



An Roinn Tithíochta,  
Rialtais Áitiúil agus Oidhreachta  
Department of Housing,  
Local Government and Heritage

# Overview of Activities and Structure

December 2022

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## Summary

The mission of the Department is to support sustainable development, with a particular focus on strategic planning, the efficient delivery of well-planned homes in vibrant communities, the sustainable management of our water resources, the nurturing of Ireland's heritage and the promotion of effective local government.

2022 has been a busy year, with significant progress made on the Legislation Programme. There has been intense focus on delivery actions under Housing for All, in addition to the continued advancement on key deliverables of electoral reform, Water and Heritage programmes and policies. The Department is also responding to the emerging challenges arising as a result of the Ukraine war, inflation and supply chain issues.

Our partners in the local government sector have been highly engaged on the ground, providing humanitarian and accommodation relief services to support the Department of Children, Equality, Disability, Integration and Youth Affairs, in addition to maintaining focus on their core functions

Maintaining the momentum of the first half of 2022, the Department has remained focused on delivering a greater work programme in the second half of 2022.

Housing remains the main focus of the Department. Driving increased supply is the cornerstone of activity and while the indicators of upward trend in overall supply are welcome, building a pipeline into the future to ensure stability and consistency of future supply is critical. Teams across the Department's Planning, Housing and Water areas are highly engaged in this space.

Underpinned by the Housing for All policy, particular attention is being directed to building on momentum on social and affordable housing programmes. We are also focussed on Homelessness and increasing pathways out of homelessness for the many households who find themselves in difficulty.

Across the rest of the Department's programme areas, expansive work is continuing. Navigating the external challenges such as energy price increases, inflation, supply chain disruption and cost of living increases is to the forefront on all delivery areas.

This overview document is intended to capture the ongoing activity of 2022, as well as the key focus and priority areas for Q1 2023.

## Finance Overview

### VOTE 34 – DHLGH

Gross expenditure of €6.348 billion is budgeted in 2023 in respect of the Department's Vote. The detailed Revised Estimate for the Department was published on 14 December 2022 in the course of the normal Budget cycle for 2023.

The gross expenditure of €6.348 billion for the Department is made up of €2.822 billion in current spending and €3.526 billion on the capital side plus a further €340m in capital carryover from 2022. In addition, the Department's housing programmes will benefit in 2023 from resources of some €168 million that will be available from the Local Government Fund.

### Current Provision 2023 - €2.822bn

The Department's current expenditure provision for 2023 is €2.822bn. This is comprised of programme spending on Housing (€1.35bn), Water Services (€751m), Local Government (€435m), Planning (€76m), Met Éireann (€9m), Heritage (€65m) and Departmental administration expenses of €135m (including Met Éireann).

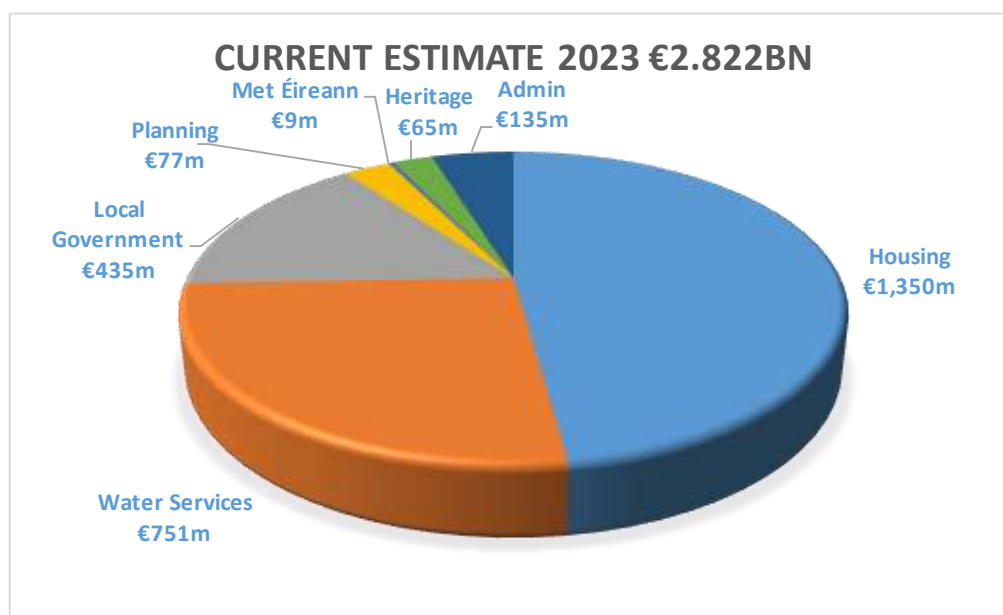


Figure 1 Current Estimate 2023 €2.822BN

The current housing provision (€1.35bn) will be supplemented by some €89m from Local Property Tax (LPT) receipts to fund current housing services by certain local

authorities whose LPT allocation exceeds their LPT funding baseline. In total, therefore, the current programme spend on housing will amount to some €1.439bn.

### Capital - Provision 2023 - €3.526bn

The Department's total capital provision for 2023 is €3.526bn. This is comprised of programme spending on Housing (€2.293bn), Water Services (€932m), Local Government (€30m), Planning (€158m), Met Éireann (€7m), Heritage (€87m) and Departmental administration of €18m (including Met Éireann). An additional €340m capital carryover from 2022 is also provided – see details below.

