

Appropriation Account 2022

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 2022 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, and grants.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2022 out of unspent 2021 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €246.736 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.

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, National Development Plan Delivery and Reform in circular 22 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. These are: the Burren, Connemara, Glenveagh, Killarney, Wicklow Mountains and Wild Nephin national parks.

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 risks, including 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

I confirm that 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 has provided details of 25 non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of five contracts (in excess of €25,000), totalling €1,423,352 (ex. VAT) in 2022 as set out below:

- A contract for ecological, database and GIS support contractors with expenditure of €1,056,750 (ex. VAT) that was extended for an additional year to ensure continuity of services under a single supplier contract that expired in August 2022. A further 12 month extension to August 2023 was applied to ensure continuity of services. The Department does not anticipate a further contract as resources are being put in place for the project.
- An extension of the contract with BT Communications Ireland Ltd for renewal of the WebEx licences with a value of €120,786 (ex. VAT) was required to allow the continuation of a critical business system used by Department on a daily basis until Microsoft Teams is delivered by the Office of the Government Chief Information Officer (OGCIO) in 2023.
- An ICT telephony services contract with expenditure during the year of €104,080 (ex. VAT) continues pending the completion of a procurement process. The Department intends to put a compliant contract in place in 2023.
- To meet the statutory obligations under the Official Languages Act 2003, a contract originally awarded with a competitive process to provide Irish language translation service rolled over while an Office of Government Procurement (OGP) framework was being established with expenditure during the year of €65,602 (ex. VAT). A competitive procurement process, using the OGP framework, has since been completed.
- A contract for the eradication of invasive laurel with expenditure of €76,134 was extended to meet the Department's obligations to prevent deterioration of woodland.

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 by the Management Board and assists the Management Board to respond accordingly, allocating resources if required, to ensure risks are managed to an acceptable level.

The risk register details mitigation measures and responsibility for operation of controls assigned to specific staff.

As part of continuous improvements around risk identification and management, the Department recently launched and implemented eRisk, which is a central risk management system through which Business Units can identify and report key risks. Mitigation actions to minimise the identified risks are also recorded.

This central electronic register is being collated and the first iteration of the register will be presented to Management Board for review in April 2023.

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 2022 that resulted in, or may result in, a material loss.

Graham Doyle

Accounting Officer

Department of Housing, Local Government and Heritage

26 July 2023

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 2022 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 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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.

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2022.

Payment of EU fine

The Accounting Officer has disclosed in note 6.2 that, in 2022, the Department paid €2.76 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 of Justice comprised a €5 million lump-sum payment (paid in 2020) plus a daily fine of €15,000 while the infringement continued, plus legal costs. Correspondence from the Commission indicated that Ireland had met the terms of the judgment by 5 February 2022 and that the daily fines would cease. The final instalment of €1.245 million covering the period 13 November 2021 to 4 February 2022 was paid to the European Commission on 8 March 2023. This brought the total amount paid in respect of the judgement to €17.226 million.

Utilisation of the Land Aggregation Scheme sites

Chapter 11 of my report on the accounts of the public services for 2022 gives an update on the progress under this scheme.

Virement of voted funds for housing

Chapter 5 of my report on the accounts of the public services for 2022 includes a section on the circumstances in which funding was vired from the Housing Assistance Payment Scheme to the Capital Loans and Subsidy Scheme.

Accountability for central government funding of local authorities

Chapter 4 of my report on the accounts of the public services for 2022 looks at the compliance of certain central government departments, including Housing, Local Government and Heritage, with circular 13/2014 *Management and accountability for grants from Exchequer funds* in respect of grant funding to local authorities.

Seamus McCarthy

Comptroller and Auditor General

27 July 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports 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 2022

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Housing			
	<i>Original</i>	3,643,813		
	<i>Deferred surrender</i>	247,300		
	<i>Supplementary</i>	<u>(40,000)</u>		
		3,851,113	3,386,529	2,782,675
B	Water Services			
	<i>Original</i>	1,576,350		
	<i>Supplementary</i>	<u>1,000</u>		
		1,577,350	1,512,217	1,371,624
C	Local Government			
	<i>Original</i>	268,795		
	<i>Supplementary</i>	<u>156,401</u>		
		425,196	427,558	720,217
D	Planning			
	<i>Original</i>	225,196		
	<i>Deferred surrender</i>	25,000		
	<i>Supplementary</i>	<u>(117,400)</u>		
		132,796	106,711	109,854
E	Met Éireann	43,161	36,118	33,659
F	Heritage			
	<i>Estimate provision</i>	175,812		
	<i>Deferred surrender</i>	3,500	179,312	
			163,348	124,995
Gross expenditure				
	<i>Original</i>	5,933,127		
	<i>Deferred surrender</i>	275,800		
	<i>Supplementary</i>	<u>1</u>		
		6,208,928	5,632,481	5,143,024
	<i>Deduct</i>			
G	Appropriations-in-aid	<u>61,089</u>	<u>71,378</u>	<u>66,076</u>
Net expenditure				
	<i>Original</i>	5,872,038		
	<i>Deferred surrender</i>	275,800		
	<i>Supplementary</i>	<u>1</u>		
		<u>6,147,839</u>	<u>5,561,103</u>	<u>5,076,948</u>

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, National Development Plan Delivery and Reform, €340 million of unspent allocations in respect of the capital elements of Programmes A, B, D, and F was carried forward to 2023.

	2022	2021
	€	€
Surplus	586,735,590	392,471,868
Deferred surrender	(340,000,000)	(275,800,000)
Surplus to be surrendered	<u>246,735,590</u>	<u>116,671,868</u>

Graham Doyle

Accounting Officer

Department of Housing, Local Government and Heritage

30 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		5,516,315	5,041,916
Pay		91,782	79,557
Non pay		24,384	21,551
Gross expenditure		5,632,481	5,143,024
<i>Deduct</i>			
Appropriations-in-aid		71,378	66,076
Net expenditure		5,561,103	5,076,948
Changes in capital assets			
Purchases cash	(6,396)		
Depreciation	2,735		
Loss on disposals	5	(3,656)	(1,819)
Changes in net current assets			
Decrease in closing accruals	(3,227)		
Decrease in inventories	833	(2,394)	2,321
Direct expenditure		5,555,053	5,077,450
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		31,906	30,625
Notional rents		4,231	4,006
Net programme cost		5,591,190	5,112,081

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.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	41	37
Vote 12	Superannuation and Retired Allowances	27,848	28,134
Vote 13	Office of Public Works	2,130	702
Vote 18	National Shared Services Office	156	141
Vote 20	Garda Síochána	9	—
Vote 43	Office of the Government Chief Information Officer	1,615	1,504
Central Fund – ministerial pensions		107	107
		31,906	30,625

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	67,153	63,425
Current assets			
Bank and cash	2.2	364,675	384,818
Inventories	2.3	83	916
Prepayments	2.4	1,565	1,466
Accrued income	2.5	9,866	8,971
Housing Agency revolving acquisitions fund	7.2	67,754	68,070
Other debit balances	2.6	2,109	2,143
Total current assets		446,052	466,384
Less current liabilities			
Accrued expenses	2.7	24,067	20,721
Deferred income	2.8	4,648	10,364
Other credit balances	2.9	21,377	25,436
Net Exchequer funding	2.10	345,407	361,525
Total current liabilities		395,499	418,046
Net current assets		50,553	48,338
Net assets		117,706	111,763
Represented by:			
State funding account	2.11	117,706	111,763

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 2022	47,490	11,712	3,891	25,292	9,389	97,774
Prior year adjustments ^b	—	(11)	—	92	10	91
Additions	1,035	2,962	294	796	1,488	6,575
Disposals	—	(46)	—	(73)	—	(119)
Cost or valuation at 31 December 2022	48,525	14,617	4,185	26,107	10,887	104,321
Accumulated depreciation						
Opening balance at 1 January 2022	2,218	7,932	2,373	21,826	—	34,349
Prior year adjustments ^b	—	(91)	(7)	296	—	198
Depreciation for the year	350	1,046	57	1,282	—	2,735
Depreciation on disposals	—	(46)	—	(68)	—	(114)
Cumulative depreciation at 31 December 2022	2,568	8,841	2,423	23,336	—	37,168
Net assets at 31 December 2022	45,957	5,776	1,762	2,771	10,887	67,153
Net assets at 31 December 2021	45,272	3,780	1,518	3,466	9,389	63,425

Notes ^a Excludes national park land, buildings and heritage assets.

^b A review of the fixed asset register in 2022 resulted in prior year adjustments being required.

- Two assets acquired in 2021 were omitted from the fixed asset register.
- Revision of capital assets under development for 2021.
- Revision of depreciation charge in regard to heritage assets transferred into the Department in 2021.

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
PMG balances and cash	364,386	384,787
Commercial bank account balance	289	31
	364,675	384,818

2.3 Inventories ^a

at 31 December	2022	2021
	€000	€000
Livestock	51	91
IT consumables	21	235
Other	11	257
Meteorological consumables	—	146
Building materials	—	68
Stationery	—	44
Fuels and fertilisers	—	42
Cleaning materials	—	33
	83	916

Note ^a A change in accounting policy adopted in 2022 has resulted in the de-recognition of high-volume, low-value inventory items valued under €1,000.

