

**Appropriation Account 2018**

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**Vote 34**

**Housing, Planning and Local  
Government**

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## Introduction

As Accounting Officer for Vote 34, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2018 for the salaries and expenses of the Office of the Minister for Housing, Planning and Local Government, including grants to Local Authorities, grants and other expenses in connection with housing, water services, miscellaneous schemes, subsidies and grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2018, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €13.165 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 form part of the account.

## Transfer of Functions

Responsibility for three state bodies transferred from the Department of Justice and Equality to the Department of Housing, Planning and Local Government with effect from 1 January 2018 under the following Transfer of Departmental Administration and Ministerial Function Orders:

- Ordnance Survey Ireland Order 2017 (SI 573/2017)
- Property Registration Authority Order 2017 (SI 574/2017)
- Valuation Office and Valuation Tribunal Order 2017 (SI 575/2017).

Expenditure for Ordnance Survey Ireland is under the Vote 34 Planning programme, Subhead D.11 - Ordnance Survey Ireland. The other two bodies have their own Votes: Vote 23 - Property Registration Authority and Vote 16 – Valuation Office.

Responsibility for Motor Tax functions transferred from the Department of Housing, Planning and Local Government to the Department of Transport, Tourism and Sport with effect from 1 January 2018 (SI 601/2017).

## Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure and Reform in Circular 24 of 2018, have been applied in the preparation of the account except for the following:

### **Capital assets**

Land is not depreciated. Other assets are depreciated on a straight line basis over their estimated useful life starting in the month the asset was placed in service on the following basis:

- buildings 5% per annum
- motor vehicles 20% per annum
- plant and machinery 10% per annum
- radar equipment 6.66% per annum.

All other assets are depreciated in line with the standard rates set out in Circular 24/2018.

## **Statement on Internal Financial Control**

### ***Responsibility for system of internal financial control***

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Department.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

### ***Shared services***

Payroll and human resource services are provided to the Department on a shared service basis by the National Shared Services Office (Vote 18).

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Department and the National Shared Services Office for the provision of payroll and human resource shared services.

I rely on a letter of assurance from the Accounting Officer of the National Shared Services Office (Vote 18) that the appropriate controls are exercised in the provision of shared services to this Department.

### ***Financial control environment***

I confirm that a control environment containing the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- There are systems in place to safeguard assets.

### ***Administrative controls and management reporting***

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

***Internal audit and audit committee***

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with an approved written charter. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I am satisfied that there are procedures in place to ensure that the reports of the internal audit function are followed up.

***Risk and control framework***

The Department has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a regular basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls to specific staff.

***Ongoing monitoring and review***

The risk register is reviewed centrally and the high-level risks are reviewed on a regular basis by the Management Board. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

***Review of effectiveness***

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and by the senior management within the Department responsible for the development and maintenance of the internal financial control framework.

***Non-compliance with procurement rules***

The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant procurement guidelines. The Department complied with the guidelines with the exception of eight contracts (in excess of €25,000) totaling €770,842 (ex VAT), as set out below.

- A contract in relation to catering with a total value of €37,228 (ex VAT) and one cleaning contract with a total value of €28,600 (ex VAT). These contracts which were originally awarded with a competitive process, were rolled over pending the completion of a procurement process. The procurement process in relation to the cleaning contract has since been completed.
- A security contract with a total value of €143,583 (ex VAT) was entered into as an emergency measure to provide security relating to the erection of hoarding while maintenance/refurbishment works were being undertaken by the OPW at the Custom House. A competitive procurement process has since been completed.
- Three contracts with a total value of €131,431 (ex VAT) were awarded without a competitive process as a matter of urgency in relation to drafting and publication of Environmental Impact Assessment (EIA) Regulations and the conduct of urgent transboundary EIA consultations.
- Two contracts with a total value of €430,000 (ex VAT) were awarded without a competitive process to suppliers who had specialised expertise and previous experience in relation to issues arising on the proposed establishment of the Land Development Agency.

The Department has provided details of these exceptional contracts as part of information on thirteen contracts with a total value of €1,072,537 (ex VAT) that are included on the annual return in respect of Circular 40/2002 to the Office of the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

***Internal financial control issues***

No weaknesses in internal control were identified in relation to 2018 that resulted in, or may result in, a material loss.

**John McCarthy**  
Accounting Officer  
Department of Housing, Planning and Local Government

29 March 2019

## **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

#### **Vote 34 Housing, Planning and Local Government**

##### **Opinion on the appropriation account**

I have audited the appropriation account for Vote 34 Housing, Planning and Local Government for the year ended 31 December 2018 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 34 Housing, Planning and Local Government for the year ended 31 December 2018
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

##### ***Basis of opinion***

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the *Preface to the Appropriation Accounts*. I am independent of the Department of Housing, Planning and Local Government and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### **Report on the statement on internal financial control, and on other matters**

The Accounting Officer has presented a statement on internal financial control together with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the *Preface to the Appropriation Accounts*.

##### ***Non-compliance with procurement rules***

The Accounting Officer has disclosed in the statement on internal financial control that a number of instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2018.

##### ***Funding of local authorities***

Chapter 11 of my report on the accounts of the public services for 2018 deals with central government funding of local authorities.

**Seamus McCarthy**  
Comptroller and Auditor General

17 September 2019

## Vote 34 Housing, Planning and Local Government

### Appropriation Account 2018

		2018		2017
		Estimate provision		Outturn
		€000	€000	€000
<b>Programme expenditure</b>				
A	Housing			
	<i>Original</i>	1,828,199		
	<i>Supplementary</i>	120,000		
			1,948,199	1,323,164
B	Water services		1,201,784	1,174,017
C	Local government			
	<i>Original</i>	146,090		
	<i>Supplementary</i>	9,999		
			156,089	158,793
D	Planning			
	<i>Original</i>	63,033		
	<i>Supplementary</i>	1		
			63,034	49,774
E	Met Éireann		24,778	20,919
				18,002
<b>Gross expenditure</b>				
	<i>Original</i>	3,263,884		
	<i>Supplementary</i>	130,000		
			<b>3,393,884</b>	<b>3,387,179</b>
	<i>Deduct</i>			
F	<b>Appropriations-in-aid</b>		<b>63,266</b>	<b>69,726</b>
				<b>64,129</b>
<b>Net expenditure</b>				
	<i>Original</i>	3,200,618		
	<i>Supplementary</i>	130,000		
			<b>3,330,618</b>	<b>3,317,453</b>
				<b>2,023,029</b>