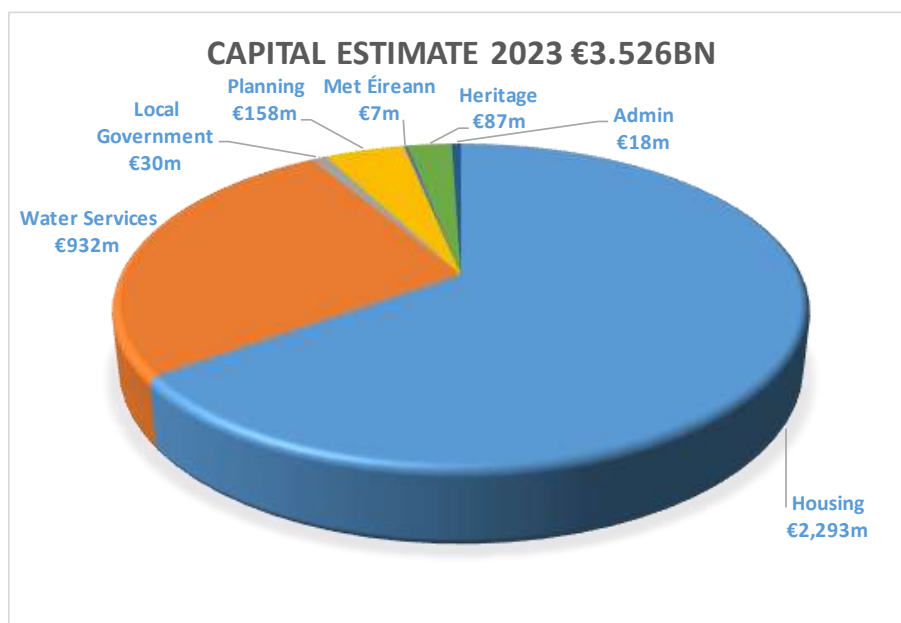


Figure 2 Capital Estimate 2023 €3.526BN

The capital housing provision (€2.293bn) will be supplemented by €79m from Local Property Tax (LPT) receipts to fund capital housing services by certain local authorities whose LPT allocation exceeds their LPT funding baseline. In addition, a further €240m capital carryover from 2022 will be allocated to the Housing Programme. In total, therefore, the capital programme spend on housing will amount to some €2.612bn.

### Capital - Carryover - €340m

The following is the breakdown of capital carryover of €340m to be applied in 2023.

<b>Subhead</b>	<b>Title</b>	<b>Amount of Carryover allocated €m</b>
A.3	Local Authority Housing	240
B.5	Irish Water – Capital Contribution	95.8
F.8	Peatlands Restoration, Conservation & Management	4.2

*Table 1 Breakdown of Capital Carryover to be applied in 2023*

## **Vote Group - DHLGH**

The DHLGH Vote Group consists of the Department of Housing, Local Government and Heritage (DHLGH, Vote 34), the Valuation Office (Vote 16) and the Property Registration Authority (Vote 23).

The DHLGH Estimate for the Vote Group amounts to €6.404 billion Gross (€6.327 billion Net), inclusive of the Property Registration Authority and the Valuation Office.

<b>Vote Group REV Allocation 2023 (Gross)</b>			
	<b>Core</b>	<b>Non-Core</b>	<b>Total</b>
	€m	€m	€m
Current	2,867	8	2,875
Capital	3,521	8	3,529
<b>Total</b>	<b>6,388</b>	<b>16</b>	<b>6,404</b>

*Table 2 Vote Group REV Allocation 2023 (Gross)*

## **VOTE 16 - Valuation Office**

A gross total of €16.847m is provided for the Valuation Office for 2023. This is broken down into current funding of €14.037m and capital funding of €2.8m and provides for the provision of a state valuation service.

## **VOTE 23 - Property Registration Authority**

A gross provision of €38.807m is provided for the Property Registration Authority for 2023. This is broken down into current funding of €37.807m and capital funding of €1m for the management of the Land Registry and the Registry of Deeds.

## Tailte Éireann

The Valuation Office and Property Registration Office, together with Ordnance Survey Ireland will merge to form Tailte Éireann. Work is underway in the Department on this important project. The draft legislation providing for this new body, the Tailte Éireann Bill 2022 was published on 6 September 2022 and is currently before Seanad Éireann, Third Stage.

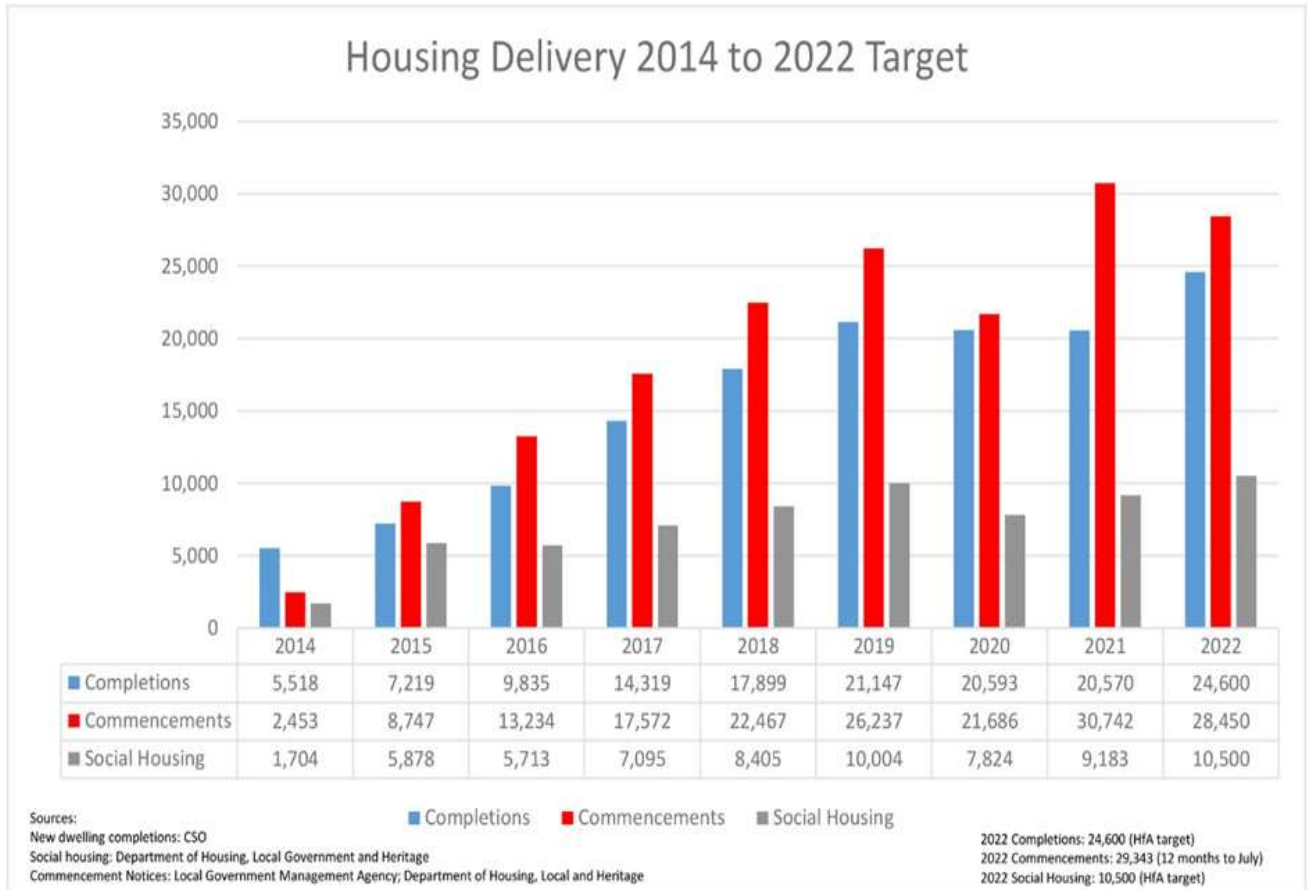
The Bill is to provide for the establishment of a body to be known as Tailte Éireann; to provide for the dissolution of the Property Registration Authority and Ordnance Survey Ireland and to provide for the transfer of their functions to Tailte Éireann; to provide for the transfer of the functions of the Commissioner of Valuation and the Boundary Surveyor to Tailte Éireann; to amend the Public Service Management Act 1997, the Valuation Act 2001 and the Registration of Deeds and Title Act 2006; to provide for the repeal of certain enactments; and to provide for related matters.