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
Software support	1,248	1,151
International contribution	100	150
Administration	31	4
Other prepayments	186	161
	1,565	1,466

2.5 Accrued income

at 31 December	2022	2021
	€000	€000
Foreshore receipts	6,418	5,105
Pension levy	3,367	2,243
Met Éireann receipts	77	1,592
Audit fees	3	20
Services and charges at National Parks and Wildlife Service sites	1	11
	9,866	8,971

2.6 Other debit balances

at 31 December	2022	2021
	€000	€000
Heritage projects		
Fáilte Ireland Strategic Partnership	388	361
BirdWatch Ireland 2020/2021	253	202
Raised Bog LIFE restoration project ^a	241	—
Killarney House	161	161
Tomies Wood	142	142
Other projects	336	241
Advances to OPW	301	789
Recoupable salary costs	152	134
Recoupable travel pass scheme	27	40
Recoupable travel costs	3	6
Imprests	14	3
Other debit suspense items	91	64
	2,109	2,143

Note ^a 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.

2.7 Accrued expenses

at 31 December	2022	2021
	€000	€000
IT services and support	286	291
Programme accrual		
A Housing	19,325	14,735
B Water	26	69
C Local Government	141	128
D Planning	1,990	3,923
E Met Éireann	46	72
F Heritage	1,264	884
Administration expenses	989	619
	24,067	20,721

2.8 Deferred income

at 31 December	2022	2021
	€000	€000
Foreshore licences	4,648	10,364
	4,648	10,364

2.9 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income tax	1,368	1,166
Pay related social insurance	939	787
Value added tax	827	1,337
Professional services withholding tax	728	511
Pension contributions	325	270
Universal social charge	276	233
	<u>4,463</u>	<u>4,304</u>
LIFE integrated project ^b	3,984	3,326
LIFE Wild Atlantic Nature ^b	3,364	3,578
LIFE on Machair ^b	2,338	2,221
Rural Regeneration and Development Fund ^c	2,273	2,447
Urban Development Fund ^a	1,428	6,683
LIFE Atlantic Crex ^b	881	1,241
WaterLANDS Project	734	—
Kerry LIFE Project ^b	367	182
Payroll deductions held in suspense	340	326
LIFE Insular ^b	26	—
Raised Bog LIFE restoration project ^b	—	158
Other credit suspense items	1,179	970
	<u>21,377</u>	<u>25,436</u>

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.

2.10 Net Exchequer funding

at 31 December	2022 €000	2021 €000
Surplus	246,736	116,672
Deferred surrender	340,000	275,800
Exchequer grant undrawn	(241,329)	(30,947)
Net Exchequer funding	345,407	361,525
Represented by:		
Debtors		
Bank and cash	364,675	384,818
Debit balances: suspense	2,109	2,143
	366,784	386,961
Creditors		
Due to the State	(4,463)	(4,304)
Credit balances: suspense	(16,914)	(21,132)
	(21,377)	(25,436)
	345,407	361,525

2.11 State funding account

	Note	2022 €000	2021 €000
Balance at 1 January		111,763	107,816
Disbursements from the Vote			
Estimate provision	Account	6,147,839	
Deferred surrender	Account	(340,000)	
Surplus to be surrendered	Account	(246,736)	
Net vote		5,561,103	5,076,948
Expenditure (cash) borne elsewhere	1.1	31,906	30,625
Non cash expenditure – notional rent	1	4,231	4,006
Assets transferred in to the Department	2.1	—	4,494
Reclassification of heritage assets		(107)	(45)
Net programme cost	1	(5,591,190)	(5,112,081)
Balance at 31 December		117,706	111,763

2.12 Commitments

a) Global commitments

at 31 December	2022 €000	2021 €000
Procurement of goods and services	5,791	6,358
Non-capital grant programmes	1,182,917	1,174,083
Capital grant programmes	2,514,797	2,075,841
Public private partnership projects	573,156	603,377
Total of legally enforceable commitments	4,276,661	3,859,659

b) Non-capital grant programmes

	2022 €000	2021 €000
Opening balance	1,174,083	1,074,726
Grants paid in the year	(1,116,559)	(1,022,108)
New grant commitments	1,125,393	1,121,465
Closing balance	1,182,917	1,174,083

c) Capital grant programmes

	2022 €000	2021 €000
Opening balance	2,075,841	2,333,985
Grants paid in the year	(1,752,402)	(1,490,604)
New grant commitments	2,191,358	1,232,460
Closing balance	2,514,797	2,075,841

d) Major capital project commitments

		Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
		€000	€000	€000	€000	€000
Housing projects						
Construction <i>Jointly funded ^a</i>						
Ashline, Kilrush Road Ennis, Clare						
	Local authority	1,548	—	—	1,548	1,548
	Department	5,652	3,100	234	8,986	8,986
		7,200	3,100	234	10,534	10,534
Beechgrove, Clonakilty, Cork						
	Local authority	1,427	138	—	1,565	1,427
	Department	13,397	2,029	198	15,624	15,762
		14,824	2,167	198	17,189	17,189
Poulavone, Ballincollig, Cork City						
	Local authority	213	—	—	213	—
	Department	2,699	48	20,613	23,360	—
		2,912	48	20,613	23,573	—
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 1						
	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	3,788	—	—	3,788	3,788
	Department	23,618	—	1,812	25,430	25,430
		27,406	—	1,812	29,218	29,218

		Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
		€000	€000	€000	€000	€000
O'Devaney Gardens (Phase 1A) Dublin 7						
	Local authority	1,139	—	—	1,139	1,139
	Department	14,671	7,774	4,146	26,591	19,530
		15,810	7,774	4,146	27,730	20,669
Cornamona, Ballyfermot, Dublin 12						
	Local authority	1,017	—	—	1,017	1,017
	Department	18,162	1,539	1,658	21,359	21,359
		19,179	1,539	1,658	22,376	22,376
Cork Street, Chamber Street, Dublin 8						
	Local authority	1,593	567	—	2,160	1,593
	Department	15,096	236	2,961	18,293	18,860
		16,689	803	2,961	20,453	20,453
North King Street, Sean Foster Place, Dublin 7						
	Local authority	882	—	—	882	882
	Department	10,421	536	1,087	12,044	12,044
		11,303	536	1,087	12,926	12,926
Ballyogan Rise, Ballyogan, Dun Laoghaire-Rathdown						
	Local authority	89	8,924	—	9,013	89
	Department	604	6,179	3,254	10,037	18,961
		693	15,103	3,254	19,050	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

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
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	6,985
Department	2,709	—	12,261	14,970	14,970
	9,694	—	12,261	21,955	21,955
Racecourse Common, Lusk (Phase 2.1) Fingal					
Local authority	2,260	—	—	2,260	2,260
Department	9,603	5	13	9,621	9,621
	11,863	5	13	11,881	11,881
Cappagh Lands (Phase 3), Cappagh Road, Finglas					
Local authority	—	4,896	—	4,896	—
Department	6,179	5,232	2,383	13,794	18,690
	6,179	10,128	2,383	18,690	18,690
Church Fields, Phase 2B, Mulhuddart, Dublin 15, Fingal					
Local authority	—	4,733	—	4,733	—
Department	1,672	10,201	4,485	16,358	21,091
	1,672	14,934	4,485	21,091	21,091
Ballymoneen Road,(Phase 2), Galway City					
Local authority	663	—	—	663	663
Department	17,443	—	432	17,875	17,443
	18,106	—	432	18,538	18,106

		Cumulative expenditure to 31 December 2021 €000	Expenditure in 2022 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2022 €000	Expected total spend lifetime of project 2021 €000
Garraí Beag, Monivea Road, Ballybaan More, Galway City						
	Local authority	327	—	—	327	327
	Department	4,611	1,182	8,030	13,823	13,823
		4,938	1,182	8,030	14,150	14,150
St. Aiden's, Brookfield, Tallaght						
	Local authority	4,276	—	—	4,276	4,276
	Department	14,949	3	594	15,546	15,546
		19,225	3	594	19,822	19,822
St. Cuthbert's, Clondalkin (Phase 1) South Dublin						
	Local authority	2,988	—	—	2,988	2,988
	Department	8,405	70	747	9,222	9,222
		11,393	70	747	12,210	12,210
Ballyboden, Rathfarnham						
	Local authority	2,303	—	—	2,303	2,303
	Department	9,791	2	735	10,528	10,528
		12,094	2	735	12,831	12,831
Riversdale, Clondalkin, Dublin 22						
	Local authority	539	648	—	1,187	539
	Department	2,378	4,369	4,923	11,670	12,318
		2,917	5,017	4,923	12,857	12,857
St. Marks Avenue, Clondalkin, Dublin 22						
	Local authority	299	1,073	—	1,372	299
	Department	716	5,197	3,334	9,247	10,320
		1,015	6,270	3,334	10,619	10,619

