

Appropriation Account 2021

Vote 34

Housing, Local Government and Heritage

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 2021 for the salaries and expenses of the Office of the Minister for Housing, Local Government and Heritage, including grants to local authorities, grants and other expenses in connection with housing, water services, miscellaneous schemes, subsidies, grants and payment of certain grants under cash-limited schemes.

The expenditure outturn is compared with the sums

- (a) granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- (b) provided for capital supply services in 2021 out of unspent 2020 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €116.672 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles, the Statement on Internal Financial Control and notes 1 to 7 form part of the account.

Transfer of functions

The transfer of functions from the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media, (Vote 33) of the National Parks and Wildlife Service Development Applications Unit (DAU) to the Department of Housing, Local Government and Heritage came into effect from 24 June 2021 under SI 302 of 2021 Heritage (Transfer of Departmental Administration and Ministerial Functions) Order 2021.

The transfer of functions to the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media, (Vote 33) from the Department of Housing, Local Government and Heritage of the Heritage Fund came into effect from 31 March 2021 under SI 185 of 2021 Heritage Fund (Transfer of Departmental Administration and Ministerial Functions) Order 2021.

The appropriation account, which must follow the form and format of the relevant estimate, also reflects the above transfer of functions on a full-year basis. Therefore, all the transferred functions are accounted for in the 2021 appropriation account.

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 circulars 1 and 9 of 2022, have been applied in the preparation of the account except for the following.

Valuation of assets

Ownership of six national parks is vested in the Minister of Housing, Local Government and Heritage, namely

The Burren National Park
Connemara National Park
Glenveagh National Park
Killarney National Park
Wicklow Mountains National Park
Wild Nephin National Park

Land, buildings and heritage assets located within the national parks have not been valued, and are not reflected in the statement of fixed assets. Other assets located at the parks, such as equipment and vehicles, are included in the statement of fixed assets.

Depreciation

Land is not depreciated. Other assets are depreciated monthly 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.

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 resources functions are provided to the Department on a shared services 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 resources and shared services.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office 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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the 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 a 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.

Procurement compliance

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 guidelines.

The Department complied with the guidelines with the exception of two contracts (in excess of €25,000), totalling €80,950 (ex. VAT), as set out below.

- A contract for timeslots in the Peatlands Pavilion at the UN Climate Change Conference (COP 26) held in Glasgow between 31 October and 12 November 2021 with expenditure of €45,000 (ex VAT) were secured by the Department. These were the only slots available at the time the Department sought to attend the event.

- A contract for environmental consultancy support for foreshore applications with expenditure during the year of €35,950 (ex VAT) was awarded using an expression of interest process only on the basis of urgency/expediency to facilitate the continuation of assessments of application for foreshore licences. A framework for mini competitions for these types of requests is intended to be setup through the Office of Government Procurement in early 2022.

The Department has provided details of non-competitive contracts in the annual return in respect of circular 40 of 2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

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 responsibility for operation of controls assigned 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 the senior management within the Department responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2021 that resulted in, or may result in, a material loss.

Covid-19 control issues

The Department has developed a Covid-19 risk register and Covid-19 response plan to assist in the management and monitoring of Covid-19 related risks. The plan includes a range of risks from staff wellbeing through to ICT security risks and is available to local and Departmental Covid-19 committees to assist in monitoring and managing the particular risks presented by Covid-19.

The internal audit function adapted its audits to also consider the risks posed by the Covid-19 pandemic on the control environment and the effectiveness of the corresponding controls and mitigation strategies that have been put in place by management.

Graham Doyle

Accounting Officer

Department of Housing, Local Government and Heritage

31 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 34 Housing, Local Government and Heritage

Opinion on the appropriation account

I have audited the appropriation account for Vote 34 Housing, Local Government and Heritage for the year ended 31 December 2021 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, Local Government and Heritage for the year ended 31 December 2021, and
- 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 appendix to this report. I am independent of the Department of Housing, Local Government and Heritage 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 appendix to this report.

The Housing Agency's Revolving Acquisitions Fund

Chapter 7 of my report on the accounts of the public services for 2021 examines the use of the Housing Agency's Revolving Acquisition Fund.

Re-allocation of voted funding

Chapter 4 of my report on the accounts of the public services for 2021 examines compliance with the procedures for re-allocation of funding from vote subheads where savings had emerged, to meet expected excess spending on other vote subheads. The re-allocation of certain funds in Vote 34 was reviewed as part of that examination.

Payment of EU fine

The Accounting Officer has disclosed in note 2.14 that, in 2021, the Department paid a fine of €5.476 million to the European Commission arising from a judgement of the Court of Justice of the European Union in November 2019. The Court case concerned the failure by Ireland to ensure that a retrospective environmental impact assessment was carried out in relation to a windfarm constructed in County Galway.

The fine imposed by the Court comprises a €5 million lump-sum payment (paid in 2020) plus a daily fine of €15,000 while the infringement continues, plus legal costs. By end 2021, the Department had paid fines totalling €13.2 million and a further liability of €3.495 million had accrued. The daily fine continued, and could result in a potential further liability of up to €5.5 million in respect of 2022.

Seamus McCarthy

Comptroller and Auditor General

31 July 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 34 Housing, Local Government and Heritage

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Housing			
	<i>Estimate provision</i>	3,116,896		
	<i>Deferred surrender</i>	117,000		
			3,233,896	2,782,675
				2,561,784
B	Water Services			
	<i>Estimate provision</i>	1,405,371		
	<i>Deferred surrender</i>	10,000		
			1,415,371	1,371,624
				1,389,694
C	Local Government			
	<i>Original</i>	225,084		
	<i>Supplementary</i>	197,300		
			422,384	720,217
				1,086,129
D	Planning			
	<i>Estimate provision</i>	189,254		
	<i>Deferred surrender</i>	84,000		
			273,254	109,854
				113,904
E	Met Éireann		42,821	33,659
				28,267
F	Heritage			
	<i>Original</i>	139,011		
	<i>Deferred surrender</i>	3,000		
	<i>Supplementary</i>	1,615		
			143,626	124,995
				92,783
Gross expenditure				
	<i>Original</i>	5,118,437		
	<i>Deferred surrender</i>	214,000		
	<i>Supplementary</i>	198,915		
			5,531,352	5,143,024
				5,272,561
	<i>Deduct</i>			
G	Appropriations-in-aid		61,932	66,076
				55,318
Net expenditure				
	<i>Original</i>	5,056,505		
	<i>Deferred surrender</i>	214,000		
	<i>Supplementary</i>	198,915		
			5,469,420	5,076,948
				5,217,243

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under Section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year. With the agreement of the Minister for Public Expenditure and Reform, €275.8 million of unspent allocations in respect of the capital elements of Programmes A, D, and F was carried forward to 2022.

	2021	2020
	€	€
Surplus	392,471,868	226,544,445
Deferred surrender	(275,800,000)	(214,000,000)
Surplus to be surrendered	<u>116,671,868</u>	<u>12,544,445</u>

Graham Doyle

Accounting Officer

Department of Housing, Local Government and Heritage

31 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		5,041,916	5,181,338
Pay		79,557	74,562
Non pay		21,551	16,661
Gross expenditure		5,143,024	5,272,561
<i>Deduct</i>			
Appropriations-in-aid		66,076	55,318
Net expenditure		5,076,948	5,217,243
Changes in capital assets			
Purchases cash	(4,314)		
Depreciation	2,495	(1,819)	(3,270)
Changes in net current assets			
Increase in closing accruals	2,662		
Increase in stock	(341)	2,321	701
Direct expenditure		5,077,450	5,214,674
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		30,625	26,062
Notional rents		4,006	3,949
Net programme cost		5,112,081	5,244,685

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.