When the new organisation is established it will be responsible for providing the authoritative property registration system, national mapping and surveying infrastructure and property valuation service for the State. As such, it will be the primary national source of property information and geo-spatial data and will be a leader in the development and delivery of land information services.



# Housing

## General Housing Context/ Landscape



*Figure 3 Housing Delivery 2014 to 2022 Target*

- Forecast completions at c.28,000 exceed Housing for All target of 24,600 for 2022.
- The most recent CSO figures on planning permissions show a strong pipeline, with 40,030 dwellings granted planning permission in the twelve months to the end of September 2022. 27,773 new homes were completed in the twelve months to end September 2022.
- There were 26,898 units commenced in the year to November 2022. This represents a 12% decrease on the same time period last year. The last few months have seen a decline in commencements (but there has been something of bounce-back in November with 2,402 units commenced an

increase of 14% on the same time last year when 2,112 units were commenced).

- Notwithstanding the above, an uplift in supply is forecast for 2023 and 2024 relative to 2021 and we are on track to exceed the Housing for All target of 24,600 new build homes in 2022.
- Viability continues to be an issue, particularly with respect to higher density developments.
- While apartment viability has been an issue outside Dublin for some time, many higher density projects in Dublin are becoming unviable [Hooke and McDonald]
- Construction input costs continue to rise – that said, the rate of inflation is moderating and this may underlie a growing optimism in the construction sector for 2023 [BNP Paribas].
- Most significant challenges facing the construction sector: availability of development land; planning delays; and labour and material supply constraints [Knight Frank (survey)].
- The imbalance between supply and demand continues to underpin the housing market.
- Residential property prices continue to grow, though the rate of growth [10.8%] continues to decline. The most notable reduction in rate of increase is in apartment prices in Dublin.
- That said, it is worth noting that first-time buyers have reached their highest levels since 2007 with over 16,241 homes purchased in the year to September 2022, representing a 33% share of all purchases. This is up from a low of 6,381 in 2011.
- RTB Q2 Rent Index: Rents grew by 8.2% year-on-year in Q2 2022 – the rate is lower than that of the previous quarter (8.5%).

### **Digital Transformation - HfA Insights Service**

- Given the scale and ambition of HfA, it is crucial to have robust systems in place to audit, manage, analyse and communicate progress against the objectives of the plan. The newly developed “Insights” service builds on the DHLGH Digital Transformation Framework and the DHLGH Data Strategy to allow by using integrated data sources for the early and timely identification of

any issues which might undermine progress. In collaboration with Department of the Taoiseach and other stakeholders across Government the service will: establish the metrics required to display progress to targets within the plan; source, validate and integrate the related data in an efficient and effective manner; create associated data products, dashboards and visualisations to assess progress and inform mitigation actions where required; communicate these insights to key stakeholders through a series of publications and presentations. Ongoing development of the HfA Insights Service is dependent upon additional capacity being secured in line with the ambition of the Department's Data Strategy.

## Social Housing Delivery

- A key priority of the Department has been to drive the delivery of social housing. The Department works closely with the local authorities and the Housing Delivery Coordination Office to support delivery. High levels of construction inflation, combined with rising energy costs, have caused significant disruption to delivery in 2022, with many projects delayed as contractors faced difficulties with these rising costs. The Inflation /Supply Chain Delay Cooperation Framework introduced by the Minister for Public Expenditure and Reform in May this year, provided a mechanism for addressing the cost increases, with detailed guidance on the implementation of the mechanism provided by the Office for Government Procurement.
- The focus of social housing delivery is to deliver homes through new build supply, delivered by local authorities and Approved Housing Bodies. The funding arrangements under Housing for All involve local authorities delivering approximately 60% of new build homes and Approved Housing Bodies delivering approximately 40% (50% in Dublin and Cork local authorities). A review of the CALF funding mechanisms is currently being finalised and is subject to D/PER approval. The recommendations in the review will support increased social housing delivery in areas where it is not currently viable due to lower to market rents (and high construction costs).
- Long-term leasing and acquisitions are to be reduced under Housing for All but are important in the short-term in the context of current housing pressures arising from Ukraine refugees and rising homeless numbers. Housing for All targets involve phasing out of long-term leasing by 2025, with 3,500 homes to be delivered from 2022-2025. The Government approved an additional 1,000 homes to be delivered through long-term leasing in 2022. Social housing acquisitions under Housing for All were initially capped at 200 homes. In light of pressures on housing this year, this cap was removed and delegated sanction restored to local authorities. The Minister informed local authorities

that delegated sanction is to remain with local authorities until the end of June 2023 and they have been asked to prioritise acquisitions which can prevent/support an exit from homelessness, including where a Notice of Termination has been issued to a HAP tenant.

- There was a target to deliver 9,000 new build social homes in 2022. However, actual delivery is likely to be below this, with delays causing the completion dates of projects to move into 2023. The Department publishes details of social housing delivery on a quarterly basis, including the publication of a Construction Status Report, which provides a detailed breakdown at local authority level on the progress of social housing schemes at a project level. The most recent CSR for Quarter 3 2022, showed 9,100 social homes onsite at the end of Quarter 3 with an additional 13,700 homes at design and tender stage. In Quarter 3 2022, the pipeline increased through the addition of 126 new schemes including 3,000 homes.
- Under Housing for All, all local authorities are required to prepare a Housing Delivery Action Plan, setting out details of social and affordable housing delivery over a five-year period. Plans covering the period 2022-2026 were submitted to the Minister earlier this year and published on local authority websites. The Plans set out details of the locations of social housing, the delivery partners, in addition to details of housing typologies (including number of bedrooms, age friendly housing, and housing for people with disabilities). The Plans also include details of the land available to deliver housing in addition to land acquisition requirements.
- Two significant measures were introduced to support the acquisition of land development in November/December 2022. The Government approved the allocation of €100m (from within existing Department budgets) to address legacy land debts in local authorities subject to a commitment to the development of an immediate housing proposal to be delivered on an accelerated basis using Modern Methods of Construction (MMC). A total of 31 sites have been identified to date for receipt of funding. The Department will be putting in place a Steering Group to oversee progress on the development of the sites.