**Surplus**

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2018	2017
	€	€
<b>Surplus to be surrendered</b>	<b>13,164,511</b>	<b>4,325,944</b>

**John McCarthy**

Accounting Officer

Department of Housing, Planning and Local Government

29 March 2019

## Notes to the Appropriation Account

### Note 1 Operating Cost Statement 2018

	2018	2017
	€000	€000
Programme cost	3,331,606	2,037,452
Pay	43,903	40,338
Non pay	11,670	9,368
<b>Gross expenditure</b>	<b>3,387,179</b>	<b>2,087,158</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>69,726</b>	<b>64,129</b>
<b>Net expenditure</b>	<b>3,317,453</b>	<b>2,023,029</b>
<b>Changes in capital assets</b>		
Purchases cash	(2,417)	
Depreciation	952	
	(1,465)	(332)
<b>Changes in net current assets</b>		
Decrease in closing accruals	(14,522)	
Decrease in stocks	7	
	(14,515)	(43,926)
<b>Direct expenditure</b>	<b>3,301,473</b>	<b>1,978,771</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	24,580	23,496
Notional rents	3,136	3,015
<b>Net programme cost</b>	<b>3,329,189</b>	<b>2,005,282</b>

#### 1.1 Net allied services expenditure

The Net allied services expenditure amount is made up of the following amounts in relation to Vote 34 borne elsewhere.

	2018	2017
	€000	€000
Vote 9 Office of the Revenue Commissioners	560	423
Vote 12 Superannuation and Retired Allowances	22,424	21,606
Vote 13 Office of Public Works	1,402	1,260
Vote 18 National Shared Services Office	69	81
Central Fund – Ministerial pensions	125	126
	<b>24,580</b>	<b>23,496</b>

**Note 2 Statement of Financial Position as at 31 December 2018**

	Note	2018 €000	2017 €000
<b>Capital assets</b>	2.2	<b>5,194</b>	<b>3,732</b>
<b>Current assets</b>			
Bank and cash	2.3	18,930	21,575
Stocks	2.4	149	156
Housing Agency revolving acquisitions fund	7.2	70,941	71,795
Prepayments		974	1,303
Accrued income		6,757	3,634
Other debit balances	2.5	1,077	648
<b>Total current assets</b>		<b>98,828</b>	<b>99,111</b>
<b>Less current liabilities</b>			
Accrued expenses		9,577	21,925
Deferred income		8,689	8,926
Other credit balances	2.6	20,001	20,834
Net Exchequer funding due	2.7	6	1,389
<b>Total current liabilities</b>		<b>38,273</b>	<b>53,074</b>
<b>Net current assets</b>		<b>60,555</b>	<b>46,037</b>
<b>Net assets</b>		<b>65,749</b>	<b>49,769</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<b>65,749</b>	<b>49,769</b>

**2.1 State funding account**

	Note	2018 €000	2017 €000
Balance at 1 January		49,769	5,518
Disbursements from the Vote			
Estimate provision	Account	3,330,618	
Surplus to be surrendered	Account	(13,165)	
Net vote		3,317,453	2,023,029
Expenditure (cash) borne elsewhere	1.1	24,580	23,496
Non cash expenditure – notional rent	1	3,136	3,015
Asset transfers to other Departments	2.2	—	(7)
Net programme cost	1	(3,329,189)	(2,005,282)
<b>Balance at 31 December</b>		<b>65,749</b>	<b>49,769</b>

**2.2 Capital assets**

	Land and buildings	Plant, machinery and motor vehicles	Office and IT equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000	€000	€000
<b>Gross assets</b>						
Cost or valuation at 1 January 2018	668	298	23,553	2,631	787	27,937
Additions	—	53	1,112	12	1,237	2,414
Assets brought into use	—	—	124	—	(124)	—
Disposals <sup>a</sup>	—	(24)	(5,382)	(971)	—	(6,377)
Cost or valuation at 31 December 2018	668	327	19,407	1,672	1,900	23,974
<b>Accumulated depreciation</b>						
Opening balance at 1 January 2018	49	206	21,538	2,412	—	24,205
Depreciation for the year	12	27	843	70	—	952
Depreciation on disposals	—	(24)	(5,382)	(971)	—	(6,377)
Cumulative depreciation at 31 December 2018	61	209	16,999	1,511	—	18,780
<b>Net assets at 31 December 2018<sup>b</sup></b>	<b>607</b>	<b>118</b>	<b>2,408</b>	<b>161</b>	<b>1,900</b>	<b>5,194</b>
Net assets at 31 December 2017	619	92	2,015	219	787	3,732

- Notes
- <sup>a</sup> Disposals in the normal course of business, on foot of rolling asset inventories carried out as part of the on-going management of the Department's assets.
- <sup>b</sup> While responsibility for heritage functions transferred to the Department of Culture, Heritage and the Gaeltacht (DCHG) in 2011, this Department continued to record heritage ICT assets on its register until 2013, pending a comprehensive inventory of DCHG ICT assets. The Department of Housing, Planning and Local Government (DHPLG) completed this exercise in 2018 at DCHG heritage sites throughout all parts of the country. The inventory has identified 629 assets, some 380 of which are still recorded on the DHPLG asset register with a capitalised cost of €1.4 million. The DCHG have been asked to review the inventory and to confirm the date for transfer of these 380 assets. It is anticipated that these assets will be transferred to DCHG during 2019.