		2021	2020
		€000	€000
Vote 9	Office of the Revenue Commissioners	37	14
Vote 12	Superannuation and Retired Allowances	28,134	24,391
Vote 13	Office of Public Works	702	1,305
Vote 18	National Shared Services Office	141	124
Vote 43	Office of the Government Chief Information Officer	1,504	121
Central Fund – ministerial pensions		107	107
		30,625	26,062

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	63,425	57,163
Current assets			
Bank and cash	2.2	384,818	233,112
Stocks	2.3	916	575
Prepayments	2.4	1,466	1,536
Accrued income	2.5	8,971	7,492
Housing Agency revolving acquisitions fund	7.2	68,070	68,460
Other debit balances	2.6	2,143	2,816
Total current assets		466,384	313,991
Less current liabilities			
Accrued expenses	2.7	20,721	18,250
Deferred income	2.8	10,364	9,160
Other credit balances	2.9	25,436	21,461
Net Exchequer funding	2.10	361,525	214,467
Total current liabilities		418,046	263,338
Net current assets		48,338	50,653
Net assets		111,763	107,816
Represented by:			
State funding account	2.11	111,763	107,816

2.1 Capital assets

	Land and buildings ^a	Plant, machinery and motor vehicles	Furniture and fittings	Office and IT equipment	Capital assets under development	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2021	41,281	9,990	4,001	24,548	7,587	87,407
Prior year adjustments	—	—	—	—	(4)	(4)
Additions ^b	141	1,789	39	502	1,836	4,307
Assets brought in to use	—	11	—	19	(30)	—
Transferred in ^c	6,068	—	—	236	—	6,304
Disposals	—	(78)	(149)	(13)	—	(240)
Cost or valuation at 31 December 2021	47,490	11,712	3,891	25,292	9,389	97,774
Accumulated depreciation						
Opening balance at 1 January 2021	133	7,111	2,435	20,564	—	30,243
Prior year adjustments ^d	71	—	—	(30)	—	41
Depreciation for the year	345	899	87	1,164	—	2,495
Depreciation on transfers	1,669	—	—	141	—	1,810
Depreciation on disposals	—	(78)	(149)	(13)	—	(240)
Cumulative depreciation at 31 December 2021	2,218	7,932	2,373	21,826	—	34,349
Net assets at 31 December 2021	45,272	3,780	1,518	3,466	9,389	63,425
Net assets at 31 December 2020	41,148	2,879	1,566	3,984	7,586	57,163

- Notes
- ^a Excludes national park land, buildings and heritage assets.
 - ^b Same threshold as DHLGH assets is applied to Heritage Assets transferred from the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media (DTCAGSM) in 2020 i.e. under €10,000 in value. The heritage ICT managed assets are excluded from these figures, only appearing in DHLGH once verified. This is an ongoing process, see note c.
 - ^c Assets transferred from the DTCAGSM include four buildings in Moore Street, Dublin and a number of ICT assets (individually costing over €10,000). Further ICT assets will be transferred in when an ongoing validation process is completed in 2022.
 - ^d DTCAGSM apply a 2% depreciation rate on buildings, €71,000 adjustment required to bring into alignment with 5% rate applied by DHLGH -€30,000 adjustment to bring into alignment an incorrect depreciation rate previously applied on DHLGH radar equipment with the proper rate of 6.6%.

2.2 Bank and cash

at 31 December	2021 €000	2020 €000
PMG balances and cash	384,772	233,088
Commercial bank account balance	46	24
	384,818	233,112

2.3 Stocks

at 31 December	2021 €000	2020 €000
IT consumables	235	28
Meteorological consumables	146	170
Livestock	91	85
Building materials	68	129
Stationery	44	43
Fuels and fertilisers	42	33
Cleaning materials	33	23
Other	257	64
	916	575

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
Software support	1,151	1,052
International contribution	150	250
Administration	4	75
Other prepayments	161	159
	1,466	1,536

2.5 Accrued income

at 31 December	2021	2020
	€000	€000
Foreshore receipts	5,105	3,160
Pension levy	2,243	2,410
Met Éireann receipts	1,592	1,730
Audit fees	20	192
Services and charges at National Parks and Wildlife Service sites	11	—
	8,971	7,492

2.6 Other debit balances

at 31 December	2021	2020
	€000	€000
Heritage projects		
Fáilte Ireland Strategic Partnership	361	347
BirdWatch Ireland 2020/2021	202	—
Killarney House	161	190
Tomies Wood	142	500
Other projects	241	117
Advances to OPW	789	1,354
Recoupable salary costs	134	92
Recoupable travel pass scheme	40	41
Recoupable travel costs	6	6
Imprests	3	3
Other debit suspense items	64	166
	2,143	2,816

2.7 Accrued expenses

at 31 December	2021	2020
	€000	€000
IT services and support	291	236
Programme accrual		
A - Housing	14,735	11,260
B - Water	69	1,238
C - Local Government	128	9
D - Planning	3,923	3,748
E - Met Éireann	72	845
F - Heritage	884	509
Administration expenses	619	405
	20,721	18,250

2.8 Deferred income

at 31 December	2021	2020
	€000	€000
Foreshore licences	10,364	9,160
	10,364	9,160

2.9 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Value added tax	1,337	653
Income tax	1,166	1,027
Pay related social insurance	787	664
Professional services withholding tax	511	337
Pension contributions	270	233
Universal social charge	233	207
	4,304	3,121
 Urban Development Fund ^a	 6,683	 8,385
LIFE Wild Atlantic Nature ^b	3,578	2,710
LIFE integrated project ^b	3,326	2,164
Rural Regeneration and Development Fund ^c	2,447	1,257
LIFE on Machair ^b	2,221	—
LIFE Atlantic Crex ^b	1,241	1,306
Payroll deductions held in suspense	326	308
Kerry LIFE Project ^b	182	201
Raised Bog LIFE restoration project ^b	158	1,242
Other credit suspense items	970	767
	25,436	21,461

Notes ^a See Note 7.1.

^b The LIFE programme is the EU's funding instrument supporting environment, nature conservation and climate action projects through the EU. The general objective of LIFE is to contribute to the implementation, updating and development of EU environmental policy and legislation by co-financing pilot or demonstration projects with European added value.

^c The balance shown above relates to advanced funding from the Rural Regeneration and Development Fund (RRDF) pending receipt of verified claims in respect of individual projects. The RRDF was established as part of Project Ireland 2040 and provides investment to support rural renewal for suitable projects in towns and villages with a population of less than 10,000, and outlying areas. It is administered by the Department of Rural and Community Development. Key outcomes are to support sustainable community and economic development in rural Ireland, including through regenerating smaller towns and villages and encouraging entrepreneurship and innovation to support job creation in rural areas. Under the first call for projects, funding of circa €5.4 million has been assigned to more than 30 individual projects across the network of NPWS sites. The funding represents 75% of the project costs and projects include the upgrading and development of trails across the parks and reserves network, increased visitor facilities and improved signage/branding. Electric buses in selected national parks were also purchased to assist in lowering the carbon footprint of visitor activities.

2.10 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus	116,672	12,544
Deferred surrender	275,800	214,000
Exchequer grant undrawn	(30,947)	(12,077)
Net Exchequer funding	361,525	214,467
Represented by:		
Debtors		
Bank and cash	384,818	233,112
Debit balances: suspense	2,143	2,816
	386,961	235,928
Creditors		
Due to the State	(4,304)	(3,121)
Credit balances: suspense	(21,132)	(18,340)
	(25,436)	(21,461)
	361,525	214,467

2.11 State funding account

	Note	2021	2020
		€000	€000
Balance at 1 January		107,816	61,180
Disbursements from the Vote			
Estimate provision	Account	5,469,420	
Deferred surrender	Account	(275,800)	
Surplus to be surrendered	Account	(116,672)	
Net vote		5,076,948	5,217,243
Expenditure (cash) borne elsewhere	1.1	30,625	26,062
Non cash expenditure – notional rent	1	4,006	3,949
Assets transferred in to the Department	2.1	4,494	44,067
Reclassification of heritage assets		(45)	—
Net programme cost	1	(5,112,081)	(5,244,685)
Balance at 31 December		111,763	107,816

2.12 Commitments**a) Global commitments**

at 31 December	2021	2020
	€000	€000

Procurement of goods and services	6,358	4,126
Non-capital grant programmes	1,174,083	1,074,726
Capital grant programmes	2,075,841	2,333,985
Public private partnership projects	603,377	627,511
Total of legally enforceable commitments	3,859,659	4,040,348

b) Non-capital grant programmes

2021	2020
€000	€000

Opening balance	1,074,726	982,895
Grants paid in the year	(1,022,108)	(864,018)
New grant commitments	1,121,465	955,849
Closing balance	1,174,083	1,074,726

c) Capital grant programmes

2021	2020
€000	€000

Opening balance	2,333,985	1,543,599
Grants paid in the year	(1,490,604)	(1,347,099)
New grant commitments	1,232,460	2,137,485
Closing balance	2,075,841	2,333,985

d) Major capital project commitments

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
Housing projects	€000	€000	€000	€000	€000
Construction					
<i>Jointly funded ^a</i>					
Ashline, Kilrush Road Ennis, Clare County:					
Local authority	—	1,548	—	1,548	—
Department	667	4,985	3,334	8,986	10,534
	667	6,533	3,334	10,534	10,534
Beechgrove, Clonakilty, Cork County:					
Local authority	347	1,080	—	1,427	347
Department	7,669	5,728	2,365	15,762	16,842
	8,016	6,808	2,365	17,189	17,189
Priory Hall refurbishment, Donaghmede, Dublin 13:					
Local authority	10,288	—	—	10,288	10,288
Department	24,216	—	13,696	37,912	37,912
	34,504	—	13,696	48,200	48,200
Dominick Street (East Side), Dublin City:					
Local authority	3,434	—	—	3,434	3,434
Department	23,411	—	2,458	25,869	25,869
	26,845	—	2,458	29,303	29,303
Bunratty Road (Phase 1), Dublin 17:					
Local authority	1,224	2,564	—	3,788	1,224
Department	13,529	10,089	1,812	25,430	27,994
	14,753	12,653	1,812	29,218	29,218
O'Devaney Gardens (Phase 1A) Dublin City:					
Local authority	1,139	—	—	1,139	1,139
Department	9,532	5,139	4,859	19,530	19,530
	10,671	5,139	4,859	20,669	20,669