		Cumulative expenditure to 31 December 2021 €000	Expenditure in 2022 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2022 €000	Expected total spend lifetime of project 2021 €000
Nangor Road, Clondalkin, Dublin 22						
	Local authority	663	332	—	995	663
	Department	1,460	7,412	19,417	28,289	28,621
		2,123	7,744	19,417	29,284	29,284
Balgaddy F, Griffeen Avenue, Lucan, Dublin						
	Local authority	102	—	—	102	—
	Department	119	339	26,449	26,907	—
		221	339	26,449	27,009	—
Ashtown Lane, Wicklow Town, Wicklow						
	Local authority	660	560	—	1,220	660
	Department	10,560	741	507	11,808	12,368
		11,220	1,301	507	13,028	13,028
<i>Department funded</i>						
Tullogh Road, Carlow		13,266	27	—	13,293	13,282
Cluain Greine Ennis, Clare		—	17,110	168	17,278	18,535
Church Road, Cork City		11,851	—	139	11,990	11,990
Deanrock, Togher Cork City		16,286	—	943	17,229	17,229
Denroche's Cross, Glasheen Road, Cork City		—	6,819	8,011	14,830	14,185
Former Bolands Mill, Old Mallow Road, Cork City		2,800	10,103	4,994	17,897	17,437
Watercourse Road, Blackpool, Cork, Cork City		3,356	6,113	2,178	11,647	11,647
Church Road, Black Rock, Cork City		—	2,043	9,210	11,253	—
Wolsey Court, Blackpool, Cork City		—	—	15,914	15,914	15,773
Clarendon Brooks, Carrs Hill, Douglas, Cork		12,910	243	121	13,274	13,274
Hazelbrook, Ballyviniter, Mallow, Cork		13,194	3,072	258	16,524	16,524
Kilmoney, Carrigaline, Cork		1,761	8,520	7,326	17,607	17,607
Convent Road, Carndonagh, Donegal		—	—	11,720	11,720	11,720

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
Admiran, Stranorlar, Donegal	—	—	10,588	10,588	10,588
Bonham Street, Dublin 8	19,056	693	1,303	21,052	21,052
Cherry Orchard, Ballyfermot/Woodbank/Rathvilly, Dublin 10	16,728	—	3,145	19,873	19,873
Springvale, Chapelizod, Dublin 8	25,561	843	2,860	29,264	29,264
O'Devaney Gardens - Mixed Tenure Development, Dublin 7	—	—	129,090	129,090	—
Shanganagh Castle, Dun Laoghaire-Rathdown	2,895	3,527	70,698	77,120	—
Ballymastone, Donabate, Finglas	—	—	70,585	70,585	70,585
Garraí Caol (Coast Road Site) Dublin Road, Galway City	1,000	6,158	6,758	13,916	14,266
Radharc na Gréine, (Glasshouse site), Monivea Road (Phase 1), Galway City	19,084	—	—	19,084	19,084
Cullairbaun, Athenry	—	8,752	10,218	18,970	17,915
Fána Bhuí, Tuam, Galway	6,835	3,927	281	11,043	10,565
Kylebroughlan, Moycullen, Galway	13,229	—	100	13,329	13,329
Tullahill, Loughrea, Galway	16,924	20	—	16,944	16,944
Lohercannon, Tralee, Kerry	9,327	5,697	590	15,614	15,614
Newtown, Ardclough Rd, Celbridge, Kildare	—	20,588	153	20,741	18,190
Hebron Road, Kilkenny	802	15,284	127	16,213	16,213
Old Christians site, Rathbane, Limerick	10,580	384	380	11,344	11,344
Gort Buí, Ballymakenny Road, Drogheda, Louth	14,009	95	213	14,317	14,252
Boice Court (Phase 2), Drogheda, Louth	—	3,861	23,277	27,138	—
Mount Avenue, Dundalk, Louth	80	1,237	32,336	33,653	—
Wadman Park, Haynestown, Dundalk, Louth	17,329	—	88	17,417	17,417
Ard an Radhairc, Carrickmacross, Monaghan	2,257	8,164	148	10,569	—
Rehins Fort, Foxford Road, Ballina, Mayo	1,624	5,352	4,591	11,567	11,567

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
Golf Course Road, Westport, Mayo	380	71	14,475	14,926	—
Gort na Glaise, Farganstown, Navan, Meath	4,325	306	26,981	31,612	—
Castle Street, Ashbourne, Meath	2,535	289	23,366	26,190	—
Lagore, Dunshaughlin, Meath	1,175	2,712	7,078	10,965	—
Raheen, Clara, Offaly	545	1,481	13,167	15,193	—
Ursuline Convent, Sligo	—	2,139	19,601	21,740	20,646
Ballygunner, Waterford City	3,057	2,319	13,974	19,350	—
Mount William, Williamstown, Waterford	13,546	—	163	13,709	13,709
Clonhasten, Enniscorthy, Wexford	—	—	11,255	11,255	11,255
Kilbride Lane, Bray, Wicklow	17,079	—	263	17,342	17,342
Three Trouts, Greystones, Wicklow	3,692	2,076	11,894	17,662	—
Merrymeeting View, Rathnew, Wicklow	11,468	—	349	11,817	11,817
Total	621,860	228,090	708,221	1,558,171	1,070,482

Capital Assistance Scheme

Jointly funded ^a

25-26 Ushers Island, Ushers Quay, Dublin 8

Local authority	265	—	—	265	529
Department	4,438	6,334	23,003	33,775	33,511
	4,703	6,334	23,003	34,040	34,040

St. Michael's Estate, Inchicore, Dublin 8

Local authority	167	—	—	167	—
Department	224	1,140	20,532	21,896	—
	391	1,140	20,532	22,063	—

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
<i>Department funded</i>	€000	€000	€000	€000	€000
Block 70, The Plaza, Parkwest, Dublin 12	—	13,986	213	14,199	14,199
Ellis Court, Benburb Street, Dublin 7	4,509	5,095	1,367	10,971	—
Aldborough Manor, Hawkins Wood, Greystones, Wicklow	—	36,980	571	37,551	—
Total	9,603	63,535	45,686	118,824	48,239

Regeneration*Jointly funded^a*

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

Department funded

St. Teresa's Gardens, Dublin	22,104	—	875	22,979	22,979
Cork Regeneration (Phase 2A), Knocknaheeny, Cork City	11,417	—	436	11,853	11,853
Cork Regeneration (Phase 2B), Knocknaheeny, Cork City	2,124	685	12,309	15,118	—
Cork Regeneration (Phase 1C), Knocknaheeny, Cork City	1,106	463	14,572	16,141	—
Lord Edward Street, Limerick ^b	19,258	—	330	19,588	19,588
Southill Area Centre, Limerick	12,775	18	33	12,826	12,826
Cosgrave Park/ Dalgaish Park, Limerick	1,421	3,865	17,240	22,526	22,526
Southill Area Centre- Phase 2, Limerick	401	3,455	8,846	12,702	12,702
Total	94,706	8,486	56,388	159,580	128,321

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
Infrastructure					
South Docks, Cork City	7,019	204	4,407	11,630	11,790
Dodder Bridge, Dublin City	638	—	11,172	11,810	11,810
Cherrywood, Dun Laoghaire-Rathdown	3,616	54	7,720	11,390	11,660
Maynooth, Kildare	890	74	12,101	13,065	11,030
Adamstown, South Dublin	9,799	5,549	652	16,000	15,175
Total	21,962	5,881	36,052	63,895	61,465
Urban renewal/regeneration					
Tallaght Town Centre, South Dublin	537	2,088	7,711	10,336	—
Total	537	2,088	7,711	10,336	—

Note ^a Some projects are funded jointly by the Department and by certain local authority's 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 2021.

O'Devaney Gardens (Phase 1A) Dublin City

Increase in expected total spend: €7.061 million

The increase in the cost of this scheme relates to revised post contract approval issued in 2022 due to materials inflation and increased finance costs.

Cluain Greine Ennis, Clare

Decrease in expected total spend: €1.257 million

Original budget included Part Vs. Units reduced from 61 to 55 and revised budget issued removing Part V element.

Denroche's Cross, Glasheen Road, Cork City

Increase in expected total spend: €645,000

Project costs increased as revised Stage 4 approval granted due to increase in construction costs.

Cullairbaun, Athenry

Increase in expected total spend: €1.055 million

Construction cost inflation gave rise to the submission of a revised Stage 1-4 submission with an increase of approx. €1 million across the 58-unit scheme. This was approved May 2022 and 2 payments were made in 2022.

Newtown, Ardclough Rd, Celbridge, Kildare

Increase in expected total spend: €2.551 million

An additional six units were added to the contract under a Part V agreement costing €1,516,656. Also, the developer requested a revision of the construction costs to address material and labour price inflation since the original turnkey price was agreed and this was approved amounting to an addition €1,034,345 on the delivery costs.

Ursuline Convent, Sligo

Increase in expected total spend: €1.094 million

Revised increased budget approval issued on 1 Jun 2022.