The Government also agreed to the establishment of a dedicated Land Fund, to be managed by the Housing Agency, with an allocation of €125m in 2022, again from existing resources. The Fund will support the acquisition of land for local authorities to deliver social housing, in line with requirements identified in Housing Delivery Action Plans. The Fund will also support the provision of land to Approved Housing Bodies, to support a shift from turnkey development to construction projects in the AHB sector.

## Ukraine

- This Department has taken a number of actions since the crisis emerged to assist DCEDIY (Department of Children, Equality, Disability, Integration and Youth), and has worked closely with Local Authorities across various work programmes.
- In addition to changes to planning and legislation, focus now is on the Emergency Refurbishment programme, where of the potential 3,300 bed spaces currently in scope, over 800 are in survey or awaiting survey results, a further 600 are at procurement or awaiting the arrival of contractors on site, works are underway on 275 bed spaces, with the remainder at under review in the Department or at preliminary assessment by Local Authorities.
- The Department is continuing to support the Community Response Forums, which are in place in every local authority area, and working well with local partners and stakeholders in response to the arrival of almost 70,000 Ukrainian Beneficiaries of Temporary Protection (BoTPs) into communities around the country.
- The Department is working with CCMA and LGMA as they continue to roll out innovative ways of providing support to Ukrainian arrivals, ranging from basic services to a longer term focus on community integration, education, health, support for job seekers, childcare, language training, etc.

## Housing for All Review

- It must be acknowledged that issues have emerged over the past number of months, including those arising from the war in Ukraine. Unprecedented inflationary pressures and rising interest rates are having an impact on the momentum of home delivery, as reflected in the recent slowdown in commencement figures.
- The Government is responding to these challenges and on 2 November published its first annual update of Housing for All.

- The updated plan focuses on priority measures that will improve viability and accelerate supply. Acting now, with measures like the extension of the LDA's Project Tosaigh; the Croí Cónaithe (Cities) initiative; increasing the subvention to local authorities under the Affordable Housing Fund; and the recent increase in the Cost Rental Equity Loan for AHBs, will further improve viability, and get sites activated that might not otherwise be developed.
- These are some of the short-term actions are being undertaken now to provide State support and stimulation to home delivery which has been delayed due to inflationary pressures. However, in parallel, we will continue to deliver on the fundamental reforms set out in the plan, such as addressing the cost of construction; accelerating the adoption of Modern Methods of Construction, particularly in the delivery of public housing; and reforming the planning system to ensure a simpler, more streamlined process for all stakeholders.
- Taken in tandem, the short, medium and long-term actions to stimulate housing supply, as set out in Housing for All and the subsequent Action Plan Update, coupled with record State investment of €4.5 billion in 2023 will ensure our ambitious 2023 targets, and the targets for the following years, will be met.
- The next Housing for All Quarterly Progress Report (for Q4 2022) is due to be published by end January 2023.

## Vacancy

- The Croí Cónaithe (Towns) fund was launched in July 2022 and includes both a nationally available Vacant Property Refurbishment Grant and a new 'Ready to Build' serviced sites programme.
- A Vacant Homes Strategy which flows from Pathway 4 of Housing for All is in development and due to be launched in January 2023, with a communications campaign to follow. The Strategy will draw together all of the different strands of work on vacancy across the department and more widely, the Department is progressing a data project to more accurately capture the number of vacant properties in cities, towns and villages. This will be key in identifying opportunities to activate these properties commenced in December, 2022.

## Affordable Housing

- A number of new schemes on affordable purchase and rental have been announced and advanced this year and focus now is on ramping these up.
- In 2022, the target for delivery of affordable housing was 4,100, to be delivered through local authorities, AHB's, the LDA and the First Home Scheme. Given that this was the first year of the new affordable schemes, delivery was always expected to be challenging but the rapidly changing external environment has meant that costs have increased, together with supply chain issues and interest rate increases and delivery has been impacted across the streams. The target in 2023 is 5,550 and this will be very challenging in the current climate. The pipeline for 2024 and 2025 is overall quite positive as more state lands related delivery comes through and the affordable programme is embedded.
- High density cost rental delivery, considered an optimal affordable delivery in the cities, is severely constrained by high apartment construction costs. Affordable delivery in more moderately priced/rental urban areas is also challenged by the subsidy available being insufficient to deliver affordable prices/rents as construction costs rise.
- A key work focus of the coming months will be to review the support available under Cost Rental Equity Loan (CREL) to ensure that the subsidy levels and structure are sufficient to deliver the targeted level of affordable housing and improve the pipeline for 2023. A cross-departmental Working Group has been set up and includes membership from D/PER.
- The First Home Shared Equity Scheme was launched in July 2023 and was well received. The strength of initial applications provides some confidence of future year's activity. Action now around building awareness among first time buyers and the First Home Designated Activity Company (DAC) will launch a Christmas campaign in this respect. New local authority price ceilings will also be announced by the DAC shortly.
- The LDA continues its work on Project Tosaigh to deliver units under Phase 1 which had a 2<sup>nd</sup> call at the end of October 2022, with a focus on activating stalled permissions particularly in Dublin and Cork by means of forward purchase of units suitable for cost rental, affordable purchase and social housing. The LDA is working through the applications and agreeing heads of

terms. They are working with the relevant local authorities in each case. The LDA also continues its core work on activation of state lands for affordable housing, including developments at Shanganagh in Dun-Laoighaire Rathdown and St. Kevins in Cork which are now underway and the development of a wider portfolio of State sites at various stages of development.

- A key focus of attention on ability of, and structures required, for the LDA to deliver affordable cost rents in a high cost environment in the absence of subsidy funding and the above-mentioned work on a new viability measures will be important here.