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
Cornamona, Ballyfermot, Dublin 12:					
Local authority	1,017	—	—	1,017	1,017
Department	8,765	9,397	3,197	21,359	21,100
	9,782	9,397	3,197	22,376	22,117
Cork Street, Chamber Street, Dublin 8:					
Local authority	—	1,593	—	1,593	—
Department	7,085	8,011	3,764	18,860	20,453
	7,085	9,604	3,764	20,453	20,453
North King Street, Sean Foster Place, Dublin 7:					
Local authority	—	882	—	882	—
Department	5,583	4,838	1,623	12,044	12,926
	5,583	5,720	1,623	12,926	12,926
Ballyogan Rise, Ballyogan, Dun Laoghaire- Rathdown:					
Local authority	89	—	—	89	—
Department	—	—	18,961	18,961	—
	89	—	18,961	19,050	—
Rosemount Court, Dun Laoghaire- Rathdown:					
Local authority	5,413	—	—	5,413	5,413
Department	6,205	—	305	6,510	6,510
	11,618	—	305	11,923	11,923
Fitzgerald Park, Dun Laoghaire- Rathdown:					
Local authority	5,041	—	—	5,041	5,041
Department	4,630	—	412	5,042	5,042
	9,671	—	412	10,083	10,083
Kilternan Close, Dun Laoghaire- Rathdown:					
Local authority	—	6,985	—	6,985	—
Department	—	2,709	12,261	14,970	21,955
	—	9,694	12,261	21,955	21,955

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
Racecourse Common, Lusk (Phase 2.1) Fingal:					
Local authority	2,260	—	—	2,260	2,260
Department	8,872	731	18	9,621	9,348
	11,132	731	18	11,881	11,608
Ballymoneen Road,(Phase 2) Galway City:					
Local authority	48	615	—	663	48
Department	14,797	2,646	—	17,443	17,240
	14,845	3,261	—	18,106	17,288
Garraí Beag, Monivea Road, Ballybaan More, Galway City:					
Local authority	—	327	—	327	—
Department	2,805	1,806	9,212	13,823	14,150
	2,805	2,133	9,212	14,150	14,150
St Aiden's, Brookfield, Tallaght:					
Local authority	4,276	—	—	4,276	4,276
Department	14,942	7	597	15,546	15,546
	19,218	7	597	19,822	19,822
St. Cuthbert's, Clondalkin (Phase 1) South Dublin:					
Local authority	2,988	—	—	2,988	2,988
Department	8,405	—	817	9,222	9,222
	11,393	—	817	12,210	12,210
Ballyboden, Rathfarnham:					
Local authority	2,303	—	—	2,303	2,303
Department	9,765	26	737	10,528	10,528
	12,068	26	737	12,831	12,831
Riversdale, Clondalkin, Dublin 22:					
Local authority	101	438	—	539	101
Department	236	2,142	9,940	12,318	12,756
	337	2,580	9,940	12,857	12,857

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
St. Marks Avenue, Clondalkin, Dublin 22:					
Local authority	32	267	—	299	—
Department	41	675	9,604	10,320	—
	73	942	9,604	10,619	—
Nangor Road, Clondalkin, Dublin 22:					
Local authority	—	663	—	663	—
Department	871	589	27,161	28,621	—
	871	1,252	27,161	29,284	—
Ashtown Lane, Wicklow Town, Wicklow:					
Local authority	—	660	—	660	—
Department	1,811	8,749	1,808	12,368	13,029
	1,811	9,409	1,808	13,028	13,029
<i>Department funded</i>					
Tullow Road, Carlow:	7,163	6,103	16	13,282	13,142
Cluain Greine Ennis, Clare:	—	—	18,535	18,535	—
Church Road, Cork City:	11,851	—	139	11,990	11,990
Clover Hill Court, Bessboro Road, Mahon, Cork City:	34	2,043	13,485	15,562	—
Deanrock, Togher Cork City:	16,142	144	943	17,229	17,229
Denroche's Cross, Glasheen Road, Cork City:	—	—	14,185	14,185	14,185
Former Bolands Mill, Old Mallow Road, Cork City:	—	2,800	14,637	17,437	—
Watercourse Road, Blackpool, Cork, Cork City:	1,680	1,676	8,291	11,647	11,647
Whites Street, Cork City:	12,538	163	—	12,701	12,701
Wolsey Court, Blackpool, Cork City:	—	—	15,773	15,773	—

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
Clarendon Brooks, Carrs Hill, Douglas, Cork County:	11,689	1,221	364	13,274	13,274
Hazelbrook, Ballyvinter, Mallow, Cork County:	8,100	5,094	3,330	16,524	16,524
Kilmoney, Carrigaline, Cork County:	—	1,761	15,846	17,607	17,118
Mill Road, Avoncore, Bloomfield, Midleton, Cork County:	2,585	8,426	—	11,011	11,011
Convent Road, Carndonagh, Donegal:	—	—	11,720	11,720	11,720
Admiran, Stranorlar, Donegal:	—	—	10,588	10,588	10,588
Bonham Street, Dublin 8:	9,936	9,120	1,996	21,052	21,052
Cherry Orchard, Ballyfermot/ Woodbank/ Rathvilly, Dublin City:	16,728	—	3,145	19,873	19,873
Springvale, Chapelizod, Dublin 8:	12,975	12,586	3,703	29,264	29,264
Ballymastone, Donabate, Finglas:	—	—	70,585	70,585	—
Cappagh Lands (Phase 3), Cappagh Road, Finglas	15	6,164	12,511	18,690	18,690
Church Fields, Phase 2B, Mulhuddart, Dublin 15, Fingal	16	1,656	19,419	21,091	—
Garraí Caol (Coast Road Site) Dublin Road, Galway City	1,000	—	13,266	14,266	14,266

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
Radharc na Gréine, (Glasshouse site), Monivea Road (Phase 1), Galway City	17,673	1,217	194	19,084	19,084
Cullairbaun, Athenry	—	—	17,915	17,915	—
Fána Bhuí, Tuam, Galway	883	5,952	3,730	10,565	10,565
Kylebroughlan, Moycullen, Galway	4,464	8,765	100	13,329	13,171
Tullahill, Loughrea, Galway	14,439	2,485	20	16,944	16,569
Lohercannon, Tralee, Kerry	4,242	5,085	6,287	15,614	15,614
Newtown, Ardclough Rd, Celbridge, Kildare	—	—	18,190	18,190	—
Hebron Road, Kilkenny	802	—	15,411	16,213	16,213
Old Christians site, Rathbane, Limerick	6,678	3,902	764	11,344	11,344
Gort Buí, Ballymakenny Road, Drogheda, Louth	6,830	7,179	243	14,252	14,251
Wadman Park, Haynestown, Dundalk, Louth	17,329	—	88	17,417	17,417
Rehins Fort, Foxford Rd., Ballina, Mayo	152	1,472	9,943	11,567	—
Ursuline Convent, Sligo	—	—	20,646	20,646	—
Mount William, Williamstown, Waterford City	325	13,222	162	13,709	13,709
Clonhasten, Enniscorthy, Wexford	—	—	11,255	11,255	11,255
Kilbride Lane, Bray, Wicklow	16,851	228	263	17,342	17,342
Merrymeeting View, Rathnew, Wicklow	11,440	28	349	11,817	11,817
Total	428,397	194,381	486,978	1,109,756	820,990

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
Capital Assistance Scheme					
25-26 Ushers Island, Ushers Quay, Dublin 8:					
Local authority	122	143	264	529	529
Department	1,013	3,425	29,073	33,511	31,587
	1,135	3,568	29,337	34,040	32,116
Block 70, The Plaza, Parkwest, Dublin 12	—	—	14,199	14,199	14,199
Total	1,135	3,568	43,536	48,239	46,315
Regeneration					
<i>Jointly funded ^a</i>					
Dolphin House, Dublin 8:					
Local authority	1,490	—	—	1,490	1,490
Department	22,610	—	1,747	24,357	24,357
	24,100	—	1,747	25,847	25,847
<i>Department funded</i>					
St Teresa's Gardens, Dublin	20,415	1,689	875	22,979	21,100
Cork Regeneration (Phase 2), Knocknaheeny/Hollyhill, Cork City	11,417	—	436	11,853	11,853
Lord Edward Street, Limerick	19,460	—	128	19,588	19,588
Southill Area Centre, Limerick	12,717	58	51	12,826	12,826
Cosgrave Park/Dalgaish Parkt, Limerick	754	667	21,105	22,526	—
Southill Area Centre- Phase 2, Limerick	214	187	12,301	12,702	—
Total	89,077	2,601	36,643	128,321	91,214

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
Infrastructure					
South Docks, Cork City	4,368	2,651	4,771	11,790	11,710
Dodder Bridge, Dublin City	638	—	11,172	11,810	11,810
Cherrywood, Dun Laoghaire-Rathdown	3,186	430	8,044	11,660	11,630
Donabate Distributor Road, Fingal	10,785	—	—	10,785	10,785
Maynooth, Co. Kildare	641	249	10,140	11,030	11,000
Adamstown, South Dublin	3,816	5,983	5,376	15,175	15,129
Total	23,434	9,313	39,503	72,250	72,064

Note ^a Some projects are funded jointly by the Department and by certain local authorities own funds from Local Property Tax (LPT) 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 LPT retention.