**2.3 Bank and cash**

at 31 December	2018	2017
	€000	€000
PMG balance	18,799	20,541
Commercial bank account and cash balances	131	1,034
	<u>18,930</u>	<u>21,575</u>

**2.4 Stocks**

at 31 December	2018	2017
	€000	€000
Meteorological consumables	55	72
IT consumables	29	29
Stationery	49	47
Cleaning materials	6	2
Other	10	6
	<u>149</u>	<u>156</u>

**2.5 Other debit balances**

at 31 December	2018	2017
	€000	€000
Recoupable salary costs	117	118
Recoupable travel pass scheme	176	149
Recoupable travel costs	9	7
Imprests	4	6
Other debit suspense items	771	368
	<u>1,077</u>	<u>648</u>

**2.6 Other credit balances**

at 31 December	2018	2017
	€000	€000
<b>Amounts due to the State</b>		
Income Tax	734	703
Pay Related Social Insurance	324	296
Value Added Tax	324	207
Professional Services Withholding Tax	79	24
Pension contributions	120	114
Voluntary surrender of pay	—	10
	<u>1,581</u>	<u>1,354</u>
Payroll deductions held in suspense	207	217
Urban Development Fund <sup>a</sup>	17,543	18,525
Other credit suspense items	670	738
	<u>20,001</u>	<u>20,834</u>

Note <sup>a</sup> See Note 7.1

**2.7 Net Exchequer funding due**

at 31 December	2018	2017
	€000	€000
Surplus to be surrendered	13,165	4,326
Exchequer grant undrawn	(13,159)	(2,937)
<b>Net Exchequer funding due</b>	<b>6</b>	<b>1,389</b>

**Represented by:****Debtors**

Bank and cash	18,930	21,575
Debit balances: suspense	1,077	648
	20,007	22,223

**Creditors**

Due to State	(1,581)	(1,354)
Credit balances: suspense	(18,420)	(19,480)
	(20,001)	(20,834)
	<b>6</b>	<b>1,389</b>

**2.8 Commitments**

at 31 December	2018	2017
	€000	€000

**Global commitments**

Procurement of goods and services	1,190	332
Non-capital grant programmes	875,993	540,458
Capital grant programmes	1,024,676	882,433
	<b>1,901,859</b>	<b>1,423,223</b>

**Non-capital grant programmes**

	2018	2017
	€000	€000
Opening balance	540,458	335,069
Grants paid in year	(604,396)	(428,516)
New grant commitments	939,931	633,905
Closing balance	<b>875,993</b>	<b>540,458</b>

**Capital grant programmes**

	2018	2017
	€000	€000
Opening balance	882,433	292,700
Grants paid in year	(1,184,873)	(650,842)
New grant commitments	1,327,116	1,240,575
Closing balance	<b>1,024,676</b>	<b>882,433</b>

**Major capital projects**

	Cumulative expenditure to 31 December 2017 €000	Expenditure in 2018 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2018 €000	Expected total spend lifetime of project 2017 €000
<b>Housing projects</b>					
<b>Construction</b>					
<b>Jointly funded<sup>a</sup></b>					
Priory Hall refurbishment, Donaghmede, Dublin 13:					
- Local Authority	10,288	—	—	10,288	10,288
- Department	13,489	3,764	20,660	37,913	37,913
	23,777	3,764	20,660	48,201	48,201
Rosemount Court, Dun Laoghaire-Rathdown:					
- Local Authority	1,628	3,785	—	5,413	1,628
- Department	3,918	2,288	304	6,510	10,295
	5,546	6,073	304	11,923	11,923
Fitzgerald Park, Dun Laoghaire- Rathdown:					
- Local Authority	1,300	2,429	—	3,729	1,300
- Department	1,805	2,826	1,723	6,354	8,783
	3,105	5,255	1,723	10,083	10,083
Racecourse Common, Lusk (Phase 2.1) <sup>b</sup> :					
- Local Authority	308	1,952	—	2,260	253
- Department	4,650	4,524	174	9,348	11,355
	4,958	6,476	174	11,608	11,608
St Aidan's, Brookfield, Tallaght:					
- Local Authority	71	4,193	—	4,264	71
- Department	3,900	8,745	2,913	15,558	21,224
	3,971	12,938	2,913	19,822	21,295
Ballyboden, Rathfarnham:					
- Local Authority	69	803	—	872	69
- Department	134	9,349	2,476	11,959	12,762
	203	10,152	2,476	12,831	12,831
St. Cuthbert's, Clondalkin (Phase 1) South Dublin:					
- Local Authority	18	60	—	78	—
- Department	—	1,449	10,683	12,132	—
	18	1,509	10,683	12,210	—

	Cumulative expenditure to 31 December 2017 €000	Expenditure in 2018 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2018 €000	Expected total spend lifetime of project 2017 €000
<b>Department funded</b>					
Tullow Road, Carlow	—	—	11,995	11,995	11,995
Church Road, Cork City	5,807	5,351	831	11,989	11,990
Whites Street, Cork City	—	3,379	9,321	12,700	—
Deanrock, Togher, Cork City	2,419	3,550	11,260	17,229	—
Milleenacola, Bantry, Cork County	—	—	11,092	11,092	—
Radharc na Gréine, (Glasshouse Site), Monivea Road - (Phase 1), Galway City	—	1,832	16,538	18,370	—
Kilbride Lane, Bray, Wicklow	135	8,707	8,266	17,108	—
Cherry Orchard, Ballyfermot /Woodbank/Rathvilly	315	12,061	7,497	19,873	15,255
<b>Total</b>	<b>50,254</b>	<b>81,047</b>	<b>115,733</b>	<b>247,034</b>	<b>155,181</b>
<b>Regeneration</b>					
Dolphin House, Dublin 8:					
- Local Authority	1,490	—	—	1,490	1,490
- Department	11,917	10,694	1,746	24,357	25,507
	13,407	10,694	1,746	25,847	26,997
Cork Regeneration Phase 2, Knocknaheeny / Hollyhill, Cork City <sup>c</sup>	318	2,212	9,323	11,853	12,388
Lord Edward Street, Limerick	16,900	443	2,129	19,472	19,472
Southill Area Centre, Limerick	10,534	193	275	11,002	11,002
<b>Total</b>	<b>41,159</b>	<b>13,542</b>	<b>13,473</b>	<b>68,174</b>	<b>69,859</b>
<b>Infrastructure</b>					
South Docks, Cork City	241	324	11,065	11,630	11,625
Dodder Bridge, Dublin City	117	10	11,686	11,813	11,813
Cherrywood, Dun Laoghaire-Rathdown	9	118	11,265	11,392	11,392
Donabate Distributor Road, Fingal	512	3,339	6,769	10,620	11,625
Maynooth, Co Kildare	—	157	10,718	10,875	10,875
Adamstown, Co. Dublin	—	23	14,977	15,000	15,000
<b>Total</b>	<b>879</b>	<b>3,971</b>	<b>66,480</b>	<b>71,330</b>	<b>72,330</b>