#### Viability

- The first call for proposals (EOIs) for apartment developments under the Croí Cónaithe (Cities) scheme closed in June. The Housing Agency are now assessing those schemes (3 appraisal stages) and aim to conclude an initial recommended list of eligible proposals by end year.
- In tandem, the Department are continuing engagement with the DG Comp regarding our notification seeking to have Cities Scheme cleared as a state aid scheme and hope to have concluded that by end year, although that is dependent on DG Comp who have indicated that there is a backlog of notifications which is delaying matters.
- Separately, work on a new viability measure to consider how to activate stalled planning permissions to achieve cost rental delivery at scale is underway, with a paper to be brought to Government in Q1 2023. Again, a cross-departmental Working Group is progressing this and it will crucially have cross over with a Department of Finance led working group relating to similar areas of work under the Housing for All Investment WG umbrella.

### **Homelessness**

- The total number in emergency accommodation is now 11,397, a 29.1% yearly increase. This is the highest number of individuals recorded in emergency accommodation to date. The increase in homelessness seen in recent months is a serious concern for Government and is being actively addressed.
- Increasing social housing and residential housing supply is key to eradicating homelessness. In addition, work continues on all of the 18 actions outlined in Housing for All and many other specific actions to address the rise in Homelessness. A review is underway regarding the level of discretion under



Homeless HAP (following on from the recently concluded review of discretion levels under HAP) and it is hoped to conclude that by end year.

- As provided for in Housing for All, a new National Homeless Action Committee (NHAC) was established and work continues in that forum. Its initial priorities are homelessness prevention measures and the development of a Youth Homelessness Strategy. This Strategy was published in November 2022 and outlines the actions required to help young people who are aged 18 – 24 and who are homeless or at risk of becoming homeless. Implementation of the actions in the Strategy is underway and will be a priority in 2023 together with additional prevention measures proposed by the group.
- DHLGH is reviewing the Housing Act 1988, the principal legislation in relation to homelessness and considering whether any changes are appropriate and intends to bring forward policy proposals in Q1 2023.
- The recently enacted Residential Tenancies (Deferment of Termination Dates of Certain Tenancies) Act 2022 defers ‘no fault’ tenancy terminations that are due to occur during the coming months from taking effect until after 31 March 2023. This temporary measure will protect renters who are facing homelessness by deferring any ‘no fault’ tenancy terminations from taking place this winter. It will be important that sufficient stock is in place by the end of the temporary measure to address any potential terminations at that juncture.
- Budget 2023 provided funding of over €215m, an increase of 10% on last year, for the delivery of homeless services. This funding will ensure that local authorities can provide homeless prevention services, emergency accommodation and other services to households experiencing, or at risk of homelessness, and that households experiencing homelessness are supported to exit homelessness to tenancies as quickly as possible. The funding will also maintain a number of measures introduced during Covid-19.
- The provision will also support the expansion of Housing First towards the achievement of over 1,300 new Housing First tenancies.
- In addition, €10 million in capital funding is being provided for supported emergency accommodation for families and individual experiencing homelessness.

### **Defective Concrete Blocks (DCB)/MICA**

- Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Act 2022 was signed into law by the President on 23 July 2022. The target timeline is to open the new scheme for applications before the end 2022 /

early 2023. This is subject to receipt of revised cost estimates from the Society of Chartered Surveyors Ireland (SCSI) which the SCSI advise will be available in February 2023.

- Regulations have been prepared and guidelines are being drafted to facilitate, promote and support a consistent approach to the operation and administration of the enhanced defective concrete blocks grant scheme are being drafted. The draft regulations will be issued to the relevant local authorities in January ahead of commencement of the enhanced scheme.
- In order to inform the necessary administrative and governance arrangements to be put in place prior to the roll out of parallel scheme for local authority and Approved Housing Body owned social homes the Department has agreed with Donegal County Council to run a pilot scheme on thirty local authority homes which are impacted. Discussions with a Donegal based AHB to seek to involve homes from that sector in the pilot are underway.

### **The Approved Housing Bodies Regulatory Authority (AHBRA)**

- Formally established on 1<sup>st</sup> February 2021 and on 1<sup>st</sup> July this year, the Minister commenced all remaining parts of the Act giving the Authority full powers of standards assessment, investigation and implementation of AHB compliance plans.

### **Student Accommodation**

- The Department is working collaboratively with the Department for Further and Higher Education, Research, Innovation and Science to improve student accommodation provision.
- The Government recently approved a new policy, initiated by Minister Harris, which will see the State, for the first time, provide financial support for the construction of student accommodation. This will stimulate the development of new and additional student accommodation for public higher education institutions.

### **Rental: Residential Tenancy Board (RTB) Annual Registration**

- Working closely with the RTB to address some technical issues with registering that landlord and agent customers are experiencing on the new RTB tenancy management system. Improvements have already begun and the RTB are confident that the required improvements will be in place in the coming months.

- RTB will be refunding all late fees paid to it for new tenancy registrations with a tenancy commencement date on or after the 4 April 2022, and annual registrations of existing tenancies which became due on or after 4 April 2022.

## Rental: Landlords Exiting the Market

- There is evidence of a significant exit from the market of owners of one and two rental properties.
- According to recent RTB research, the exiting of smaller landlords from the market is a consequence of multiple factors, including legacy issues from the financial and property crash of 2008 and a challenging compliance framework in a changing regulatory environment.
- In 2022 the RTB commissioned Amárach Research to carry out a national survey of tenants, landlords and letting agents. The Survey asked how rental properties were acquired and the responses indicated that 46% of properties owned by small landlords were purchased with an owner occupier mortgage. This research also found 59% of landlords who have left the sector acquired their property with an owner occupier mortgage. This would appear to support anecdotal reports of the ‘accidental landlord’ as a key player in this sector.
- The recent rise in house prices has prompted some landlords to sell their rental property, in the absence of negative equity.
- Recent research conducted by the RTB found that 90% of small landlords report either a very positive or positive relationship with their current tenants.
- Based on Notices of Termination (NoT) the RTB has received, the most common reason for issuing an NoT since Q2 2019 is the landlord intends to sell the property.

Types of NoTs Q2 2019 – Q2 2022	Q2 - Q4			Q1 - Q2 2022	Total Received To Date	% of Total**
	2019	2020	2021			
<b>Landlord intends on selling the rental property within 9 months of the termination date</b>	367	897	1,823	1,709	<b>4,796</b>	<b>56.99%</b>

Table 3 Notices of Termination Q2 2019-Q2 2022

## Rental Inspections

- The Government's ongoing commitment to improve the quality of accommodation available to those who wish to rent can be seen through the significant increased Exchequer funding being made available to local authorities in this area over the past few years. This year will likely see a record amount spent resulting in the highest number of rental inspections ever carried out across the State- projecting upwards of 45,000 inspections.