Significant variations

An explanation is provided below in relation to any major commitment where the expected total spend has changed by more than €500,000 compared to 2020.

Ballymoneen Road

Increase in expected total spend: €817,796

The increase in the cost for this scheme relates to variations/change orders to the contract during the construction period. The final account for the project is awaited from the local authority, once assessed by the Department, this will determine the full variation in costs for the scheme.

25-26 Ushers Island

Increase in expected total spend: €1.924 million

2020 Expenditure of €1.135 million omitted from project costs in error at 31 December 2020. The increase in approved funding relates to additional works required to facilitate archaeological investigations/testing post tender.

St Teresa's Gardens

Increase in expected total spend: €1.879 million

The expected total spend in relation to this project has increased by €1.879 million following a revision of the contract to include wider project costs including design team fees.

e) Unitary payments of public private partnership projects

The Department has committed to the development of a Social Housing PPP Programme comprising three bundles of projects. To date, the contracts for two bundles have been entered into. These utilise what is termed an 'availability-based' PPP model, in which a private sector company designs, builds, finances and maintains the social housing units in return for a monthly unitary charge payment. This payment commences upon completion of the units, and runs for 25 years from the completion of construction on each site. It incorporates all costs under the contract, including the initial construction costs of the units, as well as maintenance, operation, life-cycle, tenancy management and financing costs. The payments comprise two elements, a fixed-cost element and a variable (indexed) element, which changes in line with inflation.

Bundle 1

Bundle 1 was completed in Q2 2021, and provides 534 units across six sites in the Greater Dublin Area. Two of the sites are located in Dublin City, with one each in South Dublin, Kildare, Wicklow and Louth. Dublin City Council was appointed to act as the lead local authority and contracting authority for the delivery of Bundle 1.

Bundle 2

Bundle 2 was completed in Q4 2021 and provides 465 units across eight sites. Three of the sites are located in the Cork County local authority area, with one each in Galway City, Waterford, Clare, Kildare and Roscommon. Cork County Council is acting as lead local authority and contracting authority for Bundle 2.

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Legally enforceable commitments to be met in subsequent years	Project total 2021 ^b	Project total 2020
	€000	€000	€000	€000	€000
Bundle 1 ^a	1,498	24,702	313,526	339,726	339,631
Bundle 2 ^a	—	2,360	289,851	292,211	289,378
Total	1,498	27,062	603,377	631,937	629,009

Note ^a This table reflects unitary charge (UC) obligations for social housing PPP bundles undertaken to date, including projected VAT on construction and estimated VAT on the UC payments.

^b The increases in the project totals in 2021 are due to higher than projected inflation in 2021. As is standard for PPP projects, the projections assume an annual inflation rate of 2% per annum on the indexable element of the UC. The updated figures include the actual inflation rate for 2021 which was higher than the 2% assumed rate. This impacts future years as the assumed 2% is then being applied to a higher base indexable element.

2.13 Matured liabilities

at 31 December	2021 €000	2020 €000
Estimate of matured liabilities not discharged at year end	72	34

2.14 Contingent liabilities

The Department is involved in a number of legal proceedings, which may generate liabilities, depending on the outcome of current, pending and possible future EU and other legal actions. Any actual amount or the timing of potential liabilities is uncertain.

EU compliance: Derrybrien Windfarm:

During 2021, the Department paid two instalments of daily fines totalling €5.476 million. The fines relate to the Court of Justice of the Europe Union judgment in Case C-261/18- Commission v Ireland (Derrybrien Wind Farm). The judgment required a retrospective environmental impact assessment to be carried out and a review of the planning permission. An Bord Pleanála refused the application on 4 February 2022 and the ESB subsequently decided to decommission the wind farm. Officials in the Department will meet with counterparts in the European Commission in due course to discuss the impact the An Bord Pleanála decision will have on the infringement case against the State, and the associated fines. However, there are ongoing daily fines in relation to this case, which could give rise to a potential liability of €5.5 million in 2022.

Defective Concrete Blocks Scheme:

The Defective Concrete Blocks Scheme is an exceptional voluntary contribution in the form of a grant scheme established by the Department and approved by Government to assist certain homeowners to remediate defects to their dwellings. This scheme will create an estimated call of €2.15 billion (excluding inflation) on Exchequer funds over a fifteen year period and will be legislated for under the Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Bill 2022.

Developer Provided Water Services Infrastructure Resolution Programme:

The Department introduced a multi-annual programme in 2019 to facilitate the progressive resolution for a subset of residential estates that are not taken in charge and do not have their water services networks connected to the public (Irish Water) network, by upgrading them or replacing them with sustainable solutions.

A number of funding programmes, with an estimated capital cost of €293 million will be required to fully and progressively resolve estates with developer provided infrastructure. The first round of allocations amounting to €3.36 million, announced by the Minister in September 2020, is the first wave, and includes a small number of demonstration projects for investment under the multi-annual programme. A study is currently being carried out by Irish Water to better inform the estimated cost to resolve developer provided infrastructure.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	83,306		
	<i>Supplementary</i>	880		
		84,186	79,557	74,562
ii	Travel and subsistence	2,233	978	1,002
iii	Training and development and incidental expenses	2,538	2,124	1,792
iv	Postal and telecommunications services	1,481	1,296	1,000
v	Office equipment and external IT services			
	<i>Original</i>	21,709		
	<i>Supplementary</i>	735		
		22,444	14,236	10,728
vi	Office premises expenses	4,247	2,542	2,025
vii	Consultancy services and value for money and policy reviews	83	—	14
viii	Research (statistics and economics)	199	72	1
ix	Protected disclosures (investigation services)	80	38	39
x	Recruitment and HR operations	332	265	60
		117,823	101,108	91,223

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

ii Travel and subsistence

Estimate provision €2.233 million; outturn €978,000

The expenditure was €1.255 million lower than the estimate provision due to lower than anticipated expenditure on travel as a result of the restrictions imposed in relation to the Covid-19 Pandemic.

v Office equipment and external IT services

Estimate provision €21.709 million; outturn €14.236 million

This subhead includes a supplementary estimate of €735,000, which transferred into the Department as part of the transfer of the functions from DTCAGSM. Overall the expenditure was €8.208 million lower than the estimate mainly due to the effects of the Covid-19 pandemic. Interruptions in the global supply chain resulted in delays to significant capital projects and upgrades scheduled by Met Eireann and the Department's ICT Unit. External resource intensive projects were also delayed as was the central procurement of enterprise project management tool. Migration to SharePoint online and centralised build to share applications resulted in reduced costs.

vi Office premises expenses

Estimate provision €4.247 million; outturn €2.542 million

The expenditure was €1.705 million lower than the estimate provision due to the Custom House masterplan and other capital projects not being completed in 2021, because of the shutdown of the construction sector due to Covid-19.

viii Research (statistics and economics)

Estimate provision €199,000; outturn €72,000

The expenditure was €127,094 lower than the estimate provision due to Covid-19 restrictions which inhibited the initiation of relevant research and review projects.