- Notes
- <sup>a</sup> Some projects are funded jointly by the Department and by local authorities own funds from Local Property Tax retentions (80% of LPT receipts in a local authority area are retained locally). There is potential for the Department's commitments in subsequent years to be reduced if local authorities are in a position to use their own funds from Local Property Tax retention.
- <sup>b</sup> The local authority element of the cumulative expenditure to 31 December 2017 figure of €308,000 includes an adjustment of €55,000 relating to 2016 that was inadvertently omitted from the 2017 appropriation account.
- <sup>c</sup> The cumulative expenditure to 31 December 2017 figure of €318,000 comprises the 2017 expenditure of €148,000 plus additional 2016 expenditure of €170,000 that was inadvertently omitted from the 2017 appropriation account.

**Significant variations***Cherry Orchard*

The expected total spend in relation to the Cherry Hall project has increased by €4.62 million. 19 additional units were added to the scheme in July 2018, bringing the overall commitment on the scheme to €19.87 million.

*St Aidan's, Brookfield, Tallaght*

The 2017 expected total spend for this project included €1.47 million that related to a separate project being carried out on the same site. The 2018 expected total spend just relates to the single project of 85 housing units and this correction has resulted in a decrease of €1.47 million.

*Dolphin House Regeneration*

The expected total spend for this project has decreased by €1.15 million. This relates to the additional expenditure in 2016 of €1.15 million which was added to the overall total project commitment in 2017. The adjustment for the additional expenditure was correct in 2017 but it should not have been added to the overall total commitment, instead it should have been taken from the existing project figure. This has been corrected in 2018 by reducing the overall total project commitment by €1.15 million.

*Cork Regeneration Phase 2*

The expected total spend in relation to the Cork Regeneration Phase 2 project has decreased after receipt of the final tender.

*Donabate Distributor Road*

The expected total spend in relation to the Donabate Distributor Road project decreased by €1 million following receipt of a local authority tender report.

**2.9 Matured liabilities**

at 31 December	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
Estimate of matured liabilities not discharged at year end	56	53
	_____	_____

**2.10 Contingent liabilities**

The Department is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

## Note 3 Vote Expenditure

### Analysis of administration expenditure

		2018		2017
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	46,771	43,903	40,338
ii	Travel and subsistence	1,171	1,195	1,180
iii	Training and development and incidental expenses	2,165	1,550	1,717
iv	Postal and telecommunications services	1,187	781	790
v	Office equipment and external IT services	10,557	7,122	4,916
vi	Office premises expenses	2,731	963	763
vii	Consultancy services and value for money and policy reviews	50	2	2
viii	Research (statistics and economics)	125	57	—
		<b>64,757</b>	<b>55,573</b>	<b>49,706</b>

#### Significant variations

Administration expenditure has been apportioned across the programmes, to present complete programme costings. The following outlines the reasons for significant variations in administration expenditure (+/- 25% and €100,000).

#### iii Training and development and incidental expenses

Estimate provision: €2.165 million, outturn: €1.550 million

The saving of €615,000 on expenditure on training and development and incidental expenses was due to some planned meteorological training not taking place and the rollout of the new One Learning system which significantly reduced the cost of tendering for general IT and soft skill courses for the Department.

#### iv Postal and telecommunications services

Estimate provision: €1.187 million, outturn: €781,000

The saving of €406,000 on expenditure on postal and telecommunications services was due to a voice services project being deferred and these services generally being demand led and difficult to estimate.

#### v Office equipment and external IT services

Estimate provision: €10.557 million, outturn: €7.122 million

The saving of €3.435 million on expenditure on office equipment and external IT services was due to a number of projects, primarily the Aviation Modernisation and Automation Project (AMAP) which is being implemented by Met Éireann, not progressing as quickly as anticipated.

#### vi Office premises expenses

Estimate provision: €2.731 million, outturn: €963,000

The saving of €1.768 million on office premises expenses was due to a delay in some refurbishment works and efficiency savings on heat and lighting costs.

**Programme A Housing**

		2018		2017
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration - pay	13,989	13,214	10,919
A.2	Administration - non pay	4,159	1,877	2,004
A.3	Local authority housing			
	<i>Original</i>	1,111,930		
	<i>Supplementary</i>	120,000		
		1,231,930	1,331,013	776,032
A.4	Voluntary and co-operative housing	257,756	259,238	151,152
A.5	Housing inclusion supports	132,655	150,688	118,305
A.6	Estate regeneration - social housing improvements	128,080	121,545	111,094
A.7	Private housing grants	53,000	49,244	44,537
A.8	Subsidies and allowances	4,600	2,839	3,406
A.9	Infrastructure Fund	75,000	6,888	1,604
A.10	Other services	47,030	47,130	104,111
		<b>1,948,199</b>	<b>1,983,676</b>	<b>1,323,164</b>

**Significant variations**

Overall, the expenditure in relation to Programme A was €155.477 million higher than (originally) provided. There was an underspend of €3.057 million which related to administration expenditure and has already been explained and the balance of the variance, an overspend of €158.534 million, was mainly due to the following:

**A.3 Local authority housing**

Estimate provision: €1.112 billion, outturn: €1.331 billion

The subhead includes a supplementary estimate of €120 million, which was necessary due to significant momentum building up on the local authority housing capital programme. The increase in expenditure of €219.083 million (€99.083 million plus €120 million) relative to the original estimate provision of €1.112 billion was due to the following:

As part of delivery of the Rebuilding Ireland Action Plan, there was additional capital expenditure of €249 million by local authorities, primarily on new acquisitions under the Social Housing Investment Programme. Expenditure from subhead A.3 delivered 3,847 homes in 2018 compared to a target of 2,699 for the year.

Additional expenditure of €9 million was incurred under the Rental Accommodation Scheme (RAS) due to increasing rental costs.

