB getting money from us to fund the repairs that are needed in a house

and then factoring in the repayment of that money over a five to ten year period through the rent that will be paid. It is a loan of sorts, but it is really to deal with the cashflow problem that many private property owners might have. I suspect there are many cases in Kerry whereby if somebody had €15,000 to be able to do up a house to make it available for lease for the next ten years, he or she would probably do it. As people may not have the money immediately, they cannot change the boiler or do up the house or whatever. That certainly seems to be a barrier from anecdotal evidence and we will now test it with the new repair and leasing scheme. We will see how it goes. If we get 800 units delivered quickly, we will certainly go back to the Department of Public Expenditure and Reform to try to get sanction to do much more. I would like to spend hundreds of millions of euro on this if we could, but currently we have sanction to spend €32 million. We need to show that it works and many people are saying to me they think it will. Let us wait and see.

I would also like approved housing bodies to be a big part of this. Local authorities can of course do it but sometimes, particularly in Dublin, we find organisations like Respond!, Clúid, Focus Ireland, the Peter McVerry Trust and maybe others may well want to put people on the ground, knocking on doors, asking private property owners whether they would engage with this process and make their properties available, especially if they are in areas with much social housing demand. That kind of proactivity on the street is exactly what we need to try to get units delivered quickly. We will also be sending guidance to all local authorities on repair and leasing, how it can work and where the priorities should be. Nobody will be in any doubt in that regard.

There is a broader issue of helping people in rural areas to get vacant properties into use. We will be launching a vacant housing strategy as part of the overall housing strategy. We said we would have that done by the end of the second quarter of this year and the Housing Agency has been working hard on that. We will launch that and there will be a focus on trying to get as many of the 200,000 or so vacant residential properties in the country into use as we can by incentives. It is an obvious answer that Deputy Casey and others have referred to for very good reason.

I will be a little careful in what I say about Arklow as I am told there are legal proceedings under way with some of the issues. I do not want to say anything that may influence those cases. In general, the idea that we have towns and cities with very significant vacancy percentages while we are trying to build new housing developments on greenfield sites that must get services and wastewater treatment facilities etc. seems to be madness. We have to focus on existing infrastructure and getting the most out of that as well as adding new infrastructure. We have 43 towns where raw sewage is going into rivers, lakes and harbours. In my own city of Cork, 50,000 houses are pumping raw sewage into the harbour every single day. I am told that amounts to approximately 34,000 wheelie bins full of wastewater every day going into a harbour I have grown up beside. That is not acceptable and the issue will be solved within the next 12 months or so as Irish Water puts infrastructure in place to deal with the matter. That needs to be replicated in places like Arklow and elsewhere.

We have been speaking to people in Irish Water to ensure its capital investment programme, particularly around wastewater treatment, matches the housing plan in order that it focuses resources on where houses are likely to be built in the next few years. A number of developers come to our housing delivery unit saying they can deliver a specific number of houses on zoned land, in some cases with planning, but they do not have the necessary water infrastructure to facilitate that. Most of them come before getting planning as they are afraid they will not get it

because the infrastructure will not facilitate housing development. It is a big issue and we must work in parallel with Irish Water in the same way we would have worked with local authorities on water provision in the past to ensure we are investing in a sensible way in terms of roads, water and other infrastructure in facilitating new housing development. In particular we must focus on using existing infrastructure. It is a no-brainer, to be honest.

We now have a multi-annual rural water programme for 2016 to 2018, with various funding measures around public health compliance, enhancement of existing schemes, rural group water schemes, and a transition of schemes from public water to the wastewater sector. A series of investments are happening and because we can give some certainty around multi-annual investment, it makes it easier to deliver on that. There will be more of that. If we are serious about creating counterbalances to Dublin with respect to increasing populations in other parts of Ireland, water infrastructure will be core in doing that. It will cost money, which is why the decisions we make around how we pay for domestic water supply cannot simply just be on the basis of being popular all the time. We must make some decisions that are good for the country as well as being acceptable to the vast majority of people and political parties.

With regard to the baseline calculation for local property tax, LPT, my understanding is there is a method of doing this that is fair to everybody, based on issues like population density, overall population and investment criteria. In particular there is a link to what those local authorities would have been spending in the past to try to maintain a core level of service. That is why, from last year to this year, the one thing I insisted upon was that no local authority would lose out with the LPT allocation on what was available last year. I would happily have a conversation with the committee on managing LPT, how we prioritise and how we create a redistribution of resources to ensure rural Ireland does not lose out. I assume if Deputy Danny Healy-Rae was still here, I expect he would have pretty strong views on counties that simply do not have the population density to be able to pay for the resources they need.

**Chairman:** If there are no further questions I thank the Minister and his officials for assisting the committee today with our consideration today of the Revised Estimates. I thank in particular the Minister, Deputy Coveney; and the Ministers of State, Deputies English and Catherine Byrne, as well as their officials.

### **Message to Dáil**

**Chairman:** In accordance with Standing Order 90, the following message will be sent to the Dáil:

The Select Committee on Housing, Planning, Community and Local Government has considered the following Revised Estimate for public services for the year ending 31 December 2017: Vote 34 - Housing, Planning, Community and Local Government.

The select committee adjourned at 11.20 a.m. until 9 a.m. on Wednesday, 12 April 2017.