Programme A Housing

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay		15,481	17,244
A.2	Administration – non pay		3,471	2,320
A.3	Local authority housing			
	Estimate provision	1,078,559		
	Deferred surrender	58,000		
			1,136,559	960,676
A.4	Social housing current expenditure programme		250,000	271,900
A.5	Rental accommodation scheme		133,000	121,995
A.6	Housing assistance payment scheme		558,000	541,693
A.7	Capital assistance scheme		96,000	93,047
A.8	Capital loans and subsidy scheme		54,500	53,880
A.9	Communal facilities		500	122
A.10	Mortgage to rent		23,000	13,988
A.11	Capital advance leasing facility		220,350	220,350
A.12	Traveller accommodation and support		21,310	21,301
A.13	Accommodation for homeless		218,000	223,500
A.14	Housing for people with a disability and older people		1,370	838
A.15	Estate regeneration/remedial works		73,000	43,779
A.16	Energy efficiency - retrofitting			
	Estimate provision	25,000		
	Deferred surrender	40,000		
			65,000	25,284
A.17	Repair and leasing scheme		11,000	4,276
A.18	Private housing grants		60,000	53,990
A.19	Mortgage allowances		500	471
A.20	Affordable housing/shared ownership subsidy		3,000	1,855
A.21	Infrastructure fund		88,000	19,903

A.22	Pyrite and mica remediation – cash limited			
	<i>Estimate provision</i>	21,000		
	<i>Deferred surrender</i>	<u>19,000</u>		
		40,000	19,050	13,775
A.23	Housing and Sustainable Communities Agency	10,875	9,456	8,750
A.24	Residential Tenancies Board	11,012	11,012	6,870
A.25	Rental accommodation inspection	12,500	5,263	4,555
A.26	Approved Housing Bodies Regularity Authority	1,274	1,050	—
A.27	Planned maintenance/voids	13,000	32,146	—
A.28	Affordable shared equity and cost rental	110,000	9,253	—
A.29	Other services	3,194	3,033	1,982
		<u>3,233,896</u>	<u>2,782,675</u>	<u>2,561,784</u>

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €451.2 million lower than originally provided. There was an over spend of €612,000 related to administration expenditure which has already been explained. Although Programme A shows an overspend for pay overall there is an underspend on pay for the vote. The balance of the variance, an underspend of €451.8 million, was mainly due to the following.

A.3 Local authority housing

Estimate provision €1.137 billion; outturn €960.676 million

This subhead includes deferred surrender of €58 million carried forward from 2020. Overall the expenditure was €175.883 million lower than the estimate provision due mainly to the impact of the enhanced Level 5 Covid-19 restrictions introduced in January, which resulted in most residential construction being halted for over three months, impacting both delivery and expenditure under the subhead.

In 2021, the Department had a build target of 3,362 units (not including Part Vs and PPPs). Covid-19 related construction delays meant housing delivery was impacted resulting in the delivery of 1,381 units. While the subhead did not deliver on the local authority social housing targets, significant progress was made on advancing housing projects through the on-site construction phase. At end-2021, there were a number of social homes on site/under construction that incurred significant expenditure in 2021 even though, due to Covid-19 related delays, they did not reach completion stage within the year.

A.4 Social housing current expenditure programme

Estimate provision €250 million; outturn €271.9 million

The increase in expenditure of €21.9 million relative to the estimate provision was mainly due to an increase in initial claims of c.1,000 properties in 2021 (3,749 in 2020 compared to 4,757 in 2021) which had the effect of increasing the costs of both new unit claims and the quarterly claims on existing units throughout the year.

A.5 Rental accommodation scheme

Estimate provision €133 million; outturn €121.995 million

The expenditure was €11.005 million lower than the estimate provision mainly due to changes to the RAS recoupment procedures for rental payments to private landlords introduced in 2021, and an increased number of exits from RAS during the year.

A.9 Communal facilities

Estimate provision €500,000; outturn €121,534

Communal facility projects are additional facilities to complement Capital Assistance Scheme construction projects. The expenditure was €378,466 lower than the estimate provision due to construction related working restrictions caused by Covid-19 and the programme being demand led.

A.10 Mortgage to Rent

Estimate provision €23 million; outturn €13.988 million

The expenditure was €9.012 million lower than the estimate provision mainly due to the continued impact of Covid-19 restrictions which led to ongoing delays in closing Mortgage to Rent (MTR) transactions. In addition, Covid-19 restrictions on building works meant there was a reduced number of capital claims for repair works to MTR properties received from local authorities. In 2021, additional scheme expenditure of €1.755 million was funded from LPT, partly offsetting the underspend.

A.14 Housing for people with a disability and older people

Estimate provision €1.37 million; outturn €838,000

The expenditure was €532,269 lower than the estimate provision due mainly to the full allocation of €300,000 for Tenancy Sustainment Officers (TSO) for persons with a mental health disability not being spent. A number of the TSOs are part-time which means that the full salary does not apply. In addition €500,000 capital funding approved for the introduction of a housing grant scheme for older people to allow them to remain living in their existing homes rather than moving into residential care was not allocated due to legal issues being identified that prevented the scheme going ahead.

A.15 Estate regeneration/remedial works

Estimate provision €73 million; outturn €43.779 million

The expenditure was €29.221 million lower than the estimate provision due to the effects of Covid-19 site shutdowns and supply chain issues encountered by local authorities. Savings were also incurred on remedial works and Disabled Persons Grant scheme due to local authorities' inability to secure contractors to carry out the works within the year they were sanctioned.

A.16 Energy efficiency - retrofitting

Estimate provision €65 million; outturn €25.284 million

This subhead includes deferred surrender of €40 million carried forward from 2020. Overall the expenditure was €39.716 million lower than the estimate provision due to the restrictions imposed on the construction sector and delays experienced on the implementation of the programme by the local authorities as a result of the impact of Covid-19, which resulted in lower than anticipated expenditure.

A.17 Repair and leasing scheme

Estimate provision €11 million; outturn €4.276 million

The expenditure was €6.724 million lower than the estimate provision partially due to Covid-19 restrictions which impacted both on delivery and the carrying out of a survey of vacant units.

A.18 Private housing grants

Estimate provision €60 million; outturn €53.99 million

The expenditure was €6.01 million lower than the estimate provision due to difficulty in delivering the targeted level of grants (10,700 grants in line with programme for Government commitments) owing to the impact of Covid-19 restrictions which resulted in the majority of local authorities being unable to achieve full drawdown of their allocations as Government restrictions curtailed the activities of technical staff, occupational therapist resources and the availability of construction resources, leaving approved applications incomplete and unable to proceed to recoupment stage.

A.20 Affordable housing/shared ownership subsidy

Estimate provision €3 million; outturn €1.855 million

The underspend of €1.145 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, (these schemes are not live to new applicants so only previously approved households can fall in and out of qualifying for the subsidy as the economy turns). As the economy improved in 2021 applicants, who were originally approved under the schemes, fell outside the qualifying income bands for the affordable housing and shared ownership schemes, leaving expenditure lower than anticipated.

A.21 Infrastructure fund

Estimate provision €88 million; outturn €19.903 million

The expenditure was €68.097 million lower than the estimate provision mainly due to slow take-up and subsequent reform of the Serviced Sites Fund (SSF). With only four grant agreements having been signed between the Department and local authorities of the 40 SSF projects with approval in principle, and by end 2021 only three SSF projects being on site, the fund was reformed and is now the Affordable Housing Fund (AHF), accepting applications for new projects or reapplications of existing SSF projects since Sept 2021. AHF approved projects are only now proceeding to expenditure phase.

The Local Infrastructure Housing Activation Fund spend was lower than expected in 2021 due to the impact of the Level 5 Covid-19 restrictions imposed in the first half of 2021, which resulted in reduced activity and a lower quantity of claims being submitted. Some projects anticipated to commence in 2021 did not do so mainly due to planning and financing issues.

A.22 Pyrite and mica remediation — cash limited

Estimate provision €40 million; outturn €19.05 million

This subhead includes deferred surrender of €19 million carried forward from 2020. Overall the expenditure was €20.95 million lower than the estimate provision and is attributed to remediation output being lower than estimated due to Covid-19 restrictions affecting the scheduling and implementation of remediation works. The mica remediation scheme only became open to applicants in June 2020, and along with the implementation of a working group on defective concrete blocks, applications submitted slowed in 2021.

A.23 Housing and Sustainable Communities Agency

Estimate provision €10.875 million; outturn €9.456 million

The expenditure was €1.419 million lower than the estimate provision of which €0.548 million relates to set up costs of the Approved Housing Body Regulatory Authority being delayed and not incurred by the Housing Agency, with €0.430 million relating to a number of vacancies being unfilled by the Housing Agency as budgeted. In addition, due to Covid-19 restrictions planned events moved online leading to savings.

A.25 Rental accommodation inspection

Estimate provision €12.5 million; outturn €5.263 million

The expenditure was €7.237 million lower than the estimate provision as the Department's subvention to local authorities is based on the number of minimum rental standards regulations compliance inspections undertaken on dwellings, which were severely impacted due to pandemic restrictions in 2021.

A.26 Approved Housing Bodies Regulatory Authority

Estimate provision €1.274 million; outturn €1.05 million

The Approved Housing Bodies Regulatory Authority was formally established in February 2021. As it developed its work programme during the year, it was expected that there would be variations in what was deliverable/achievable in 2021. The underspend of €223,660 lower than the estimate provision is due mainly to ICT implementation being phased in over three years instead of one large spend in 2021.