## Income Eligibility for Social Housing

- The Government recently agreed proposals to increase the baseline social housing income eligibility thresholds for all local authorities by €5,000. The changes come into effect from 1 January 2023. The thresholds will increase to €40,000, €35,000 and €30,000 for bands 1, 2 and 3 respectively.
- The Department has also recently begun work to develop a new social housing income eligibility model and proposals for a new model are due to be submitted for the Minister's consideration in Q1 2023.

## Defects in Apartments – Report of the Working Group to Examine Defects in Housing

- The report of the Working Group to Examine Defects in Housing was published at the end of July 2022. The Group's terms of reference were focused on fire safety, structural safety and water ingress defects in purpose-built apartment buildings, including duplexes, constructed between 1991 and 2013. The report provides data regarding the nature and scale of defects as well as the cost of addressing defects. It sets out technical recommendations to improve the process of remediation, along with options for funding and deployment mechanisms for such funding.
- The Minister brought a Memorandum for the Information of the Government on 22 September to outline the steps he was planning to take to address the issue of defects in apartments. This included the establishment of an Inter-Departmental and Agency Group with a view to bringing forward specific proposals to Government by the end of the year.
- The Inter-Departmental and Agency Group held 3 meetings between 18 October and 6 December 2022.

- On 14 December, the final report of the Inter-Departmental and Agency Group was submitted to the Minister for consideration,
- It is intended to bring it to Government shortly for consideration of next steps.

### **Regulations of Providers of Building Works**

- The *Regulation of [Providers of Building Works and Miscellaneous Provisions Act 2022](#)*, which was enacted in July, provides for the establishment, on a statutory basis, of the Construction Industry Register Ireland (CIRI).
- A Memo will be submitted to Government shortly regarding Regulation of Providers of Building Works and Miscellaneous Provisions Act 2022 (Appointment of Registration Body) Order 2022, which appoints the Construction Industry Federation as the statutory registration body for the Construction Industry Register Ireland. All providers of building works will be required to demonstrate competence and register with CIRI. It is envisaged that statutory registration for certain categories will commence in 2024.

### **Land Development Agency**

- Ministerial consent to Business Plan received in December 2022, and various consents for projects and share capital issuance, and finalisation of work on State Aid matters based on Business Plan.
- Finalisation of work on valuation of state lands and commencement of Part (9) of the LDA Act.

# Planning

## Planning Review and Legislation

- The Government approved the new draft Planning and Development Bill on 13 December 2022. The Bill will be published in early January following a briefing of Planning Advisory Forum and then will commence pre-legislative scrutiny with a view to early enactment in 2023. A guide to the Bill can be found here: <https://www.gov.ie/en/publication/1b115-outline-of-the-proposed-planning-and-development-bill/>. Considerable work will be required in early 2023, not only to finalise the Bill and transitional measures, but also to complete the priority secondary legislation and guidance required to facilitate early implementation.

Work is also continuing apace on land value sharing and urban development zones legislation, a General Scheme (post economic review and stakeholder consultation) and in the form of a Bill to be published before year end, following Government approval. It will progress to pre-legislative scrutiny, and while it may progress in advance of the main Bill, it will ultimately be included as a relevant part of the new Planning Bill.

- The first phase of the implementation of the Residential Zoned Land Tax (RZLT) involved publication of maps by 1<sup>st</sup> November 2022 and a period of appeal and finalisation of maps will follow during 2023.

## An Bord Pleanála / An Coimisiún Pleanála

- Following on from a series of allegations which emerged about An Bord Pleanála, a series of steps have been taken by the Minister/Government.
- Remy Farrell SC was appointed to consider allegations regarding the former Deputy Chairperson of the Board and his report referred to the DPP, Garda Síochána and SIPO and DPP has advised against publication as a decision. The Office of Planning Regulator initiated a review of ABP systems and procedures, with phase 1 published and second phase, following legal review, will be completed shortly. Internal reviews were also undertaken within the Board, and the main review is subject to further legal review; and
- An action plan was approved by Government in early October 2022 to address a number of immediate issues to restore confidence, including changes to the recruitment process for board membership (will require

legislative change) and strengthening of the senior management team (including legal expertise) and improved resourcing of the board.

- The proposal to bring forward a new organisational structure to be named An Coimisiún Pleanála is reflected in the new Planning & Development Bill.
- Work has been advancing to increase the number of board members, including through the assignment of temporary staff – this has included civil servants, but will be broadened out shortly to include staff of the Board. A new interim chairperson has been appointed (Ms Oonagh Buckley) following the early retirement of the previous chairperson.

## Marine Planning & Foreshore

- Government approval to develop a statutory Marine Planning Policy Statement prioritising renewable energy plans and projects in the maritime area was granted in September 2022. The Government's intention is that projects capable of delivering offshore renewable energy to meet domestic demand before 2030, including related marine developments such as marine infrastructure, grid facilities and port facilities, will receive priority attention.
- The Marine Planning Policy Statement (MPPS) which is due to be finalised in 2023 will accordingly prioritise energy and energy-related projects above all other maritime activities during the six year lifetime of the MPPS.
- Implementation of prioritisation structure for new and existing foreshore consent applications in accordance with Government's commitment to the prioritisation of renewable energy plans and projects in the maritime area ahead of all other maritime activities.
- Work is advancing with the Department of Environment, Climate and Communications on the development of actions to implement requirements for renewable energy. This includes
  - Establishment of MARA by Q1 2023, with Chief Executive Officer and board to be in place in advance.
  - the development of a statutory Marine Planning Policy Statement, which will reflect the prioritisation of renewable energy plans and projects in the Maritime Area ahead of all other maritime activities.
  - Development of guidance for An Bord Pleanála and resourcing to meet the initial pre-application consultations.

- Support the new maritime area planning consent bodies to meet the requirements of the Maritime Area Planning Act 2021, i.e. ABP, MARA and coastal local authorities, including the preparation of relevant regulations and guidance.
- Coastal Zone Management Strategy to be brought to Government in partnership with OPW.

### **Urban Regeneration & Development Fund (URDF) & Town Centre First**

- Work on further URDF call (no.3) early 2023, with focus on Town Centre First and vacancy issues.
- Initiation of Town Centre First National Oversight and Advisory Group before end year.

### **Other Planning Policy Issues**

- Progressing draft s28 guidelines on rural housing and currently urban development guidelines (addressing issues such as density)
- Continuing work on Wind Energy Guidelines
- Initiate preparatory work for Review of National Planning Framework.
- Working with colleagues on new Nature Restoration Law, particularly from perspective of the urban ecosystem.