Maynooth, Co. Kildare

Increase in expected total spend: €2.035 million

Since it was initially approved in 2017 the project has been subject to a process of detailed design, planning and site investigations. On foot of this the estimated cost of the project has increased. This increase arises both from the scale of the works required and also due to inflationary factors over the period.

Adamstown, South Dublin

Increase in expected total spend: €825,000

Under the OGP's Covid-19 co-operation and inflation/supply chain co-operation frameworks local authorities can claim additional costs associated with the delivery of their LIHAF projects caused by these extraordinary items. This necessitated an upwards adjustment of the individual project budgets to accommodate the additional approved expenditure.

e) Unitary payments of public private partnership projects

The Department has committed to the development of a Social Housing PPP Programme. 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, maintains and operates 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 construction and lifecycle costs for 25 years under the contract, including

- initial construction cost of the units
- maintenance costs
- operating costs
- lifecycle cost
- tenancy management
- financing costs
- service provision, which includes building and asset management, void management, tenant helpdesk services etc.

The figures also include forecast inflation for the full 25 year contract period. The payments comprise two elements, a fixed-cost element and a variable (indexed) element, which changes in line with inflation.

The only way of directly comparing different models of social housing delivery is by looking at the overall costs incurred. Guidelines from the Department of Public Expenditure, National Development Plan Delivery and Reform (DPENDPDR) on the use of PPPs, requires a comprehensive value for money process to confirm that a PPP project provides value for money (VFM) to the State.

There are four VFM tests performed by the National Development Finance Agency for the social housing PPPs as follows:

1. A preliminary appraisal of a programme.
2. The preparation of the comprehensive Public Sector Benchmark (PSB) which represents the full estimated life costs of procuring the project using traditional public sector procurement methods.
3. Comparison of the cost of the highest-rated tender to the PSB.
4. Updates the third VFM test with any changes that may have occurred during the Preferred Tender stage in order to confirm that the winning bid compares favourably to the PSB and represents VFM.

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 was engaged as lead local authority and contracting authority for Bundle 2.

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Legally enforceable commitments to be met in subsequent years	Project total 2022 ^b	Project total 2021
	€000	€000	€000	€000	€000
Bundle 1 ^a	26,200	10,571	308,076	344,847	339,726
Bundle 2 ^a	2,360	26,827	265,080	294,267	292,211
Total	28,560	37,398	573,156	639,114	631,937

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

^b The increase in the project totals in 2022 are due to higher than projected inflation in 2022. 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 2022 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	2022	2021
	€000	€000
Estimate of matured liabilities not discharged at year end	45	72

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.

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 (excl. inflation) on Exchequer funds over a fifteen year period. The Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Act 2022 was enacted on 23 July 2022, but has not yet been commenced. The related regulations once finalised will allow the enhanced grant scheme to commence in 2023.

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	93,851	91,782	79,557
ii	Travel and subsistence	2,033	1,989	978
iii	Training and development and incidental expenses	2,809	2,414	2,124
iv	Postal and telecommunications services	1,439	1,356	1,296
v	Office equipment and external IT services	20,814	14,814	14,236
vi	Office premises expenses	8,116	2,877	2,542
vii	Consultancy services and value for money and policy reviews	127	62	—
viii	Research (statistics and economics)	200	—	72
ix	Protected disclosures (investigation services)	81	3	38
x	Recruitment and HR operations	332	305	265
xi	Statistical data analytical unit	596	40	—
xii	Geographical information system	200	524	—
		130,598	116,166	101,108

Significant variations

The following outlines the reasons for significant variations (+/- 25% and €100,000).

v Office equipment and external IT services

Estimate provision €20.814 million; outturn €14.814 million

The expenditure was €6 million lower than the estimate provision due a number of factors including global supply chain issues that resulted in hardware delivery delays for projects including the Oracle upgrade project. Delays were also experienced in the progression of a number of Met Éireann projects and the rollout of a planned 3 - 4 month forecaster training course for ten meteorologists being postponed due to recruitment issues.

vi Office premises expenses

Estimate provision €8.116 million; outturn €2.877 million

The expenditure was €5.239 million lower than the estimate provision largely due to works not progressing as expected in 2022 for the Custom House regeneration plan, due to factors outside the Department's control.

viii Research (statistics and economics)

Estimate provision €200,000; outturn €nil

No expenditure was incurred during 2022, largely due to delays in the procurement of market survey services to a research project focused on social housing household-level outcomes, which arose because of a lack of industry capacity (three tender processes were required to secure a market survey firm). The contract for market survey services was signed in November 2022.

xi Statistical data analytical unit

Estimate provision €596,000; outturn €39,790

The expenditure was €556,210 lower than the estimate provision due to a reallocation of €396,000 to subhead xii Geographical information system for administrative purposes. The residual underspend was €160,210, which was due to a delay in procurement for the metadata register project.

xii Geographical information system

Estimate provision €200,000; outturn €524,093

As noted above €396,000 of the estimate provision for the Geographical information system originally included under subhead xi was reallocated to this subhead for administrative purposes resulting in a revised increased provision of €596,000 of which €524,093 was spent.

Programme A Housing

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
			Outturn	Outturn
			€000	€000
A.1	Administration – pay		21,375	17,244
A.2	Administration – non pay		5,192	2,320
A.3	Local authority housing			
	<i>Original</i>	1,237,894		
	<i>Deferred surrender</i>	247,300		
	<i>Supplementary</i>	<u>(237,000)</u>		
		1,248,194	1,088,785	960,676
A.4	Social housing current expenditure programme	344,650	368,786	271,900
A.5	Rental accommodation scheme	133,000	113,910	121,995
A.6	Housing assistance payment scheme	584,650	538,961	541,693
A.7	Capital assistance scheme			
	<i>Original</i>	96,000		
	<i>Supplementary</i>	<u>72,000</u>		
		168,000	167,982	93,047
A.8	Capital loans and subsidy scheme	54,500	62,728	53,880
A.9	Communal facilities	500	79	122
A.10	Mortgage to rent	23,000	7,602	13,988
A.11	Capital advance leasing facility	293,905	207,560	220,350
A.12	Traveller accommodation and support	24,510	26,920	21,301
A.13	Accommodation for homeless	193,850	242,450	223,500
A.14	Housing for people with a disability and older people	2,741	1,190	838
A.15	Estate regeneration and refurbishment	50,000	37,547	43,779
A.16	Energy efficiency – retrofitting	85,000	64,142	25,284
A.17	Repair and leasing scheme	12,000	9,949	4,276
A.18	Private housing grants	65,000	66,334	53,990
A.19	Mortgage allowances	500	397	471
A.20	Affordable housing/shared ownership subsidy	3,000	1,457	1,855
A.21	LIHAF	32,000	17,028	19,903
A.22	Pyrite and mica remediation – cash limited	60,000	28,753	19,050

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.23	Housing and Sustainable Communities Agency			
	Original	11,594		
	Supplementary	125,000		
			136,594	135,294
A.24	Residential Tenancies Board		11,018	11,138
A.25	Rental accommodation inspection		10,130	6,878
A.26	Approved Housing Bodies Regularity Authority		2,484	2,189
A.27	Planned maintenance/voids		30,000	28,945
A.28	Cost rental equity loan		70,000	50,874
A.29	Commission on Housing		716	259
A.30	DPGS/improvements/remedials		25,000	18,266
A.31	First Home Scheme		44,000	40,000
A.32	Affordable Housing Fund		60,000	8,839
A.33	Croí Cónaithe (Cities) Fund		50,000	1,473
A.34	Other services		5,604	4,640
		3,851,113	3,386,529	2,782,675

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 €504.584 million lower than originally provided. There was an underspend of €1.393 million 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 €503.191 million, was mainly due to the following.

A.3 Local authority housing

Estimate provision €1.485 billion; outturn €1.089 billion

The subhead includes deferred surrender of €247.3 million carried forward from 2021. The expenditure was €396.409 million lower than the estimate provision primarily due to challenges in the delivery of new homes caused by increased energy prices, increased construction costs and material supply chain disruption. €237 million of this underspend was transferred to other programmes via supplementary estimate including €125 million to A.23 to establish a Land Acquisition Fund. €60 million of this underspend was carried forward to 2023 as deferred surrender. As in previous years, an amount of local authority housing was also supported via the LPT to the value of €45.3 million in 2022.

A.4 Social housing current expenditure programme

Estimate provision €344.65 million; outturn €368.786 million

The increase in expenditure of €24.136 million relative to the estimate provision was due to an increase in the volume of delivery under the leasing programme and an increase in the number of claims submitted for recoupment in 2022.

A.5 Rental accommodation scheme

Estimate provision €133 million; outturn €113.91 million

The expenditure was €19.09 million lower than the estimate provision mainly due to a change in recoupment procedure in respect of the amount of differential rent collected which resulted in a reduction of net rental expenditure under the scheme. Other factors include a higher than expected number of households leaving RAS in 2022, the effects of the introduction of a cap in rental increases (due as part of rental legislation introduced in 2021), and a saving from a provision for an administrative fee, the sanction process for which did not conclude in 2022, all of which contributed to the less than anticipated spend in 2022.