A.27 Planned maintenance/voids

Estimate provision €13 million; outturn €32.146 million

In 2021, the voids programme received an additional allocation of €31.2 million, which facilitated the return to active use of 1,475 units over initial projections. These additional units were required as part of mitigation activity given the significant impact of construction sector closures on new build delivery.

A.28 Affordable shared equity and cost rental

Estimate provision €110 million; outturn €9.253 million

The exchequer expenditure was €100.747 million lower than the estimate provision due mainly to the affordable shared equity scheme (First Home Scheme), where the anticipated launch date of the scheme was revised to Q2 2022, due to the complex nature of the design of the product and establishment of the vehicle to deliver same. The spend on the cost rental equity loan was also less than projected as projects that were scheduled to be completed in 2021 slipped in to 2022 largely due to delays from the Level 5 Covid-19 restrictions.

A.29 Other services

Estimate provision €3.194 million; outturn €3.033 million

The expenditure was €161,216 lower than the estimate provision due to the impact of Covid-19 restrictions which meant that a number of planning and housing research projects were not completed in 2021. Expenditure on legal services also varied to the estimated provision as this is a demand led area and is not possible to predict costs or payment schedules for legal cases.

Programme B Water

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay	3,525	5,754	5,686
B.2	Administration – non pay	789	596	828
B.3	Water quality programme	26,213	21,423	22,618
B.4	Rural water programme	56,500	48,056	43,988
B.5	Irish Water			
	<i>Estimate provision</i>	1,296,200		
	<i>Deferred surrender</i>	10,000		
		1,306,200	1,276,059	1,303,189
B.6	Local authorities	13,590	17,892	12,374
B.7	Legacy water environmental issues	5,000	165	43
B.8	Marine environment	3,200	1,507	945
B.9	Water Advisory Body	320	48	18
B.10	Other services	34	124	5
		1,415,371	1,371,624	1,389,694

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €43.747 million lower than originally provided. There was an overspend of €2.036 million which related to administration expenditure and has already been explained. Although Programme B shows an overspend for pay overall there is an underspend on pay for the vote. The balance of the variance, an underspend of €45.783 million, was mainly due to the following.

B.3 Water quality programme

Estimate provision €26.213 million; outturn €21.423 million

The expenditure was €4.79 million lower than the estimate provision as there were underspends on a number of Water Framework Directive programmes due to decreased activity as a result of Covid-19 restrictions in the first half of the year. Furthermore, the publication of the draft river basin management plan was delayed which meant that many events and activities planned around this were postponed. In addition there was a significant underspend on EU INTERREG V (environment measures) programme because the drawdown by projects was slower than anticipated.

B.4 Rural water programme

Estimate provision €56.5 million; outturn €48.056 million

The expenditure was €8.444 million lower than the estimate provision in both capital and current expenditure due to planning issues associated with projects, Covid-19 restrictions and shortages in local authority staff resources.

B.6 Local authorities

Estimate provision €13.59 million; outturn €17.892 million

The increase in expenditure of €4.302 million relative to the estimate provision was mainly due to an opportunity that arose to make an early repayment on an outstanding legacy water services loan by a local authority with potential Exchequer savings of €1.7 million over the life of the loan.

B.7 Legacy water environmental issues

Estimate provision €5 million; outturn €165,000

The expenditure was €4.835 million lower than the estimate provision mainly because the claims under the Developer Provided Infrastructure programme were slower than anticipated due to the necessity of local authorities to engage with stakeholders (landowners, Irish Water), planning issues, procurement, therefore it takes considerable time for the projects to reach completion.

The lead remediation grant scheme is a demand-led scheme and expenditure can be difficult to predict. The Department is currently examining how uptake of this scheme can be improved.

B.8 Marine environment

Estimate provision €3.2 million; outturn €1.507 million

The expenditure was €1.693 million lower than the estimate provision due to an accumulation of Covid-19 restrictions impacting on a number of work programmes and research projects. This includes anticipated work by the Marine Institute under the multiannual service level agreement 2019 to 2023 where funding was not drawn down as expected.

B.9 Water Advisory Body

Estimate provision €320,000; outturn €48,000

The expenditure was €272,000 lower than the estimate provision due to the impact of Covid-19 restrictions on the programmes of the Water Advisory Body. All meetings were held online and therefore no travel or meeting expenses were incurred. There was also no conference fees, and the anticipated spend on training was not incurred due to the restrictions.

Programme C Local Government

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay		7,971	9,810
C.2	Administration – non pay		1,785	1,253
C.3	Local Government Fund			
	<i>Original</i>	192,331		
	<i>Supplementary</i>	197,300		
		389,631	699,300	1,056,060
C.4	Fire and emergency services	18,366	8,399	15,557
C.5	Franchise	3,040	622	365
C.6	Other services	1,591	833	1,667
		422,384	720,217	1,086,129

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme C was €297.833 million higher than originally provided. There was an overspend of €1.307 million, which related to administration expenditure and has already been explained. Although Programme C shows an overspend for pay overall there is an underspend on pay for the vote. The balance of the variance, an overspend of €296.526 million, was mainly due to the following.

C.3 Local Government Fund

Estimate provision €192.331million; outturn €699.3 million

The increase in expenditure relative to the estimate provision was mainly due to the need for additional Covid-19 supports in 2021. The total support provided was €558.9 million. The additional cost of this support to the Exchequer was €507.3 million, as €51.6 million came from existing balances in the Fund (€38.4 million from a carryover of 2020 Covid-19 support and €13.2 million from Fund reserves). €197.3 million of Exchequer funding was provided via the supplementary estimate, while a €310 million virement covered the balance.

C.4 Fire and emergency services

Estimate provision €18.366 million; outturn €8.399 million

The expenditure was €9.967 million lower than the estimate provision as construction projects of fire stations were delayed as a direct impact of Covid-19 restrictions. Other major expenditure on specialist fire appliances, whose lead time has now stretched to two years, have also been massively impacted.

C.5 Franchise

Estimate provision €3.040 million; outturn €622,000

The expenditure was €2.418 million lower than the estimate provision due to the establishment of the Electoral Commission having not yet progressed to the point of incurring ICT expenditure, along with slower progress than anticipated on the development of a number of aspects of the electoral register modernisation project.

C.6 Other services

Estimate provision €1.591 million; outturn €833,000

The expenditure was €757,935 lower than the estimate provision due to factors including €500,000 of expenditure not required to be recouped in regard to the malicious injuries subhead, €128,600 lower expenditure than expected relating to the INSPIRE Project, an ongoing legal commitment under EU Directive, as some data providers were not in a position to request services, and €170,000 of expenditure on legal services. This is a demand led area and is not possible to predict costs or payment schedules for legal cases, while expenditure increased by €52,000 in relation to damage caused by storms, which varies from year to year.

Programme D Planning

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration – pay	5,747	4,097	5,000
D.2	Administration – non pay	1,288	767	1,345
D.3	An Bord Pleanála	17,127	17,127	19,531
D.4	Planning Tribunal	4,000	657	4,322
D.5	Office of the Planning Regulator	3,088	2,992	2,481
D.6	Planning policy	725	715	366
D.7	National, regional and urban planning	275	163	219
D.8	My plan	185	152	115
D.9	Urban renewal/regeneration			
	<i>Estimate provision</i>	66,010		
	<i>Deferred surrender</i>	84,000		
		150,010	40,898	39,564
D.10	Development contribution rebate scheme	1	—	—
D.11	Ordnance Survey Ireland	18,658	18,625	18,055
D.12	Land Development Agency	65,000	16,600	14,100
D.13	Foreshore	3,340	765	803
D.14	Marine spatial planning	1,050	783	188
D.15	Environmental planning policy	350	36	65
D.16	Other services	2,410	5,477	7,750
		273,254	109,854	113,904

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme D was €163.4 million lower than originally provided. There was an underspend of €2.171 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €161.229 million, was mainly due to the following.

D.4 Planning Tribunal

Estimate provision €4 million; outturn €657,000

The expenditure was €3.343 million lower than the estimate provision due to the number of legal cost claims settled in 2021 being lower than expected. The Department has no control over third party legal costs awarded by the Tribunal of Inquiry and it is not possible to predict the timing of settlement of third-party costs falling due at any particular time.

D.7 National regional and urban planning

Estimate provision €275,000; outturn €163,000

The expenditure was €111,541 lower than the estimate provision as a series of S.28 Guidelines expected to be published in 2021 could not be sufficiently progressed due to Covid-19 restrictions, associated costs relating to their publication did not therefore arise in 2021. In addition, ESRI research in 2021 was less than envisaged.