# Water

## Uisce Éireann/Irish Water

### The Energy Challenge

Uisce Éireann/Irish Water is the biggest public sector consumer of energy in the country and consequently the impact of the current inflationary crisis has had a significant impact on their operational costs.

In 2020, Irish Water moved to a proactive procurement strategy for its energy costs where hedging would be used to buy future electricity usage at current market prices. Irish Water procured 100% of its energy costs for 2022 in 2021, which capped increases in electricity rates at 7%. This strategy protected Irish Water from the large increase in market rates experienced nationally in 2022 to date.

Irish Water also purchased 58% of its energy requirements for 2023 in 2021. However, the second half of 2023 remains outstanding.

Separately, Irish Water is also contracted to pay the costs of Design, Build and Operate contracts where outside contractors operate many of the larger and more sophisticated water and waste water treatment plants and where energy costs are linked to fixed indices. These contracts will give rise to additional costs of up to €100m next year.

These 2 elements of the energy costs, taken together with general inflationary pressures, represent a significant fiscal challenge for 2023. The Department is engaging with D/PER and Irish Water on these issues, and possible approaches. This is in the context of the agreed funding model whereby the Exchequer pays for the costs of supplying domestic users of public water services.

### Establishing Uisce Éireann as a separate company

The Water Services (Amendment) (No. 2) Bill 2022 was signed by the President on 7 December 2022. This Act gives effect to the Government's commitment to retain Irish Water in public ownership as a national, standalone, regulated utility and it changes the name of the utility to Uisce Éireann. A new Uisce Éireann Board, a new Ervia Board and a new Ervia Chairperson will be appointed before the end of the year. The Act also dissolves the Water Advisory Body since Uisce Éireann will become accountable to the Public Accounts Committee from 1 Jan 2023.

### The Framework for the future delivery of water services:

Progress the full integration of public water services within Irish Water – including the movement of local authority water services staff into Irish Water on a voluntary basis. Master Co-Operation Agreements between Uisce Eireann and each individual local authority will be signed during 2023, with a view to completing the transition phase by 2026 in line with the Framework.

## Water Security

- While Ireland has plentiful water resources, there are areas of the country with low levels of resilience.
- The 'headroom' of available water above demand is lower than best international practice and is a particular area of risk to water supply resilience and reliability. If not addressed, this may become a significant constraint on residential, commercial and industrial development. In response, Irish Water has produced water (and waste water) capacity registers for the main settlements across the country. Irish Water is preparing National and Regional Water Resources Plans.
- The Department launched a revised Domestic Lead Remediation Grant Scheme, which commenced in Q4 2022. This grant provides, in the interests of public health, improved assistance towards the cost of removing lead piping where present in older households. Removing lead pipes from the drinking water system is a priority for Government under the National Lead Strategy.
- The Department launched a new funding measure, as an advanced stage of the Multi-annual Rural Water Programme, to progressively address the waste water collection and treatment needs of villages and settlements without access to public waste water services (and therefore not serviced by Irish Water). Valid applications are being examined by an Expert Panel and an announcement on allocations will be made in 2023 when the process is completed.
- A revised Framework under the upcoming Multi-annual Rural Water Programme will be launched in Q1 2023 and an invitation to local authorities for bids will follow. This is an important ongoing investment in rural Ireland supporting wider Government objectives.

## Agreement of a final River Basin Management Plan

- Ireland is overdue publication of a final plan to meet the legally binding objectives: (1) to prevent water quality deterioration and (2) to restore all inland and coastal waters to at least 'good status' by 2027. A draft final plan is being finalised in consultation with key stakeholders, An Fóram Uisce and the Environmental Protection Agency (EPA). The Plan will be brought to

Government in early 2023. Finalising the plan has become more complex due to the recent EPA Water Quality report, which has shown water quality declines are continuing, particularly in the southeast of the country.

- Implementing the Nitrates Action Programme and An Taisce Judicial Review.
- The Department is working with the Department of Agriculture, Food and the Marine, EPA and local authorities to improve farmer compliance with the Good Agricultural Practice Regulations. The most recent iteration of the Regulations is subject to a judicial review by An Taisce focused on the granting of a derogation by the EU Commission, the Appropriate Assessment and the Strategic Environmental Assessment of the Plan.

## **EU Infringements**

- There are a number of high-profile infringement actions under way in the water sector focused on implementation of the Water Framework Directive; the Urban Waste Water Treatment Directive and the Drinking Water Directive (this case has recently escalated to the European Court of Justice). Ireland is at risk of significant lump sum penalty and daily fines. The Department has put in place additional resources to improve Ireland's legal transposition of the Directives and is working closely with Irish Water and local authorities to deliver the necessary infrastructure improvements.

## **Water Environment (Abstractions) Bill 2022**

- This Bill, was published on 28<sup>th</sup> September, following Government approval on 27<sup>th</sup> July. The Bill was initiated in the Seanad on 5<sup>th</sup> October, completed all Seanad stages by end November and passed committee and remaining stages on 14<sup>th</sup> December and is being forwarded to the President.

## **Marine Protected Areas**

- The Marine Protected Areas Bill went to Government in December 2022 and will be published and progressed through the Houses of the Oireachtas in H1 2023.

## Local Government

### Electoral Reform

The Electoral Reform Act 2022 was signed into law by the President on 25 July. A number of provisions of the Act were commenced on 13 October 2022 relating to: the appointment of ordinary members, the Chairperson and the Chief Executive for An Coimisiún Toghcháin; the legislative framework for the modernisation of the electoral registration process; arrangements to facilitate voting when the place of residence of a special voter is not accessible to the special presiding officer; the provision of advance polling during a pandemic or Covid-19; and same day island voting. The remaining provisions will be commenced in due course.

- New systems to support Local Authorities in the administration of the modernised electoral registration process also went live at commencement ensuring that people can register to vote, or update their details online on a continuous basis via [checktheregister.ie](https://checktheregister.ie). A PPSN-based data cross-check allows for a streamlined process that also protects the integrity of the register. A significant awareness campaign ran in November and some 40,000 people have updated or registered via the site since go-live. Further work on data quality and engagement will be carried out in 2023 and work is progressing to develop a new national electoral registration system to consolidate and build on improvements made to date. The project is expected to go to tender in H1 2023.
- Work to establish the electoral commission, which includes the recruitment of the Chief Executive and the members of the Commission is ongoing with a view to the Commission being established in early January 2023. The Department and the Office of the Attorney General are continuing to engage with the European Commission with a view to resolving all outstanding issues raised under the Technical Regulations Information Systems (TRIS) notification procedure prior to the commencement of Parts 4 (online political advertising) and 5 (protecting election integrity) of the Electoral Reform Act 2022.