Savings of €24.7 million arose under the Housing Assistance Payment (HAP) scheme because there was a higher than expected proportion of recipients outside of the Dublin area – therefore, at a lower cost; transfers from Rent Supplement to HAP in Dublin were slower than anticipated; and the exit rate from the scheme was higher than expected.

There were additional savings of €14.2 million under the Social Housing Current Expenditure Programme as there was lower than anticipated demand for new units to be leased under the scheme.

**A.5** *Housing inclusion supports*

Estimate provision: €132.655 million, outturn: €150.688 million

The increase in expenditure of €18.033 million relative to the estimate provision was due to the following:

Additional expenditure of €23 million arose due to the increasing demands for homeless services such as the provision of emergency accommodation. For example, for the month of December 2018 a total of 9,753 individuals occupied the various housing authority funded emergency accommodation arrangements; the equivalent figure recorded in December 2017 was 8,587. Including preventions, a total of 5,135 adults exited homelessness into independent tenancies in 2018.

Savings of €4.9 million arose on traveller accommodation as progress on delivery was slower than anticipated.

**A.6** *Estate regeneration - social housing improvements*

Estimate provision: €128.080 million, outturn: €121.545 million

The saving in expenditure of €6.535 million relative to the estimate provision was due to the following:

Savings of €29.1 million arose on the Vacant Repair and Leasing Initiative due to it being a demand led scheme and delivery under the scheme was lower than expected. The operation of the scheme was reviewed in the context of the general review of Rebuilding Ireland and a number of changes were made seeking to make it more attractive to owners to assist increased take up and delivery.

There was additional expenditure of €22.6 million in relation to regeneration projects due to significant ramping up of programme activity, including on large scale projects such as Dolphin House, Dublin and the Limerick regeneration programme.

**A.7** *Private housing grants*

Estimate provision: €53 million, outturn: €49.244 million

The saving in expenditure of €3.756 million relative to the estimate provision was due to the private housing grant scheme being demand led and it being difficult to predict the precise level of funding drawdown. Individual grants ranged from €254 to €24,000 and there were over 9,400 grants paid in 2018.

**A.8** *Subsidies and allowances*

Estimate provision: €4.6 million, outturn: €2.839 million

The saving in expenditure of €1.761 million relative to the estimate provision was due to a lower than anticipated number of eligible households under the Affordable Housing and Shared Ownership schemes.

**A.9** *Infrastructure Fund*

Estimate provision: €75 million, outturn: €6.888 million

The estimate relates to the Local Infrastructure Housing Activation Fund (LIHAF), which is to provide public off-site infrastructure to relieve critical infrastructure blockages and accelerate the delivery of housing in key areas and development sites, and to the Serviced Sites Fund (SSF), which is to provide infrastructure on local authority land banks to facilitate the delivery of affordable housing.

The saving in expenditure of €68.112 million relative to the estimate provision was due to expenditure on the 30 LIHAF projects not materialising as quickly as expected. At the start of 2018, many of the LIHAF projects were at the design stage where costs are modest and involved mainly design and consultancy fees. Expenditure is expected to ramp up significantly in 2019 as projects move to the construction phase.

The SSF scheme was launched in June 2018 by issuing calls for proposals to local authorities and in December 10 projects were given approval. No costs were incurred in 2018 but drawdown is expected to accelerate in 2019. Savings arising were allocated to other housing programmes.

**Programme B Water services**

		2018		2017
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration - pay	7,350	5,626	4,958
B.2	Administration - non pay	1,713	1,388	1,097
B.3	Water quality programme	22,457	13,747	11,823
B.4	Rural water programme	44,000	39,121	15,351
B.5	Foreshore	5,310	1,087	715
B.6	Irish Water	1,100,000	1,100,000	291,535
B.7	Local authorities	16,500	13,001	—
B.8	Lead remediation/developer provided infrastructure	4,000	47	132
B.9	Water Advisory Body	420	—	—
B.10	Other services	34	—	426
		<b>1,201,784</b>	<b>1,174,017</b>	<b>326,037</b>

**Significant variations**

Overall, the expenditure in relation to Programme B was €27.767 million lower than provided. €2.049 million of this related to administration expenditure and has already been explained and the balance of the variance, an underspend of €25.718 million, was mainly due to the following:

**B.3 Water quality programme**

Estimate provision: €22.457 million, outturn: €13.747 million

The saving in expenditure of €8.710 million relative to the estimate provision was due to the following:

Savings of €5.35 million arose due to slower than anticipated recruitment of the Catchment Assessment Team (35 scientists with a wide range of technical expertise) by the Local Authorities Waters Programme Office to implement Ireland's River Basin Management Plan 2018-2021 and to support ongoing activities relating to the EU Water Framework Directive in Ireland.

Additional savings of €1.23 million arose as the River Basin Management Plan that was published in April 2018 included an economic analysis of water use, which meant that a planned analysis and research programme on water use did not proceed. Also, planned expenditure on assistance with drafting an application for a LIFE Integrated Project on a water quality related theme did not materialise as it was covered by technical assistance funding received from the EU.

Further savings of €2.12 million arose on the EU INTERREG V (Environment Measures) programme because the project selection process did not take place until 2017 and therefore many of the projects were not at an advanced enough stage to draw down funding as anticipated in 2018.

**B.4** *Rural water programme*

Estimate provision: €44 million, outturn: €39.121 million

The saving in expenditure of €4.879 million relative to the estimate provision was due to lower than anticipated expenditure on certain capital projects. The transition from the annual funding of rural water to the multi-annual programme 2016-2018 required significant changes to project prioritisation and evaluation systems and so certain projects did not progress as quickly as expected.

**B.5** *Foreshore*

Estimate provision: €5.310 million, outturn: €1.087 million

The saving in expenditure of €4.223 million relative to the estimate provision was because initiatives to advance the implementation of the Marine Strategy Framework Directive did not proceed as planned and valuation costs and necessary contingencies were less than anticipated.

**B.7** *Local authorities*

Estimate provision: €16.5 million, outturn: €13.001 million

The shortfall in expenditure of €3.499 million relative to the estimate provision was due to lower than anticipated requirement for recoupment of legacy water services loans held by local authorities and the varying finance costs of the loans. In addition, expenditure by local authorities on the operation of the Water Services Transition Office and in relation to work on water services asset transfers to Irish Water was less than expected.