D.9 Urban renewal/regeneration

Estimate provision €150.01 million; outturn €40.898 million

This subhead includes deferred surrender of €84 million carried forward from 2020. Overall the expenditure was €109.112 million lower than the estimate provision due to the nature and type of the projects supported by the URDF programme (new capital programmes take time to establish) and the shutdown of construction projects in 2021 as a result of Covid-19 restrictions, which resulted in a slow-down in the advancement of projects and project costs falling well short of the provision for 2021.

D.12 Land Development Agency

Estimate provision €65 million; outturn €16.6 million

The expenditure was €48.4 million lower than the estimate provision primarily as anticipated construction, due to commence in 2021, was delayed as a consequence of Covid-19 restrictions. In addition, the planning application for the Devoy Barracks site in Naas was refused.

D.13 Foreshore

Estimate provision €3.34 million; outturn €765,000

The expenditure was €2.575 million lower than the estimate provision due to a number of provisions not materialising during the year. This includes a provision for Foreshore contingencies and anticipated settlements of some legal cases that did not occur in 2021. The spend on legal fees and valuations was also less than anticipated.

D.14 Marine spatial planning

Estimate provision €1.05 million; outturn €783,000

The expenditure was €267,155 lower than the estimate provision due to the impact of Covid-19 restrictions, where many elements of the final National Marine Planning framework had to be delayed or cancelled. An underspend also materialised due to a delay in posts being filled under the service level agreement between the Department, the Department of Agriculture, Food and the Marine and the Marine Institute due to Covid-19 restrictions.

D.15 Environmental planning policy

Estimate provision €350,000; outturn €36,000

The expenditure was €313,775 lower than the estimate provision, a key factor impacting the underspend related to a portion of the units' resources having to be diverted away from its work programme to focus on progressing essential legislation needed as a direct result of the Covid-19 pandemic. In addition the EIA Traffic Light Review was delayed due to the unit having to re tender for a new consultant.

D.16 Other services

Estimate provision €2.41 million; outturn €5.477 million

There was a net increase in subhead expenditure of €3.067 million. Unplanned spending of €5.066 million was required in respect of the European Court of Justice penalties in regard to case C-261/18 – Derrybrien Wind Farm. This was partly offset by an underspend of €2 million in relation to the Cork Event Centre, the development of which is a matter for Cork City Council, due to the project not advancing and no expenditure therefore having been incurred.

Programme E Met Éireann

		2021	2020
		Estimate provision	Outturn
		€000	€000
E.1	Administration – pay	15,021	13,816
E.2	Administration – non pay	17,600	11,145
E.3	Subs to international meteorological organisations	8,100	7,729
E.4	Flood forecasting and warning service	2,100	969
		42,821	33,659
			28,267

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme E was €9.162 million lower than originally provided. There was an underspend of €7.66 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €1.502 million, was mainly due to the following.

E.4 Flood forecasting and warning service

Estimate provision €2.1 million; outturn €969,000

The expenditure was €1.131 million lower than the estimate provision due to the new modelling systems not yet operational and variances experienced due to delays in both the tender process and staff recruitment.

Programme F Heritage

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
F.1	Administration – pay			
	<i>Original</i>	35,561		
	<i>Supplementary</i>	880		
		36,441	28,836	22,166
F.2	Administration – non pay			
	<i>Original</i>	7,969		
	<i>Supplementary</i>	735		
		8,704	5,470	1,024
F.3	Heritage Council (part funded by National Lottery)	9,561	9,651	7,394
F.4	Built Heritage	9,970	10,396	7,165
F.5	Natural heritage (National Parks and Wildlife Service)	28,882	25,794	17,979
F.6	Irish Heritage Trust	1,150	2,150	650
F.7	Built heritage investment scheme	3,000	2,906	2,404
F.8	Peatlands restoration, conservation and management			
	<i>Estimate provision</i>	14,000		
	<i>Deferred surrender</i>	3,000		
		17,000	9,874	6,988
F.9	Waterways Ireland	28,918	29,918	27,013
		143,626	124,995	92,783

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme F was €18.631 million lower than originally provided. There was an underspend of €10.839 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €7.792 million, was mainly due to the following.

F.5 Natural heritage (National Parks and Wildlife Service)

Estimate provision €28.882 million; outturn €25.794 million

The expenditure was €3.088 million lower than the estimate provision largely as a result of delays in processing of farm plan payments due to limited farm advisor capability and more generally due to limited contractor availability across the suite of projects run by the Science and Biodiversity Unit, although the anticipated level of grants awarded under the peatlands community engagement scheme was also not realised.

F.6 Irish Heritage Trust

Estimate provision €1.15 million; outturn €2.15 million

The increase in expenditure of €1 million relative to the estimate provision was to allow Irish Heritage Trust to complete essential projects at Fota House and Johnstown Castle.

F.8 Peatlands restoration, conservation and management

Estimate provision €17 million; outturn €9.874 million

This subhead includes deferred surrender of €3 million carried forward from 2020. Overall the expenditure was €7.126 million lower than the estimate provision due to a stakeholder consultation being significantly impacted by the Covid-19 restrictions, which led to a delay in the roll out of a Financial Incentive Scheme and the commencement of works on lands on some sites. Some larger land purchases were also delayed due to conveyancing matters and some peatland sites to be developed did not progress as expected.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Fees payable by local authorities, etc., for audit of their accounts	1,956	2,168	1,747
2	Receipts 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	12,000	10,596	6,361
4	Miscellaneous receipts	755	652	1,060
5	Foreshore receipts	2,400	2,300	1,776
6	OSI	420	395	377
7	Receipts from pension related deduction on remuneration	35,978	40,516	36,002
8	ERDF receipts INTERREG V environment measures	4,000	5,502	4,073
9	Dormant Accounts Fund – Housing First Implementation	3,000	3,000	3,000
10	ERDF receipts – INTERREG Atlantic Area Programme	108	—	—
11	ERDF receipts – RAGES Project	14	—	15
12	Services and charges at national parks and wildlife sites	465	161	137
13	Rents (incl receipts from lettings and fishing rights etc.)	95	45	29
Total		61,932	66,076	55,318

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, the appropriation-in-aid were €4.144 million less than the estimate. Explanations for the variances are set out below.

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

Estimate €1.956 million; realised: €2.168 million

The increase of €211,999 was because demands for audit fees are issued on an ongoing basis as audits are completed and the programme was more timely than expected in 2021.

3 Met Éireann receipts

Estimate €12 million; realised: €10.596 million

The shortfall of €1.404 million was due to delays to expected receipts for aviation charges as a result of the impact of the Covid-19 restrictions.

4 Miscellaneous receipts

Estimate €755,000; realised: €652,000

The shortfall of €103,048 was because miscellaneous receipts are difficult to predict reliably.

7 Receipts from pension related deduction on remuneration

Estimate €35.978 million; realised: €40.516 million

The increase of €4.538 million was mainly due to an increased level of recruitment and remuneration in the local authority sector along with some 2020 superannuation contributions being received in 2021.

8 ERDF receipts INTERREG V environment measures

Estimate €4 million; realised €5.502 million

The increase of €1.502 million relates directly to drawdown in B.3.4, this can vary based on how much is drawn down in any one year.

10 ERDF receipts – INTERREG Atlantic Area Programme

Estimate €108,000; realised: €nil

The shortfall of €108,000 was mainly due to all INTERREG projects supported by Marine Environment Section being impacted by Covid-19 restrictions. In addition, there are ongoing issues with the INTERREG Atlantic Area IT portal operated by the EU, effecting the submission of financial claims.

12 Services and charges at national parks and wildlife sites

Estimate €465,000; realised: €161,000

The shortfall of €303,447 was due to the Covid-19 restrictions. While our parks and outdoor spaces remained open, the lockdown originally resulted in the closure of our visitor centres and then limited the capacity of centres upon re-opening. This impacted entrance fee receipts.

4.2 Extra receipts payable to the Exchequer

	2021	2020
	€000	€000
Balance at 1 January	—	—
Refunds under Local Authority Social Housing Investment Programme (SHIP)	503	3,423
Residential Tenancies Board pension contributions	193	91
Refunds	61	—
Redemption of projects funded under the Voluntary Housing Capital Assistance scheme	10	—
Foreshore lease	—	3,066
Recoveries under Pyrite Resolution Act 2013	—	2,330
Transferred to the Exchequer	(767)	(8,910)
Balance at 31 December	—	—

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end		
Department	1,366	1,207
Ordnance Survey Ireland	213	220
Local Government Management Agency	102	104
An Bord Pleanála	180	184
Residential Tenancies Board	89	89
Housing and Sustainable Communities Agency	118	111
Housing Finance Agency	15	15
Office of the Planning Regulator	24	21
Land Development Agency	54	39
The Heritage Council	19	13
Waterways Ireland	344	333
Total	2,524	2,336

5.2 Pay – Department

	2021	2020
	€000	€000
Pay	71,534	66,516
Higher, special or additional duties allowances	474	721
Other allowances	1,718	1,711
Overtime	1,075	1,028
Employer's PRSI	6,259	5,613
Total pay	81,060	75,589

5.2 Pay – agencies

	2021	2020
	€000	€000
Pay	59,831	54,652
Higher, special or additional duties allowances	90	87
Other allowances	994	937
Overtime	1,008	695
Employer's PRSI	5,589	4,966
Total pay	67,512	61,337

5.3 Allowances and overtime payments – Department ^a

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	211	15	22,002	27,290
Other allowances	187	79	28,676	28,134
Overtime	238	28	32,613	31,120
Extra remuneration in more than one category	208	77	40,805	48,159

Note ^a The pay, allowance and other remuneration details above relate to the Department's staff paid directly from the Vote under programmes A to F.