A.6 Housing assistance payment scheme

Estimate provision €584.65 million; outturn €538.961 million

The expenditure was €45.689 million lower than the estimate provision mainly due to rental costs for supporting HAP tenancies being lower than anticipated, largely due to fewer tenancy set-ups in 2022. Claims submitted by the HAP Shared Services Centre for costs associated with additional financial supports to assist homeless households in finding HAP tenancies, were also below what was expected.

A.7 Capital assistance scheme

Estimate provision €96 million; outturn €167.982 million

The subhead includes a supplementary estimate of €72 million of which additional expenditure of €71.982 million was used to deliver 200 units of accommodation over the target of 400 units set for 2022. Similar to previous years, LPT funding was used to fund additional scheme expenditure. The value in 2022 was €12.73 million.

A.8 Capital loans and subsidy scheme

Estimate provision €54.5 million; outturn €62.728 million

The expenditure was €8.228 million higher than the estimate provision mainly due a reallocation of €8 million of the application of LPT self-funding to the four Dublin local authorities. As in previous years, funding for the scheme is provided through the Exchequer and the LPT. While the cost of the scheme has not increased in 2022, additional vote funding was required from the Exchequer to cover reallocated LPT funding.

A.9 Communal facilities

Estimate provision €500,000; outturn €78,770

Communal facility projects provide additional facilities to complement CAS construction projects. The expenditure was €421,230 lower than the estimate provision due to a lower number of requests for funding for communal facility projects, which are demand led.

A.10 Mortgage to rent

Estimate provision €23 million; outturn €7.602 million

Expenditure was €15.398 million lower than the estimate provision mainly due to a considerable reduction in the number of local authority mortgage to rent cases, which significantly impacted associated spend. Mortgage to rent is a demand led scheme and case completion rates are dependent on the level of borrower engagement that can be achieved by lenders. Similar to previous years, LPT funding was used to fund additional scheme expenditure. The value in 2022 was €1.05 million. €10 million of this underspend was carried forward to 2023 as deferred surrender.

A.11 Capital advance leasing facility

Estimate provision €293.905 million; outturn €207.56 million

The expenditure was €86.345 million lower than the estimate provision due to a number of factors that impeded the delivery of the scheme including; increased energy prices, increasing construction costs, material supply chain disruption, and lack of skilled labour. Similar to previous years, LPT funding was used to fund additional scheme expenditure. The value in 2022 was €16.02 million. €85 million of this underspend was carried forward to 2023 as deferred surrender.

A.12 Traveller accommodation and support

Estimate provision €24.51 million; outturn €26.92 million

The increase in expenditure of €2.41 million relative to the estimate provision was due to a significant increase in local authority activity in 2022. The additional activity related to an increase in traveller specific group housing, acquisitions and loans for caravans. There was also a high level of claims relating to the refurbishment and provision of halting site bays. Similar to previous years, LPT funding was used to fund additional scheme expenditure. The value in 2022 was €669,689.

A.13 Accommodation for homeless

Estimate provision €193.85 million; outturn €242.45 million

Emergency accommodation and related services to support those homeless are a critical service provision. The additional expenditure of €48.6 million over the initial provision reflects the unpredictability and the demand led nature of homeless services. In 2022 inflationary pressures, the sharp increases in homeless presentations, as well as the significant increases in the cost of providing unscheduled accommodation and the cold weather response contributed to high levels of expenditure.

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

Estimate provision €2.741 million; outturn €1.19 million

The expenditure was €1.551 million lower than the estimate provision mainly due to claims in respect of the Tenancy Sustainment expenditure being lower than expected. Other factors include funding not drawn down due to project delays and a delay in the introduction of a housing grant scheme for older people to allow them to remain living in their own homes. €1 million of this underspend was carried forward to 2023 as deferred surrender.

A.15 Estate regeneration and refurbishment

Estimate provision €50 million; outturn €37.547 million

The expenditure was €12.453 million lower than the estimate provision mainly due to fewer claims being received than local authorities had initially indicated for 2022. This was due in part to increased energy prices, increasing construction costs and material supply chain disruption. These challenges added to projected timelines for various stages of projects.

A.16 Energy efficiency - retrofitting

Estimate provision €85 million; outturn €64.142 million

The expenditure was €20.858 million lower than the estimate provision mainly due to delays experienced by local authorities due to the continued impact of Covid-19, the setting up of the new ten year programme and managing resources and training.

A.17 Repair and leasing scheme

Estimate provision €12 million; outturn €9.949 million

The expenditure was €2.051 million lower than the estimate provision due to an underspend by vacant homes and repair and leasing schemes capital expenditure being less than expected. €1 million of this underspend was carried forward to 2023 as deferred surrender.

A.19 Mortgage allowance

Estimate provision €500,000; outturn €397,209

The expenditure was €102,791 lower than the estimate provision despite a nominal increase in the number of claims received in 2022. The underspend was due to a combination of applicants receiving lower subsidies as they progress through their five year payment period, and the slowdown in new applications received due to increased property prices and reduced income.

A.20 Affordable housing/shared ownership subsidy

Estimate provision €3 million; outturn €1.457 million

The underspend of €1.543 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 2022 applicants, who were originally approved under the schemes, fell outside the qualifying income bands for the schemes, leaving expenditure lower than anticipated.

A.21 LIHAF

Estimate provision €32 million; outturn €17.028 million

Local Infrastructure Housing Activation Fund (LIHAF) expenditure was €14.972 million lower than the estimate provision due to project delays as a result of procurement issues and legal challenges in the planning system. One project was delayed as it is to be delivered as part of the BusConnects project. In addition, three projects were cancelled by local authorities during the year. €10 million of this underspend was carried forward to 2023 as deferred surrender.

A.22 Pyrite and mica remediation — cash limited

Estimate provision €60 million; outturn €28.753 million

The full €20 million allocated to the Pyrite Remediation Scheme in 2022 was drawn down, but the Defective Concrete Block Scheme expenditure was €31.247 million lower than the estimate provision due to the considerable time lag between grant approval and the drawdown of funding. The main factors affecting drawdown include; remediation options carried out, the type of works (which can vary between 2 and 15 months) and delays by homeowners in starting work after receipt of approval. €31 million of this underspend was carried forward to 2023 as deferred surrender.

A.23 Housing and Sustainable Communities Agency

Estimate provision €11.594 million; outturn €135.294 million

The subhead includes a supplementary estimate of €125 million to establish a Land Acquisition Fund. The fund was established to facilitate the purchase of land on behalf of local authorities, to ensure that the necessary land banks are available to meet delivery targets. €125 million was transferred to the Housing Agency in December 2022 to establish the fund.

A.25 Rental accommodation inspection

Estimate provision €10.13 million; outturn €6.878 million

The expenditure was €3.252 million lower than the estimate provision due to some local authorities not reaching their inspection targets because of staff being redeployed to assess Ukrainian refugee accommodation and difficulties recruiting and retaining staff. The Department's subvention to local authorities, in respect of the enforcement of the Standards for Rented Houses Regulations, is based on the level of inspection activity, which fell considerably during lockdown.

A.26 Approved Housing Bodies Regulatory Authority

Estimate provision €2.484 million; outturn €2.189 million

The expenditure was €295,000 lower than the estimate provision as legal fees and further professional fees were less than expected as no investigations or appeals took place in 2022. Additional underspend arose due to delays in the implementation of the registration process along with unsuccessful recruitment campaigns.

A.28 Cost rental equity loan

Estimate provision €70 million; outturn €50.874 million

The underspend of €19.127 million was mainly due to delays in the delivery of some homes originally projected under the Cost rental equity loan scheme for delivery in 2022, slipping into early 2023. This was mainly due to planning and construction related delays. €10 million of this underspend was carried forward to 2023 as deferred surrender.

A.29 Commission on Housing

Estimate provision €716,000; outturn €258,785

The expenditure was €457,215 lower than the estimate provision due to some elements of the Commission's work programme expected to occur before end Q4 2022 now taking place during Q1 and Q2 2023. These include the administration and operational costs of the Commission's activity, the procurement of discrete research to advance the Commission's work programme and the payment of Commission member's fees.

A.30 DPGS/improvements/remedials

Estimate provision €25 million; outturn €18.266 million

The expenditure was €6.734 million lower than the estimate provision due to a reduced number of claims submitted to the Department by local authorities under the Disabled Person Grants Scheme (DPGS).

A.31 First Home Scheme

Estimate provision €44 million; outturn €40 million

The First Home Scheme Ireland DAC drew down €40 million from the Minister in fulfilment of his commitments as part of the joint venture. It is envisaged that the next call on the Minister (and other shareholders) to contribute funds will be in Q1 or Q2 2023. The underspend of €4 million was carried forward to 2023 as deferred surrender.

A.32 Affordable Housing Fund

Estimate provision €60 million; outturn €8.839 million

The underspend of €51.161 million was mainly due to fewer local authorities than anticipated submitting Affordable Housing Fund claims in 2022. The nature of these projects is that the significant portion of expenditure arises when projects are well into construction. Projects in design, planning, tender or early construction phases do not incur expenditure to the same level but will increase significantly as these projects progress through construction. €48 million of this underspend was carried forward to 2023 as deferred surrender.