**B.8** *Lead remediation/developer provided infrastructure*

Estimate provision: €4 million, outturn: €47,000

The shortfall in expenditure of €3.953 million relative to the estimate provision was mainly due to the developer-provided water services infrastructure programme not proceeding as expected in 2018 following the conclusion of the successful pilot scheme in 2017. There were additional savings on the Domestic Lead Remediation Grant Scheme which is a demand-led scheme and expenditure is difficult to predict.

**B.9** *Water Advisory Body*

Estimate provision: €420,000, outturn: Nil

The saving in expenditure of €420,000 relative to the estimate provision arose as the Water Advisory Body was not established until 1 June 2018 and the public appointment process relating to the final board members was not completed until December 2018.

**Programme C Local Government**

	Estimate provision		2018	2017
			Outturn	Outturn
	€000	€000	€000	€000
C.1 Administration - pay		6,873	9,225	8,572
C.2 Administration - non pay		1,649	2,288	1,605
C.3 Local Government Fund		124,800	124,800	365,300
C.4 Fire and emergency services		10,300	11,958	11,828
C.5 Franchise		2,223	585	81
C.6 Other services				
	<i>Original</i>	245		
	<i>Supplementary</i>	9,999		
		10,244	9,937	303
		<b>156,089</b>	<b>158,793</b>	<b>387,689</b>

**Significant variations**

Overall, the expenditure in relation to Programme C was €12.703 million higher than (originally) provided. There was an overspend of €2.991 million which related to administration expenditure and has already been explained and the balance of the variance, an underspend of €9.712 million, was mainly due to the following:

**C.4 Fire and emergency services**

Estimate provision: €10.3 million, outturn: €11.958 million

The increase in expenditure of €1.658 million relative to the estimate provision was due to a number of new fire stations and training centres advancing quicker than anticipated.

**C.5 Franchise**

Estimate provision: €2.223 million, outturn: €585,000

The Department's franchise function relates to policy and legislation concerning administrative aspects of the electoral system. Savings of €1.638 million relative to the estimate provision arose primarily because the bill of costs arising from a court order following a challenge to the 2012 Children Referendum was not finalised by the Chief State Solicitor's Office. In addition, the Electoral Register Modernisation Project did not progress as quickly as anticipated in 2018.

**C.6 Other services**

Estimate provision: €245,000, outturn: €9.937 million

This subhead includes a supplementary estimate of €9.999 million to support the severe weather related response, clean-up and remedial works by local authorities in the aftermath of Storm Emma in early 2018.

**Programme D Planning**

	Estimate provision		2018	2017
			Outturn	Outturn
	€000	€000	€000	€000
D.1 Administration - pay		6,298	3,767	2,207
D.2 Administration - non pay		1,823	434	538
D.3 An Bord Pleanála		17,244	17,514	16,960
D.4 Planning Tribunal		3,745	4,322	11,443
D.5 Office of the Planning Regulator		1,400	258	—
D.6 Planning policy		360	550	334
D.7 Forward planning		250	247	544
D.8 My Plan		210	121	142
D.9 Urban renewal/regeneration		10,000	—	—
D.10 Development contribution rebate scheme		6,000	6,685	—
D.11 Ordnance Survey Ireland <sup>a</sup>		15,593	15,593	—
D.12 Other services		110	29	98
D.13 Land Development Agency				
	<i>Original</i>	—		
	<i>Supplementary</i>	1		
		1	254	—
		<b>63,034</b>	<b>49,774</b>	<b>32,266</b>

Note <sup>a</sup> This subhead was accounted for in 2017 in Vote 24 Department of Justice and Equality. The 2017 expenditure was €15.593 million.

**Significant variations**

Overall, the expenditure in relation to Programme D was €13.259 million lower than (originally) provided. €3.92 million of this related to administration expenditure and has already been explained and the balance of the variance of €9.339 million was mainly due to the following:

**D.4 Planning Tribunal**

Estimate provision: €3.745 million, outturn: €4.322 million

The increase in expenditure of €577,000 relative to the estimate provision was because additional funding was required to meet third party legal costs arising from the work of the Planning Tribunal. See Note 6.1 – Committees, Commissions and Special Inquiries for additional information.

**D.5 Office of the Planning Regulator**

Estimate provision: €1.4 million, outturn: €258,000

The saving in expenditure of €1.142 million relative to the estimate provision was because enactment of the Planning and Development (Amendment) Act 2018, which provides the statutory basis for the establishment of the Office of the Planning Regulator, was delayed and therefore no staff were assigned to the agency in 2018. It is expected that the Office of the Planning Regulator will be established in 2019.

*D.6 Planning policy*

Estimate provision: €360,000, outturn: €550,000

The increase in expenditure of €190,000 relative to the estimate provision was mainly due to unexpected costs in relation to two transboundary public consultation processes on proposed UK nuclear power plants (Hinkley Point C and Wylfa Newydd) and on drafting of Environmental Impact Assessment Regulations.

*D.9 Urban renewal/regeneration*

Estimate provision: €10 million, outturn: Nil

The saving in expenditure of €10 million relative to the estimate provision was because the Urban Renewal Scheme is to be revised following the announcement of Project Ireland 2040 in February 2018, which includes a new €2 billion Urban Regeneration and Development Fund (URDF) sharing many of the criteria of the originally envisaged Urban Renewal Scheme. Approvals for 88 projects under the URDF were announced in November 2018. The Urban Renewal Scheme will be redesigned to avoid duplication with the URDF.

*D.10 Development contribution rebate scheme*

Estimate provision: €6 million, outturn: €6.685 million

The rebate scheme applied to the Dublin and Cork local authority areas for housing developments which met certain eligibility criteria. It aimed to incentivise the supply of housing units at affordable prices. The increase in expenditure of €685,000 relative to the estimate provision was mainly due to higher output under the scheme than was anticipated; a total of 791 units were delivered under the scheme.

*D.13 Land Development Agency*

Estimate provision: Nil, outturn: €254,000

This was a new subhead created in 2018 as part of the supplementary estimate following the making of the establishment order for the new Land Development Agency (LDA) on 13 September 2018 (SI No. 352/2018). The 2018 expenditure was to support the LDA's initial start-up administrative and operational costs.

