

DÁIL ÉIREANN

SELECT SUB-COMMITTEE ON THE ENVIRONMENT, COMMUNITY AND LOCAL GOVERNMENT

Dé Máirt, 9 Nollaig 2014

Tuesday, 9 December 2014

The Select Sub-Committee met at 5.30 p.m.

MEMBERS PRESENT:

Deputy Paudie Coffey (<i>Minister of State at the Department of the Environment, Community and Local Government</i>),	Deputy Catherine Murphy,
	Deputy Brian Stanley.

DEPUTY MICHAEL MCCARTHY IN THE CHAIR.

Estimates for Public Services 2014

Vote 25 - Environment, Community and Local Government (Supplementary)

Chairman: Apologies have been received from Deputy Fergus O'Dowd. I welcome the Minister of State at the Department of the Environment, Community and Local Government, Deputy Paudie Coffey, and his officials. Today's meeting gives us an opportunity to consider a Supplementary Estimate for the Department of the Environment, Community and Local Government, Vote 25, in detail and to question the Minister of State on it. I invite the Minister of State to address the sub-committee.

Minister of State at the Department of the Environment, Community and Local Government (Deputy Paudie Coffey): I am grateful for the opportunity to present and discuss the proposed Supplementary Estimate for the 2014 Vote of the Department of the Environment, Community and Local Government, for which I am seeking approval. The Supplementary Estimate covers two elements of the Department's Vote, the Leader programme and recoupment to local authorities of costs incurred during the storms of last winter.

One of the Department's key objectives in respect of community development is to improve the quality of life and welfare of communities in Ireland. A key measure to address this is the Leader element of the Rural Development Programme 2007-13. Since the programme commenced in 2009, over €310 million has been spent, of which almost €84 million has gone directly to support the creation and development of enterprises and the creation of jobs. To date, the programme has provided assistance to almost 7,000 enterprises and led to the creation of almost 3,000 full-time jobs. It is evident from these figures that Leader funding is having a real impact in rural Ireland and must be supported into the future.

In the early years of the programme, due primarily to the challenging economic situation and the lack of adequate credit facilities for small enterprises, projects were slow in coming forward which in turn led to slower than desired spending. As the programme draws towards an end and after a number of interventions, such as increasing the rate of grant aid and the introduction of additional phased payments to help with cash flow, it is fully committed. The majority of projects are expected to be completed by the end of 2014, with a small number of larger scale projects completing in early 2015. The capital financial provision of €50 million in 2014 for the Leader programme which was made available from savings on capital expenditure in 2013 carried forward to this year is not sufficient to meet commitments now arising. The additional €38 million sought in the Supplementary Estimate for Leader, when combined with the existing €50 million, will bring the total provision in the subhead concerned to €88 million. When increased receipts of some €16 million from EU funding are taken into account, the net additional amount needed for Leader by way of Supplementary Estimate is €22 million.

As regards the future, preparations for the 2014-20 programme are well advanced, with a draft operational programme submitted to the European Commission in July 2014. My Department will be conducting a two-stage process to select local development strategies providing the opportunity to develop partnerships with full and comprehensive consultation, thus maintaining the integrity of a community-led local development approach. An open call will be issued inviting all entities that meet the eligibility criteria to be considered as local action groups to express an interest in being selected to develop local development strategies for the 2014-20

programme. I expect this process to commence in the coming months. I can assure the sub-committee that I am committed to supporting our rural communities and to ensuring best use is made of the funding available at a local level in a co-ordinated and sustainable way.

The other element of the Supplementary Estimate relates to the provision of funding for the repair and remediation of public infrastructure damaged or destroyed by last winter's severe storms, under those headings for which my Department has responsibility, namely, tourism-related infrastructure funded by local authorities, certain piers and harbours in the charge of the local authorities and other local authority facilities. All areas of the country were affected by the storms, with damage to buildings, fallen trees and outages of the electricity and communications networks. In the week from 30 December 2013 to 6 January 2014, high tides coincided with the storms and consequently the west coast was severely impacted, especially counties Clare, Galway, Mayo and Kerry, with coastal damage and damage to the roads infrastructure.

While every winter sees Atlantic storms and episodes of high winds, the events of last winter were exceptional. A recent study by the Irish climate and research unit at NUI Maynooth in collaboration with the centre for hydrological and ecosystem science at Loughborough University found that the winter of 2013-14 was the stormiest for at least 143 years when storm frequency and intensity are considered together. While there is evidence to suggest that severe storms are becoming more frequent, last winter's storms could be considered a one in 100 year event. Such was the exceptional nature of the winter storms that the budgets of local authorities and funding by relevant Departments did not provide for expenditure on the scale now required for repair to damaged infrastructure.

Estimates provided by the local authorities put a total capital cost of €21.6 million on damage under the headings for which my Department has responsibility, with a further €7.5 million current expenditure for clean-up works and necessary immediate costs. To date, claims to the value of €5.1 million for capital works have been received from the local authorities and claims for up to a further €800,000 are anticipated in the coming weeks. Current funding totalling nearly €6 million has been disbursed to the local authorities by my Department for the clean-up and necessary immediate works following the storms. The Supplementary Estimate before the committee makes the necessary finance available, totalling €13 million, to provide funding to local authorities to repair the damage caused by last winter's storms and, in this way, supports the recovery of the householders and businesses that were so badly affected.