A.33 CROÍ Cónaithe (Cities) Fund

Estimate provision €50 million; outturn €1.473 million

The underspend of €48.527 million was due to conditions applicable under the new Croí Cónaithe (Cities) scheme introduced in 2022. Under the scheme, a subsidy will be paid out after an apartment is sold, with apartment construction taking two years to complete, no subsidies were paid out in 2022. €45 million of this underspend was carried forward to 2023 as deferred surrender.

A.34 Other services

Estimate provision €5.604 million; outturn €4.64 million

The underspend of €964,142 was due to a number of factors including external project management costs, associated with the delivery of the initial large scale Cost rental projects by local authorities and other project costs, not arising as projected. Separately, the legislation providing for a statutory registration body for builders to be put in place required additional time. It was enacted in July 2022 with the statutory body appointed in January 2023. Substantial expenditure in this area did not therefore arise in 2022.

Programme B Water

		2022		2021
		Estimate provision		Outturn
		€000	€000	€000
B.1	Administration – pay		3,295	6,571
B.2	Administration – non pay		799	647
B.3	Water quality programme		25,252	20,646
B.4	Rural water programme		62,650	54,520
B.5	Irish Water			
	<i>Original</i>	1,459,200		
	<i>Supplementary</i>	1,000		
		1,460,200	1,415,040	1,276,059
B.6	Local authorities		13,600	12,771
B.7	Legacy water environmental issues		8,000	287
B.8	Marine environment		3,200	1,688
B.9	Water Advisory Body		320	47
B.10	Other services		34	—
		1,577,350	1,512,217	1,371,624

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 €64.133 million lower than originally provided. There was an overspend of €3.124 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 €67.257 million, was mainly due to the following.

B.3 Water quality programme

Estimate provision €25.252 million; outturn €20.646 million

The expenditure was €4.606 million lower than the estimate provision due to the delay in the finalisation of the river basin management plan which resulted in delays in the start of various work programmes, events and activities. Also funding in regard to the EU INTERREG V (environmental measures) programme is multiannual, with the amount required in any given year being dependent on the amount drawn down in the previous year. In 2022 the drawdown by projects was slower than projected. €1.8 million of this underspend was carried forward to 2023 as deferred surrender.

B.4 Rural water programme

Estimate provision €62.65 million; outturn €54.52 million

The expenditure was €8.13 million lower than the estimate provision due mainly to €5 million for the new Waste Water Collection and Treatment Needs for Villages and Settlements without access to Public Waste Water Services not being spent due to the application for funding process being ongoing. In addition, planning and completion of projects were delayed due to previous Covid-19 restrictions along with reduced availability of local authority staff resources. €4 million of this underspend was carried forward to 2023 as deferred surrender.

B.6 Local authorities

Estimate provision €13.6 million; outturn €12.771 million

The expenditure was €828,965 lower than the estimate provision mainly due to a lower than anticipated recoupment of expenditure by local authorities on the operation of the Water Services Transition Office. In addition, expenditure on the transfer of water services' asset to Uisce Éireann^a was less than expected along with lower than anticipated recoupment of legacy water services loans held by local authorities.

B.7 Legacy water environmental issues

Estimate provision €8 million; outturn €286,527

The expenditure was €7.713 million lower than the estimate provision mainly due to an underspend on developer provided infrastructure projects, as a result of the time required for the projects to reach completion.

B.8 Marine environment

Estimate provision €3.2 million; outturn €1.688 million

The expenditure was €1.512 million lower than the estimate provision due to a reduced funding drawdown by external agencies because of a delay in commencing some elements of support work.

B.9 Water Advisory Body

Estimate provision €320,000; outturn €46,675

The expenditure was €273,325 lower than the estimate provision as the work of the Water Advisory Board (WAB) is demand led and difficult to predict. In December 2022 the Water Services (Amendment) Act gave rise to the dissolution of the WAB, as a result PR research and a planned survey could not proceed. In addition, due to Covid-19 restrictions, several WAB meetings were held online in 2022 and so lower meeting costs have been incurred and less travel and subsistence has been paid.

Note ^a Irish Water is known as Uisce Éireann with effect from 31 December 2022.

Programme C Local Government

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay		9,663	10,315
C.2	Administration – non pay		2,345	1,471
C.3	Local Government Fund			
	<i>Original</i>	224,800		
	<i>Supplementary</i>	156,401		
			381,201	387,501
C.4	Fire and emergency services		19,315	23,716
C.5	Franchise		4,694	2,084
C.6	Valuation Tribunal		2,137	1,148
C.7	Other services		5,841	1,323
			425,196	427,558
				720,217

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 €158.763 million higher than originally provided. There was an underspend of €221,875, 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 €158.985 million, was mainly due to the following.

C.3 Local Government Fund

Estimate provision €224.8 million; outturn €387.501 million

The increase in expenditure of €162.701 million was mainly due to the need for additional supports in a number of areas within the sector and include funding towards Covid-19 Rates Waiver Q1, Supplementary Support for local authorities for rising energy costs, impact of 2022 pay agreements on local authorities and Global Appeals Refund.

C.4 Fire and emergency services

Estimate provision €19.315 million; outturn €23.716 million

Expenditure was €4.401 million above the estimate provision due mainly to the easing of Covid-19 restrictions and the knock on effect which saw the recommencement of several fire service infrastructure construction projects (station builds/ refurbishments). In some instances, supply chain issues that had affected the purchase of essential specialist fire appliances and equipment also eased more quickly than anticipated and during the year additional opportunities for the purchase of specialist equipment and vehicles became apparent to local authorities.

C.5 Franchise

Estimate provision €4.694 million; outturn €2.084 million

The expenditure was €2.61 million lower than the estimate provision largely due to delays in the procurement process for the Voter.ie project to upgrade it to a national system; slower than anticipated progress on data quality work for the electoral registration modernisation project; and An Coimisiún Toghcháin being established in early 2023 rather than 2022.

C.6 Valuation Tribunal

Estimate provision €2.137 million; outturn €1.148 million

The expenditure was €989,033 lower than the estimate provision due to a number of factors which include hearings being held remotely by the Tribunal since the Covid-19 emergence, the upgrade of the Valuation Tribunal database being delayed, and a delay in increasing staff complement.

C.7 Other services

Estimate provision €5.841 million; outturn €1.323 million

The expenditure was €4.518 million lower than the estimate provision mainly due to the election of the Mayor of Limerick not taking place as predicted in 2022. In addition €426,000 of expenditure was not required to be recouped in regard to malicious injuries, which is demand led and difficult to predict.

Programme D Planning

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration – pay	7,468	5,522	4,097
D.2	Administration – non pay	1,813	1,099	767
D.3	An Bord Pleanála	22,166	22,166	17,127
D.4	Planning Tribunal	1,650	1,364	657
D.5	Office of the Planning Regulator	3,760	3,588	2,992
D.6	Planning policy	2,320	603	715
D.7	National, regional and urban planning	1,185	2,011	163
D.8	My plan	285	263	152
D.9	Urban renewal/regeneration			
	Original	134,010		
	Deferred surrender	25,000		
	Supplementary	(105,000)		
		54,010	45,156	40,898
D.10	Development contribution rebate scheme	1	—	—
D.11	Ordnance Survey Ireland	19,578	19,578	18,625
D.12	Land Development Agency	7,100	534	16,600
D.13	Foreshore	4,100	687	765
D.14	Marine spatial planning	1,800	733	783
D.15	Environmental planning policy	350	123	36
D.16	Maritime area regulatory authority	2,000	471	—
D.17	Other services			
	Original	15,610		
	Supplementary	(12,400)		
		3,210	2,813	5,477
		132,796	106,711	109,854

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 €143.485 million lower than originally provided. There was an underspend of €2.66 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €140.825 million, was mainly due to the following.

D.4 Planning Tribunal

Estimate provision €1.65 million; outturn €1.364 million

The expenditure was €286,299 lower than the estimate provision as it is dependent on the submission of third party claims that are difficult to predict.

D.6 Planning policy

Estimate provision €2.32 million; outturn €603,206

The expenditure of €1.717 million was lower than anticipated mainly due to a €1 million over estimation. In addition, there was an underspend of €717,000 due to slower than expected invoicing for ePlanning and lower than anticipated activity on renewable policy measures. The over estimation will be rectified during the 2023 estimate process.

D.7 National regional and urban planning

Estimate provision €1.185 million; outturn €2.011 million

The expenditure of €825,821 higher than anticipated mainly due to an under estimation. The under estimation will be rectified during the 2023 estimate process.

D.9 Urban renewal/regeneration

Estimate provision €159.101 million; outturn €45.156 million

The subhead includes deferred surrender of €25 million carried forward from 2021. The expenditure was €113.945 million lower than the estimate provision due to slower progress on large scale projects, approved under call 1. Expenditure in 2022 was mainly in respect to smaller scale regional call 1 projects. Projects under call 2 remained at the early stages of development. €105 million of this underspend was transferred to other programmes via supplementary estimate.