**Programme E Met Éireann**

		2018		2017
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.1	Administration - pay	12,261	12,071	13,682
E.2	Administration - non pay	8,642	5,683	4,123
E.3	Subs to International Meteorological Organisations	3,000	3,000	197
E.4	Flood forecasting and warning service	875	165	—
		<b>24,778</b>	<b>20,919</b>	<b>18,002</b>

**Significant variations**

Overall, the expenditure in relation to Programme E was €3.859 million lower than provided. €3.149 million of this related to administration expenditure and has already been explained and the balance of the variance of €710,000 was mainly due to the following:

**E.4 Flood Forecasting and warning service**

Estimate provision: €875,000, outturn: €165,000

The saving in expenditure of €710,000 relative to the estimate provision was due to the establishment of a flood forecasting and warning service not progressing as quickly as anticipated.

## Note 4 Receipts

### 4.1 Appropriations-in-aid

	2018		2017
	Estimated	Realised	Realised
	€000	€000	€000
1 Fees payable by local authorities, etc., for audit of their accounts	1,885	2,101	2,379
2 Receipt from the Social Insurance Fund in respect of premises occupied in connection with Social Insurance (Social Welfare (Consolidation) Act 2005)	741	741	741
3 Met Éireann receipts	10,530	10,094	11,293
4 Miscellaneous receipts	200	105	46
5 Foreshore receipts	2,100	1,460	2,233
6 OSI	390	380	—
7 Receipts from pension-related deduction on public service remuneration	47,420	54,845	47,437
	<b>63,266</b>	<b>69,726</b>	<b>64,129</b>

#### Significant variations

Overall, appropriations-in-aid were €6.46 million more than the estimate.

Explanations for variances are set out below:

1 *Fees payable by local authorities, etc., for audit of their accounts*

Estimate provision: €1.885 million, outturn: €2.101 million

The increase of €216,000 was because demands for audit fees are issued on an ongoing basis as audits are completed and income was higher than expected in 2018.

5 *Foreshore receipts*

Estimate provision: €2.1 million, outturn: €1.460 million

The shortfall of €640,000 was because foreshore receipts are difficult to predict reliably.

7 *Receipts from pension-related deduction on public service remuneration*

Estimate provision: €47.420 million, outturn: €54.845 million

The increase of €7.425 million was mainly due to outstanding 2017 pension-related deductions being received in 2018 and the timing of the 2018 receipts was quicker than anticipated. In 2017, there were difficulties in predicting the amount and timing of these receipts as it was the first time this subhead included pension-related deduction receipts in respect of over 27,000 local authority employees.

**4.2 Extra receipts payable to the Exchequer**

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
Balance at 1 January	—	—
Irish Water - refund of unused 2017 subvention <sup>a</sup>	1,236	—
European Regional Development Funding	787	—
Payment under Pyrite Resolution Act 2013	306	664
Redemption of projects funded under the Voluntary Housing Capital Assistance Scheme <sup>b</sup>	298	1,390
Refund under Local Authority Social Housing Investment Programme (SHIP)	107	—
Residential Tenancies Board pension contributions	47	46
Refund of unspent prior year Local and Community Development Programme (LCDP) funding	—	175
Transfer to the Exchequer	(2,781)	(2,275)
<b>Balance at 31 December</b>	<b>—</b>	<b>—</b>

Notes <sup>a</sup> The €1.236 million received is in respect of unused subvention from Irish Water which was remitted to the Department of Public Expenditure and Reform by the Department during the year. An additional €6.1 million in respect of the domestic water charge refund process was remitted directly to the Department of Public Expenditure and Reform by Irish Water.

<sup>b</sup> During 2018, €298,309 of Exchequer extra receipts that were surrendered to the Exchequer arose from the repayment of funds in respect of grants made in prior years under the Capital Assistance Scheme. Under the Capital Assistance Scheme, local authorities advanced loans to approved housing bodies (AHBs) to assist with capital costs. To qualify for these loans, the AHBs must provide housing for the elderly, homeless, people with disability, or other disadvantaged persons who had been identified as in need of housing.

## Note 5 Staffing and Remuneration

### 5.1 Employee numbers (full time equivalents)

	2018	2017
<b>Number of staff at year end (full time equivalents)</b>		
Department	719	656
Agencies <sup>a</sup>	592	373
	<b>1,311</b>	<b>1,029</b>

Notes <sup>a</sup> Includes An Bord Pleanála, Housing & Sustainable Communities Agency, Housing Finance Agency, Local Government Management Agency, Ordnance Survey Ireland and Residential Tenancies Board.

### 5.2 Pay

	2018	2017
<b>Department staff</b>	<b>€000</b>	<b>€000</b>
Pay	39,157	35,716
Severance/redundancy payments	—	41
Higher, special or additional duties allowance	303	257
Other allowances	1,674	1,611
Overtime	545	504
Employer's PRSI	2,746	2,364
<b>Total pay<sup>a</sup></b>	<b>44,425</b>	<b>40,493</b>

Notes <sup>a</sup> The total pay figures are distributed across the programmes A to E.

### 5.3 Allowances and overtime payments <sup>a</sup>

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2018	2017
			€	€
Higher, special or additional duties	85	11	20,597	18,038
Other allowances	134	73	27,060	28,021
Overtime	122	18	28,317	26,012
Extra remuneration in more than one category	101	77	45,755	39,755

Notes <sup>a</sup> The pay, allowance and other remuneration details above relate to the Department's staff paid directly from the Vote under programmes A to E. Detailed information in relation to employee numbers and pay in respect of the Department's agencies is available from the relevant annual reports or directly from the agencies concerned

#### **5.4 Other remuneration arrangements**

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Nine retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €50,303. These payments were consistent with the principles of the Public Services (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €266,732 in respect of four officers who were serving outside the Department for all or part of 2018 and whose salaries were paid by the Department.

#### **5.5 Payroll overpayments**

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Overpayments at the year-end were €30,716 in respect of 29 individuals (2017: €37,979, 35 individuals). Of this, €9,568 have recovery plans in place in respect of 8 individuals (2017: €13,577, 8 individuals).