5.3 Allowances and overtime payments — agencies

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	37	2	17,960	23,325
Other allowances	295	26	15,680	15,556
Overtime	296	26	23,614	30,663
Extra remuneration in more than one category	203	67	13,276	25,014

5.4 Other remuneration arrangements

Eighteen retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €79,448. The payments were consistent with the principles of the Public Service Pensions (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €192,695 in respect of three officers who were serving outside the Department for all or part of 2021 and whose salaries were paid by the Department.

5.5 Payroll overpayments

at 31 December	Number of recipients	2021 €	2020 €
Overpayments	39	133,688	69,799
Recovery plans in place	14	30,628	20,422

One individual with an overpayment to the value of €236 transferred into the Department during the year.

5.6 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's annual gross salary is €213,859 (as at 31 December 2020, €211,742).

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year of appointment	Cumulative expenditure to the end of 2021 €000	2021 €000	2020 €000
Tribunal of inquiry into certain planning matters and payments ^a	1997	141,301	658	4,322

Note ^a There will be further payments associated with the Tribunal. 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 2021, additional costs of some €5 million may arise, primarily relating to third party legal representation.

6.2 Compensation and legal costs

Payments/costs paid by the Department in the year ^{a, b}

	Claims by			Total	Total
	employees	members of the public	EU fines	2021	2020
Number of cases	3	21	1	25	14
	€000	€000	€000	€000	€000
Department's own legal costs	—	—	—	—	49
EU fines ^c	—	—	5,476	5,476	7,745
Payments by/on behalf of Department					
Compensation	7	81	—	88	529
Legal costs	6	609	—	615	283
Other legal costs	—	13	—	13	—
Total	13	703	5,476	6,192	8,606

Notes ^a At 31st December 2021, the following claims are outstanding

- Personal injury: 4 (2020:2)
- Other claims: 1 (2020: 1)
- EU fines: 1 (2020: 1)

^b At 31st December 2021, the Department has included in other creditors due, €244,600 (2020: Nil) being the total outstanding legal costs due to the State Claims Agency.

^c The Department paid two instalments of daily fines totalling €5.476 million in 2021. The fines relate to the Court of Justice of the Europe Union judgment in Case C-261/18- Commission v Ireland (Derrybrien Wind Farm), and are in line with Department of Public Expenditure and Reform sanction. This Department is working closely with Department of the Environment, Climate and Communications and the Department of Public Expenditure and Reform with respect to the resolution of the judgment and the payment of the daily fines.

Cumulative costs of cases completed in 2021

	Claims by		Total
	employees	members of the public	
Number of cases	2	13	15
	€000	€000	€000
Department's own legal costs	—	212	212
Payments by/on behalf of Department			
Compensation	2	85	87
Legal costs	6	194	200
Other costs	—	40	40
Total	8	531	539

6.3 Late payment interest

	2021	2020
	€	€
Total of interest and compensation payments	10,384	13,385

6.4 National Lottery funding

	2021	2021	2020
	Estimate	Outturn	Outturn
	€000	€000	€000
Subhead description			
A.9 Communal facilities	500	122	78
A.18 Private housing grants	6,121	6,121	5,829
F.3 Heritage Council	9,561	9,651	7,394
	16,182	15,894	13,301

These payments are part funded by the National Lottery and details are available on the Department's website: <https://www.gov.ie/en/collection/129d3-national-lottery-funding/>

6.5 EU funding

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

	2021	2021	2020
	Estimate	Outturn	Outturn
	€000	€000	€000
Subhead description			
B.3 Water quality programme	5,572	3,972	5,472

6.6 Fraud and suspected fraud

The Department is aware of an alleged fraud involving a local authority relating to payments for the provision of water services. This case is under investigation by An Garda Síochána and the Department awaits the outcome of the investigation

6.7 Deferred surrender

Deferred surrender comprises savings in 2021 of €275.8 million in capital expenditures in the following subheads that were carried over to 2022.

	€000
A.3 Local authority housing	175,000
A.7 Capital assistance scheme	2,900
A.10 Mortgage to rent	1,000
A.14 Housing for people with a disability and older people	500
A.15 Estate regeneration/remedial works	4,200
A.16 Energy efficiency - retrofitting	20,500
A.21 Infrastructure fund	30,500
A.22 Pyrite and mica remediation – cash limited	700
A.27 Planned maintenance/voids	12,000
D.9 Urban renewal/regeneration	25,000
F.8 Peatlands restoration, conservation and management	3,500
	275,800

Note 7 Fund Balances

7.1 Account of the Urban Development Fund

	2021	2020
	€000	€000
Opening balance	8,385	14,111
Receipts	—	—
Expenditure for the year	(1,702)	(5,726)
	6,683	8,385

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 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. Payments under the programme will continue until early 2023. The 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

	2021	2020
	€000	€000
Opening balance	68,460	69,393
Non-recoverable costs ^a	(413)	(983)
Rental income	23	50
Closing balance at 31 December	68,070	68,460

Note ^a Certain costs incurred by the Housing Agency (HA) such as legal and professional fees and other housing acquisition costs are non-recoverable and therefore reduce the overall balance of the Fund. The non-recoverable costs figure for 2021 is €412,607.

The Housing Agency Acquisitions (HAA) fund, which is a revolving fund, was established with effect from 1 January 2017 with the objective of acquiring some 1,600 units over the period to 2021 for social housing use. In the period since the fund's inception in 2017 to the end of 2021, the HA had acquired 868 properties. The HA is using this fund to acquire vacant properties from banks, investors and from the open market (primarily for Housing First properties) in areas with high levels of social housing demand. In doing this, the HA 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 HA sells the houses, at cost, to approved housing bodies in order to replenish the fund. On completion of the programme, the HA will refund the Department any closing balance of the fund.

Although the HAA fund itself fell short of the 1,600 target, primarily due to market conditions, the existence of the HAA fund and the HA acquisition team associated with the fund have facilitated the acquisition of 1,490 homes for use as social housing from 2016-2021 ^a. At the end of Q4 2021, 868 ^b properties were acquired using the HAA fund. A further 52 properties were delivered under the HAA fund programme but bought directly by local authorities in 2019/2020 using capital funding through Social Housing Capital Investment Programme.

The HA also completed the acquisition of 572 properties while acting on behalf of local authorities.

Notes ^a Seed funding was provided by the Department in 2016 before the formal establishment of the fund.
^b Issue arose with 2 of the properties acquired so they were subsequently sold on the open market and not used for social housing.

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

The following table lists the bodies and funds under the aegis of the Department in 2021 and where the Department has an obligation to present financial statements. It indicates, as at end March 2022, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
An Bord Pleanála	2020	30 Jun 2021	30 Jun 2021	14 Dec 2021
Eiría and Gas Networks Ireland	2020	30 Mar 2021	20 May 2021	23 Jul 2021
Housing Finance Agency	2020	25 Mar 2021	6 Jul 2021	13 Jul 2021
Housing and Sustainable Communities Agency ^a	2020	7 Dec 2021	18 Feb 2022	21 Apr 2022
Irish Water	2020	30 Mar 2021	20 May 2021	13 Sep 2021
Local Government Fund	2020	26 Nov 2021	26 Nov 2021	10 Dec 2021
Local Government Management Agency	2020	28 May 2021	16 Jul 2021	22 Jul 2021
Residential Tenancies Board	2020	15 Jun 2021	30 Jun 2021	13 Sep 2021
Ordnance Survey Ireland	2020	13 Dec 2021	15 Feb 2022	4 Mar 2022
Office of Planning Regulator	2020	11 Jun 2021	30 Jun 2021	30 Jul 2021
Land Development Agency	2020	17 Jun 2021	18 Jun 2021	20 Jan 2022
The Heritage Council	2020	29 Sep 2021	14 Oct 2021	2 Feb 2022
Waterways Ireland	2020	14 Dec 2021	—	—

Note ^a Includes Pyrite Resolution Board