D.12 Land Development Agency

Estimate provision €7.1 million; outturn €534,691

The expenditure was €6.565 million lower than the estimate provision. Exchequer funding for the Land Development Agency (LDA) covers specific non-economic functions detailed under S.29 of the LDA Act. The capital expenditure incurred in 2022 for non-economic functions was lower than expected. €5 million of this underspend was carried forward to 2023 as deferred surrender.

D.13 Foreshore

Estimate provision €4.1 million; outturn €687,333

The expenditure was €3.413 million lower than the estimate provision due to a number of factors including spend on legal fees and valuations being less than estimated and anticipated legal case settlements not materialising during the year. In addition, the provision included contingency to cover unexpected events on the foreshore requiring urgent attention. Such events did not arise.

D.14 Marine spatial planning

Estimate provision €1.8 million; outturn €732,888

The expenditure was €1.067 million lower than the estimate provision due to delays in further development of Marineplan.ie and the marine planning policy statement. In addition a pilot DMAP project expected to be carried out on seagrass is no longer going ahead as seagrass will now be protected under the Marine Protected Areas legislation when enacted.

D.15 Environmental planning policy

Estimate provision €350,000; outturn €123,299

The expenditure was €226,701 lower than the estimate provision due to Covid-19 related delays impacting on delivery.

D.16 Maritime area regulatory authority

Estimate provision €2 million; outturn €471,601

The expenditure was €1.529 million lower than the estimate provision due to delays in finalising the lease, fit out and purchase of equipment for MARA's new premises.

D.17 Other services

Estimate provision €15.61 million; outturn €2.813 million

The expenditure was €12.797 million lower than the estimate provision mainly due to delays incurred on the Cork Events Centre project. €12.4 million of this underspend was transferred to other programmes via supplementary estimate.

Programme E Met Éireann

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.1	Administration – pay	15,081	14,871	13,816
E.2	Administration – non pay	17,620	12,074	11,145
E.3	Subs to international meteorological organisations	8,200	8,167	7,729
E.4	Flood forecasting and warning service	2,260	1,006	969
		43,161	36,118	33,659

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 €7.043 million lower than originally provided. There was an underspend of €5.756 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €1.287 million, was mainly due to the following.

E.4 Flood forecasting and warning service

Estimate provision €2.26 million; outturn €1.006 million

The expenditure was €1.254 million lower than the estimate provision due to delays in the progression of projects including flood forecasting database, coastal model review, tide gauge and limited success in recruiting new hydrometeorologists.

Programme F Heritage

			2022	2021
			Estimate provision	Outturn
			€000	€000
F.1	Administration – pay	36,969	32,414	28,836
F.2	Administration – non pay	8,978	6,008	5,470
F.3	Heritage Council (part funded by the National Lottery)	12,061	11,445	9,651
F.4	Built heritage	16,670	15,711	10,396
F.5	National heritage (National Parks and Wildlife Service)	30,112	31,523	25,794
F.6	Irish Heritage Trust	2,100	2,500	2,150
F.7	Built heritage investment scheme	4,000	3,739	2,906
F.8	Peatlands restoration, conservation and management			
	<i>Estimate provision</i>	10,280		
	<i>Deferred surrender</i>	3,500		
		13,780	9,094	9,874
F.9	Waterways Ireland	44,082	44,952	29,918
F.10	Strategic built heritage projects	7,350	2,917	—
F.11	Climate adaptation	200	119	—
F.12	Narrow Water bridge	3,000	2,899	—
F.13	Other service	10	27	—
		179,312	163,348	124,995

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 €15.964 million lower than originally provided. There was an underspend of €7.525 million, which related to administration expenditure and has already been explained, and the balance of the variance, an underspend of €8.439 million, was mainly due to the following.

F.3 Heritage Council (part funded by National Lottery)

Estimate provision €12.061 million; outturn €11.445 million

The expenditure was €616,334 lower than the estimate provision due to some capital projects under Historic Towns Initiative not proceeding to profile.

F.4 Built heritage

Estimate provision €16.67 million; outturn €15.711 million

The expenditure was €958,722 lower than the estimate provision mainly due to some projects progressing slower than anticipated.

F.6 Irish Heritage Trust

Estimate provision €2.1 million; outturn €2.5 million

The expenditure was €400,000 higher than the estimate provision mainly due to the Irish Heritage Trust being granted an additional €400,000 in capital funding for the second phase of an urgent re-render project at Fota House, an Irish Heritage Trust property in Cork.

F.7 Built heritage investment scheme

Estimate provision €4 million; outturn €3.739 million

The expenditure of €261,143 was lower than the estimate provision due to a number of factors, in main project delays owing to the supply of traditional craft skills.

F.8 Peatlands restoration, conservation and management

Estimate provision €13.78 million; outturn €9.094 million

The subhead includes deferred surrender of €3.5 million carried forward from 2021. The expenditure of €4.686 million was lower than the estimate provision due to lower than anticipated level of expenditure on the raised bog designated peatlands restoration and rehabilitation programme and a delay in a complex site acquisition. €4.2 million of this underspend was carried forward to 2023 as deferred surrender.

F.10 Strategic built heritage projects

Estimate provision €7.35 million; outturn €2.917 million

The expenditure of €4.434 million was lower than the estimate provision mainly due to capital works at Moore Street not proceeding in 2022, as originally profiled.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated €000	Realised €000	Realised €000
1	Fees payable by local authorities, etc., for audit of their accounts	1,956	2,120	2,168
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	9,723	10,596
4	Miscellaneous receipts	755	1,295	652
5	Foreshore receipts	2,400	7,682	2,300
6	OSI	430	398	395
7	Receipts from additional superannuation contributions on public service remuneration	35,978	43,368	40,516
8	ERDF receipts INTERREG V environment measures	2,500	2,157	5,502
9	Dormant Accounts Fund – Housing First Implementation	3,000	3,000	3,000
10	ERDF receipts – INTERREG Atlantic Area Programme	120	67	—
11	ERDF receipts – RAGES Project	14	—	—
12	Services and charges at national parks and wildlife sites	465	400	161
13	Rents (incl receipts from lettings of fishing rights etc.)	90	78	45
14	Valuation Tribunal appeal fees	100	61	—
15	Dormant Account Fund - traveller accommodation	540	288	—
Total		61,089	71,378	66,076

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, the appropriation-in-aid were €10.289 million greater than the estimate. Explanations for the variances are set out below.

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

Estimate provision €1.956 million; realised: €2.12 million

The increase of €163,543 was because demands for audit fees are issued on an ongoing basis as audits are completed and income was higher than expected in 2022.

3 Met Éireann receipts

Estimate provision €12 million; realised: €9.723 million

The shortfall of €2.277 million was mainly due to an over estimation of receipts.

4 Miscellaneous receipts

Estimate provision €755,000; realised: €1.295 million

The increase of €539,661 was because miscellaneous receipts are difficult to predict reliably.

5 Foreshore receipts

Estimate provision €2.4 million realised €7.682 million

The increase of €5.282 million was due to an increased number of licences granted for cables in 2022 and where licence holders opted for up-front payments instead of annual rental payments.

7 Receipts from additional superannuation contributions on public service remuneration

Estimate provision €35.978 million; realised €43.368 million

The increase of €7.39 million was mainly attributable to an increased level of recruitment and remuneration in the local authority sector along with some 2021 superannuation contributions being received in 2022.

8 ERDF receipts INTERREG V environment measures

Estimate provision €2.5 million; realised €2.157 million

The shortfall of €343,101 relates directly to drawdown in B.3.4, this can vary based on how much is drawn down in any one year.

15 Dormant Account Fund - traveller accommodation

Estimate provision €540,000; realised €288,072

The shortfall of €251,928 was due to some local authorities being unable to complete their approved Dormant Account projects before year end.