An overpayment recovery plan, in respect of one individual, to the value of €1,767 was transferred to the Department of Housing, Planning and Local Government in the year.

## Note 6 Miscellaneous

### 6.1 Committees, commissions and special inquiries

	Year of appointment	Cumulative expenditure to end 2018 €000	2018 Expenditure €000	2017 Expenditure €000
Tribunal of inquiry into certain planning matters and payments	1997	135,540	4,322	11,443

Note Expenditure to the end of 2018 was €135.5 million. There will be further payments associated with the Tribunal of inquiry into certain planning matters and payments. Final costs cannot be determined at this point pending the determination of third party legal costs in respect of the period since 2002. On the basis of a Tribunal estimate and expenditure to the end of 2018, additional costs of some €12.5 million may arise, primarily relating to third party legal representation.

### 6.2 Compensation and legal costs

	Number of cases	Legal costs paid by Department €000	Compensation awarded €000	2018		2017
Legal costs awarded €000				Total €000	Total €000	
Claims by employees	1	—	—	7	7	21
Claims by members of the public	3	—	—	431	431	639
		—	—	<b>438</b>	<b>438</b>	<b>660</b>

### 6.3 Late payment interest

	2018 €000	2017 €000
Total of interest payments	3	4

### 6.4 National lottery funding

	2018		2017
	Estimate	Outturn	Outturn
	€000	€000	€000
<b>Subhead</b>			
A.4 Voluntary and cooperative housing	500	270	107
A.7 Private housing grants	7,508	7,508	6,859
	<b>8,008</b>	<b>7,778</b>	<b>6,966</b>

Details are available on the Department's website:

<http://www.housing.gov.ie/corporate/finance/national-lottery-funding/national-lottery-funding>

### 6.5 EU funding

The outturn shown in Subhead B.3. includes payments in respect of activities which are co-financed from the European Regional Development Fund. Estimates of expenditure and actual outturns were as follows:

	2018	2018	2017
	Estimate	Outturn	Outturn
	€000	€000	€000
<b>Subhead</b>			
A.6 Estate regeneration	—	—	4,122
B.3 Water quality programme	3,400	1,598	345
	<b>3,400</b>	<b>1,598</b>	<b>4,467</b>

## Note 7 Fund Balances

### 7.1 Account of the Urban Development Fund

	2018	2017
	€000	€000
Opening balance	18,525	21,156
Receipts	—	—
Expenditure for the year	982	2,631
	<b>17,543</b>	<b>18,525</b>

The Urban Development Fund is a European Regional Development Fund (ERDF) programme to support integrated regeneration initiatives in designated urban centres. The scheme is operated by regional assemblies who are the managing authorities responsible for verifying eligible expenditure on approved projects. The Department makes funds available (on instruction by the managing authority and subject to the managing authority's verification) to reimburse local authorities on a matching funding basis. Applications for eligibility under the Fund were adjudicated on in December 2015 with the programme running for the period to the end of 2020. The credit balance in the Fund reflects pre-financing made available from the ERDF pending receipt of verified claims in respect of projects concerned.

### 7.2 Housing Agency Revolving Acquisitions Fund

	2018	2017
	€000	€000
Opening balance	71,795	6,741
Receipts from subhead A.10 <sup>a</sup>	498	70,000
Total amount advanced at 31 December	72,293	76,741
Non-recoverable costs <sup>b</sup>	(1,397)	(3,055)
Transfers to local authorities	—	(1,899)
Rental income	45	8
<b>Closing balance at 31 December</b>	<b>70,941</b>	<b>71,795</b>

The Housing Agency Acquisitions Fund, which is a revolving fund, was established with the objective of acquiring some 1,600 units over the period to 2020 for social housing use.

Notes <sup>a</sup> The Housing Agency had pay cost savings from their state grant allocation. An additional €497,833 was allocated from these savings to the Fund to defray certain legal costs incurred.

The Housing Agency is using this Fund to acquire vacant properties from banks, investors and other owners of multiple property portfolios in areas with high levels of social housing demand. In doing this, the Agency is working in close consultation with local authorities to ensure that suitable properties are only purchased in areas where there is a demand for social housing.

The Agency sells the houses, at cost, to approved housing bodies in order to replenish the Fund. This programme will run until 2020 and, on completion of the programme, the Agency will refund the Department any closing balance of the Fund.

<sup>b</sup> Certain costs incurred by the Agency such as legal and professional fees and other housing acquisition costs are non-recoverable and therefore reduce the overall balance of the Fund. The figure for 2018 is after an adjustment of €146,000 for 2017 non-recoverable costs. The adjustment relates to acquisition, consultant and agency staff fees which were recorded under the Fund but should have been recorded under costs associated with the Agency's annual administration grant.

## Appendix A Accounts of bodies and funds under the aegis of the Department of Housing, Planning and Local Government

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The following table lists the bodies under the aegis of the Department in 2018 and where the Department has an obligation to present financial statements. It indicates, as at end March 2019, the period to which the last audited financial statements relate and when they were presented to the Oireachtas.

<b>Body/departmental fund</b>	<b>Last accounting period</b>	<b>Date of audit report</b>	<b>Date received by Minister/ Department</b>	<b>Date presented to the Oireachtas</b>
An Bord Pleanála	2017	29 Jun 2018	20 Jul 2018	28 Sep 2018
Ervia and Gas Networks Ireland	2017	28 Mar 2018	26 Apr 2018	14 Jun 2018
Housing Finance Agency	2017	27 Mar 2018	1 May 2018	22 Jun 2018
Housing and Sustainable Communities Agency <sup>a</sup>	2017	29 Jun 2018	3 Jul 2018	2 Oct 2018
Irish Water	2017	28 Mar 2018	26 Apr 2018	14 Jun 2018
Local Government Fund	2017	28 Jun 2018	28 Jun 2018	1 Aug 2018
Local Government Management Agency	2017	5 Apr 2018	24 May 2018	26 Jul 2018
Residential Tenancies Board	2017	17 Dec 2018	19 Dec 2018	16 Jan 2019
Ordnance Survey Ireland	2017	24 Dec 2018	23 Jan 2019	25 Mar 2019

Notes <sup>a</sup> Includes Pyrite Resolution Board.