I repeat my appreciation to the committee for taking the Supplementary Estimate today. As I have outlined, the proposal before us is necessary to provide essential funding for Leader, as a key driver of rural development, and to meet exceptional costs incurred by local authorities in dealing with last winter's storms. I am happy to discuss and deal with any issues the Deputies raise.

Deputy Brian Stanley: I thank the Minister of State and his officials for presenting the Supplementary Estimate. There was very little detail in the document I received, and the Minister of State has explained the details regarding the Leader programme and the storm damage well. I concur with what the Minister of State said about the Leader programme, particularly regarding small enterprise in rural areas. People across the political spectrum recognise that Leader has been valuable to local communities, particularly disadvantaged areas that would not normally have access to matching funding to get projects under way. While I am not totally *au fait* with Leader, I have seen reports that there may be cuts or changes to Leader funding in the next year. Could the Minister of State address this? We want the programme to continue. The Irish model is recognised as a successful model and has been worked very well by the develop-

ment companies across the State.

I welcome the fact that funding to repair storm damage is being drawn down. Although the local authorities have been very slow to call on it, it seems to be moving. The communities will welcome the funding, particularly the coastal communities that were damaged. It highlights the fact that in our planning and building we must provide for preventing such damage in the future. Although the severe weather was said to have been a once in 100 years event, we have had some turbo-charged severe weather events over the past six to eight years in terms of rainfall and wind speeds. Our building regulations should ensure people build with this in mind.

Deputy Catherine Murphy: Leader funding is also important to less rural counties. Its impact is primarily outside the capital city and it is an extremely important fund. There have been criticisms of the fact that in some areas there is a queue of projects, while others do not have the same throughput. It is important that a close eye is kept on the funding and that it is distributed to schemes that are ready to roll.

Storm damage is a feature of climate change. In my local authority, we had three 100-year floods in one decade, which makes one question whether the measurement is always accurate. If such events are this frequent, there is a need to anticipate and factor them in. We should examine the areas that have constant problems with storm damage. The OPW has done some good work. We should anticipate weather damage and ensure the susceptible areas are not impacted rather than paying for clean-up costs afterwards. How we spend the money is the issue. This might not go into the Department of the Environment, Community and Local Government's budget but that of the OPW.

Chairman: The Labour Court has recommended talks between SIPTU and the Department about Leader companies. While the Minister of State cannot say much about it this afternoon, I ask that the Department make every effort to resolve the difficulties.

Deputy Paudie Coffey: I thank both members for raising very important points on the subheads. I welcome the Deputies' support for the Leader programme, which is recognised as a very important source of funding for rural development. For 2015, €45 million has been identified and secured to fund the Leader programme, comprising €30 million from the old programme and €15 million from the new programme. There is a commitment of €250 million for the seven years of the European development programme, 2014 to 2020, which is a substantial investment in rural development and is to be welcomed. As time progresses, there will be solid engagement on how it will be rolled out and invested.

Deputy Catherine Murphy's points on oversight, keeping a close eye on how funding is spent and getting value for money are very important. We should constantly evaluate how public funds are spent and there are some very good examples from past Leader programmes of funding being spent very beneficially for rural communities. There have also been some examples of poor use of funds, and we must learn from them. The call for new local development strategies will be put out very soon. They will be evaluated by an independent evaluation committee which will lead to the establishment of the local action groups, from qualifying people who will know full well how best to spend the funds. This can be a very positive programme and I will welcome further engagement on it as the Leader programme is rolled out. I note the Chairman's points and my Department's officials will make every effort to resolve any outstanding issues of concern. I welcome any continuous engagement on it.

Deputy Stanley made a point on building regulations and weather. Climate change brings

new challenges, and the improved building regulations the Government has adopted have led to better inspection regimes, and I hope they will lead to better standards. We need to build sustainable buildings that will be energy efficient and withstand any weather. We are all experienced enough to learn from the bad experiences with building contractors who leave much to be desired regarding standards. We also need to learn about the implications of development happening on flood plains and similar areas. We do not help ourselves by allowing this to happen. We can learn much about how best to plan for the future.

I note Deputy Catherine Murphy's points on storm damage. I described what happened last year as a one in 100 years event. None of us wants to see more hard storms. It is a challenge when it happens. I take this opportunity to thank all those on the ground, especially local authority staff and officials and those in the emergency services, who responded at that time. The Department has a co-ordination task force led by Seán Hogan that has put in place a strategy to deal with crises in terms of emergencies. We learn all the time but we also need to evaluate all the time. I am satisfied that this funding has been provided to meet the needs of local authorities and our citizens. I thank the members of the committee for their support.

Chairman: I believe this is the Deputy's first appearance at this committee since he became a Minister of State. He was a very proactive and good colleague on the committee. It is great that he has been appointed a Minister of State and we wish him well in that role.

Message to Dáil

Chairman: In accordance with Standing Order 87, the following message will be sent to the Dáil:

The Select Committee on the Environment, Community and Local Government has completed its consideration of the following Supplementary Estimate for public services for the year ending 31 December 2014: Vote 25 - Department of the Environment, Community and Local Government.

The select sub-committee adjourned at 5.55 p.m. *sine die*.