## Local Property Tax (LPT) Allocation/Baseline Funding for Local Authorities

- In line with the commitment in the Programme for Government – Our Shared Future, the LPT allocation mechanism for 2023 is changed to allow for 100% of the estimated yield to be retained locally within the local authority area where it is collected. LPT baselines are unchanged for 2023.
- It is intended to commence a comprehensive review of the current LPT baselines in Q4 2022-Q1 2023, to be applicable for the 2024 financial year. The process will involve consultation with key stakeholders such as the local authority sector, elected members, and D/PER.

## Amendments to Commercial Rates Legislation

- Technical Amendments are required to address key issues in the Local Government Rates and Other Matters Act 2019. It is intended to achieve the legislative amendments and signature of the required regulations by end Q1 2023. Commencing section 9 of the Local Government Rates and Other Matters Act 2019 will empower Local Authorities to offer rates-based incentives for the conversion of suitable vacant commercial properties to residential use.

## Local Government

- The Local Government (Maternity Protection and Other Measures for Local Authority Elected Members) Bill 2022 passed through all stages of Oireachtas on 15 December and is expected to be signed into law shortly thereafter. Department focus in H1 2023 will turn to implementation of the Act and accompanying family support measures, along with a range of other efforts to bolster the role, capacity and diversity of elected members.
- Though delayed in H2 2022, significant progress has been made to date on the Local Government (Directly Elected Mayor with Executive Functions in Limerick City & County) Bill. As drafting resources become available, bringing this Bill to publication will be the H1 2023 priority.
- The Department in H1 2023 undertake a comprehensive review of all of the governance components of local government, with a view to taking practical measures to further strengthen governance.
- The Department will complete a review of Local Authority Strategic Policy Committees in 2023.

- The award of schemes under the Shared Island local authority development fund was completed in 2022. The objective of the scheme is to generate a pipeline of well-developed cross-border local authority projects that will be in a position to secure funding for a construction or implementation stage from both jurisdictions, including through the Shared Island Fund.
- An Interdepartmental Group on Local Government has been established to share understanding, improve consistency of approach and consider, among other matters, appropriate admin funding for LAs carrying out functions on behalf of Government and the potential for the transfer of additional functions of importance to local government in the future. A survey of Central Government interaction with local authorities has issued and the outcome of this survey will inform the next steps.
- The local government sector has a staff of 31,000 and deferred pensions/pensions in payment to another 26,000. A high-level strategic framework for HR will be developed collaboratively with the local government sector in the New Year that will guide the approach to building local authority organisations and capability over the next decade.

## State Body Oversight and Governance

- A new Unit, the State Body Oversight and Governance Unit was set up in H2 2022 on foot of an Internal Audit Unit Report which recommended establishing a new unit 'to oversee the governance of State Bodies as its primary role'. The Unit is responsible for ensuring that the Department's oversight of State Bodies is consistent and of a high quality by acting as a 'repository' of best practice and advice for business units on all matters to do with governance and oversight of the bodies which come under the aegis of the Department.
- Priorities for 2023 include developing Guidance and providing ongoing support to business units on various aspects of oversight of State Bodies; acting as the Department's point of contact with the Public Appointments Service (PAS) and D/PER for the appointment of State Board members; and conducting Periodic Critical Reviews of the State Bodies, prioritised according to Departmental policy priorities and risk assessments. The Unit will also have oversight and governance functions in respect of Tailte Éireann, once the new body is established.

## Fire and Emergency Management

- The National Directorate for Fire and Emergency Management (NDFEM) is a unit in the Department with responsibility for policy and legislation in this area. Its work is overseen by a Board, made up of departmental, local government and external members. It is currently finalising a review of the retained fire service in the State, which it is hoped to publish in the coming weeks, and which contains a series of recommendations around reviewing the employment model for these staff, improving gender and diversity balance and training and skills development. The Fire Services National Oversight and Implementation Group (FSNOIG), which comprises members from the Department, local government and union representatives, will consider the report and an implementation plan for approval by the NDFEM Board and the Minister, as appropriate. The agreement of D/PER will be required on any terms and conditions related issues.

## Met Éireann

- Provide authoritative weather forecasts and warnings, and effective support to emergency management during high impact weather events.
- Continue development of national fluvial coastal flood forecasting capability to improve support for the management of flooding impacts.
- Establish the national framework for climate services (NFCS) to support climate resilience planning and decision-making.
- Continue to improve operational resilience and national predictive capability through modernisation of infrastructure and technology
- Broaden and deepen communication and reach of high-quality weather and climate information to society.

## Heritage

- Legislative Programme- progress enactment and implementation of the Historic and Archaeological Heritage Bill, approved by Government in December 2022 (published Bill is expected in early January 2023).
- Advance the Government-approved Strategic Action Plan for NPWS. Actions for Quarters 3 and 4 are on-schedule and substantially complete, these include the establishment of 6 New Directorates, 9 Regional Divisions and the accelerated recruitment of critical staff.
- Progress public consultation and engagement on the National Biodiversity Action Plan and recruitment of Biodiversity Officers for all local authorities.
- Accelerated action for the restoration and conservation of protected peatlands in Ireland **and for the tackling of wildlife crime.**
- Maintain established momentum on Shared Island projects, including Ulster Canal, the Narrow Water Bridge and new Biodiversity initiatives under Shared Island.
- Development and implementation of relevant heritage policies and strategies, including World Heritage, National Peatlands Strategy, Architectural, Heritage Ireland 2030 and Climate Adaptation.



- Continue roll out by NMS and BHP of improved heritage grant schemes to protect archaeological and architectural heritage.

## Corporate Matters

- **Headcount** - 1,595 at end October 2022. 76 grades across the general administrative (56.74%), Met Éireann specific (11.1%), professional and technical (21.76%) and industrial (10.41%) streams.
- **Estimate 2023 in progress** - Significant increases in current expenditure arising in the areas of Water and Local Government arising principally from energy costs increases; inflation; LPT and pay.
- **Blended Working** - policy published with implementation ongoing and due to complete by end of Q1, 2023.
- **Legislative Programme** - preparation for Spring 2023 programme is underway.
- **Estimated number of PQs received in the Department in 2022 to date** -  
Written: 3600; Oral: 460; Priority: 26
- **Estimated number of Reqs Received in the Department in 2022 to date** –  
Minister’s Office 3,100; Minister of State offices (combined): 1,700

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