4.2 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	—	—
Refunds under Local Authority Social Housing Investment Programme (SHIP)	80	503
Residential Tenancies Board pension contributions	121	193
Refunds	—	61
Redemption of projects funded under the Voluntary Housing Capital Assistance scheme	310	10
Voluntary surrender of pay	53	53
Transferred to the Exchequer	(564)	(820)
Balance at 31 December	—	—

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end		
Department	1,560	1,366
Ordnance Survey Ireland	213	213
Local Government Management Agency	107	102
An Bord Pleanála	197	180
Residential Tenancies Board	90	89
Housing and Sustainable Communities Agency	133	118
Housing Finance Agency	19	15
Office of the Planning Regulator	28	24
Land Development Agency	70	54
The Heritage Council	25	19
Approved Housing Bodies Regulatory Authority	19	18
Waterways Ireland	340	344
Total	2,801	2,542

5.2 Pay – Department

	2022	2021
	€000	€000
Pay	83,832	71,534
Higher, special or additional duties allowances	481	474
Other allowances	1,831	1,755
Overtime	1,150	1,075
Employer's PRSI	7,562	6,259
Total pay	94,856	81,097

5.2 Pay – Agencies

	2022	2021
	€000	€000
Pay	68,282	59,831
Higher, special or additional duties allowances	86	90
Other allowances	1,699	994
Overtime	1,104	1,008
Employer's PRSI	6,395	5,589
Total pay	77,566	67,512

5.3 Allowances and overtime payments – Department ^a

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances	217	11	40,482	22,002
Other allowances	192	84	36,350	33,745
Overtime	263	24	36,994	32,613
Extra remuneration in more than one category	208	76	45,859	40,805

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	
			2022	2021
			€	€
Higher, special or additional duties allowances	24	—	8,000	17,960
Other allowances	269	40	18,496	15,680
Overtime	254	32	27,000	23,614
Extra remuneration in more than one category	213	88	38,279	13,276

5.4 Department staffing by pay band

The number of Department employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay band		Number of employees	
From (€)	To (€)	2022	2021
20,000	59,999	946	788
60,000	69,999	111	123
70,000	79,999	167	165
80,000	89,999	122	80
90,000	99,999	54	53
100,000	109,999	50	42
110,000	119,999	24	10
120,000	129,999	8	4
130,000	139,999	4	—
140,000	149,999	1	1
150,000	159,999	—	6
160,000	169,999	6	3
170,000	179,999	1	—
180,000	199,999	—	—
200,000	209,999	1	—
210,000	219,999	—	1
220,000	229,999	1	—

5.5 Other remuneration arrangements

Twenty retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €68,805. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €148,764 in respect of three officers who were serving outside the Department for all or part of 2022 and whose salaries were paid by the Department.

5.6 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	52	124,139	133,688
Recovery plans in place	8	12,034	30,628

Five individuals with overpayments to the value of €4,503 transferred into the Department during the year.

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022 €000	2021 €000
Basic pay	224	214
	224	214

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the 2013 Single Public Service Pension Scheme and his entitlements in that regard do not extend beyond the terms of that scheme.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year of appointment	Cumulative expenditure to the end of 2022 €000	2022 €000	2021 €000
Tribunal of inquiry into certain planning matters and payments ^a	1997	142,665	1,364	658
Fixed purpose commissions				
Housing Commission ^b	2021	259	259	—
		142,924	1,623	658

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 2022, additional costs of some €3 million may arise, primarily relating to third party legal representation.

^b In line with commitments in the Programme for Government and Housing for All: A New Housing Plan for Ireland, the Housing Commission was established by Government in December 2021 to independently examine and review the housing system in Ireland. The Commission's terms of reference cover a wide range of issues connected to housing, one of which is to consider the complex constitutional issues arising in this area and to propose appropriate wording for a referendum on housing. The Commission is scheduled to conclude its work by end of quarter three 2023.

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	2022	2021
Number of cases	1	12	1	14	25
	€000	€000	€000	€000	€000
Department's own legal costs	27	214	—	241	—
EU fines ^c	—	—	2,760	2,760	5,476
Payments by/on behalf of Department					
Compensation	—	9	—	9	88
Legal costs	—	—	—	—	615
Other legal costs	—	8	—	8	13
Total	27	231	2,760	3,018	6,192
2021 Total	13	703	5,476	6,192	8,606

Notes ^a At 31st December 2022, the following claims are outstanding

- Personal injury: 28 (2021: 4)
- Other claims: 5 (2021: 1)
- EU fines: 0 (2021: 1)

^b At 31 December 2022, the Department has included in other creditors due, €502,122 being the total outstanding legal costs due to the State Claims Agency.

^c EU Fines Derrybrien Windfarm:

In 2022 the Department paid €2.76 million in fines to the Court of Justice of the Europe Union in relation to the judgement in Case C-261/18- Commission v Ireland (Derrybrien Wind Farm). The judgement required a retrospective environmental impact assessment to be carried out with respect to prior development consents granted for the windfarm. An Bord Pleanála refused the application on Friday 4 February 2022 and the ESB subsequently decided to decommission the wind farm. Correspondence from the Commission received 1 February 2023, indicates that Ireland has now met the terms of the judgement and daily fines being applied against the State will cease. The final instalment of €1.245 million for daily fines covering the period 13 November 2021 and 4 February 2022 was paid to the European Commission on 8 March 2023. This brings the total amount paid to €17,226,000.

Cumulative costs of cases completed in 2022

	Claims by		EU fines	Total
	employees	members of the public		
Number of cases	1	8	1	10
	€000	€000	€000	€000
Department's own legal costs	32	429	—	461
EU fines	—	—	17,226	17,226
Payments by/on behalf of Department				
Compensation	—	—	—	—
Legal costs	—	3	—	3
Other legal costs	—	—	—	—
Total	32	432	17,226	17,690

6.3 Late payment interest

	2022	2021
	€	€
Total of interest and compensation payments	10,149	10,384

6.4 National Lottery funding

		2022	2022	2021
		Estimate	Outturn	Outturn
		€000	€000	€000
Subhead description				
A.9	Communal facilities	500	78	122
A.18	Private housing grants	6,209	6,209	6,121
F.3	Heritage Council	12,061	11,445	9,651
		18,770	17,732	15,894

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 and B.8 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.

		2022	2022	2021
		Estimate	Outturn	Outturn
		€000	€000	€000
Subhead description				
B.3	Water quality programme	3,263	2,176	3,972
B.8	Marine environment	75	30	—

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 of savings in 2022 of €340 million in capital expenditures in the following subheads that were carried over to 2023.

		€000
A.3	Local authority housing	60,000
A.10	Mortgage to rent	10,000
A.11	Capital advance leasing facility	85,000
A.14	Housing for people with a disability and older people	1,000
A.17	Repair and leasing scheme	1,000
A.21	LIHAF	10,000
A.22	Pyrite & mica remediation – cash limited	31,000
A.28	Cost rental equity loan	10,000
A.31	First home scheme	4,000
A.32	Affordable Housing Fund	48,000
A.33	Croí Cónaithe (Cities) Fund	45,000
B.3	Water quality programme	1,800
B.4	Rural water programme	4,000
B.5	Irish Water	20,000
D.12	Land Development Agency	5,000
F.8	Peatlands restoration, conservation and management	4,200
		340,000

6.8 Land Development Agency

As provided for in Section 25(2)(b) of the Land Development Agency (LDA) Act 2021, on establishment of the Land Development Agency DAC the Minister for Public Expenditure, National Development Plan Delivery and Reform was allotted shares in the Land Development Agency with a nominal value of €99 million, and the Minister for Housing, Local Government and Heritage was allotted shares with nominal value of €1 million.

In March 2022, the Minister for Finance directed the NTMA to transfer €100 million out of the assets of the Irish Strategic Investment Fund (ISIF) to the LDA for the purpose of discharging the Ministers' respective liabilities arising as a result of their subscription for shares.

6.9 First Home Scheme Ireland DAC

The First Home Scheme is administered by the First Home Scheme Ireland Designated Activity Company (DAC), which was incorporated by the Department in December 2021 and transformed in July 2022 into a joint venture between the Minister and the participating mortgage lenders (initially AIB, Bank of Ireland, and Permanent TSB). The Company's shareholders are the Governor and Company of the Bank of Ireland (1 share), Allied Irish Banks plc (1 share), Permanent TSB plc (1 share) and the Department for Housing, Local Government and Heritage (1 share).

The overall funding for the Scheme, both for the deployment of capital through the equity share model and also for the establishment and initial operating costs of the DAC, is €400 million over a planned four-year delivery period from the launch in mid-2022. This committed funding comprises €200 million from the Department and €200 million collectively from the participating mortgage lenders, meaning a 50:50 division between the State and the private sector. The Department transferred €40 million into the DAC in 2022.

Note 7 Fund Balances

7.1 Account of the Urban Development Fund

	2022	2021
	€000	€000
Opening balance	6,683	8,385
Receipts	—	—
Expenditure for the year	(5,255)	(1,702)
	1,428	6,683

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 into the first half of 2024. 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

	2022	2021
	€000	€000
Opening balance	68,070	68,460
Non-recoverable costs ^a	(319)	(413)
Rental income	3	23
Closing balance at 31 December	67,754	68,070

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 2022 above is made up of €263,939 of non-recoverable costs plus a reversal of a 2021 bad debt provision of €55,890.

The Housing Agency Acquisitions (HAA) Fund is a revolving fund that was established with effect from 1 January 2017 with the objective of acquiring vacant properties from banks, investors and from the open market (primarily for Housing First properties) in areas with high levels of social housing demand over the period to 2021. The Agency sold the houses, at cost, to approved housing bodies in order to replenish the Fund. On completion of the programme, the Agency will refund the Department any closing balance of the Fund.

Under the commitment in Housing for All, a review of the HAA fund was completed in 2022. This review investigated the challenges faced by the fund, the most significant of which was the reduced availability of suitable units from banks and equity funds. This was primarily due to the sale of non-performing loans to non-banking entities and changes in how non-performing loans were being dealt with. The review also explored opportunities that centred on potentially repurposing the fund to support other initiatives within Housing for All, particularly for social housing applicants experiencing homelessness. The Department is currently engaging with the Department of Public Expenditure, National Development Plan Delivery and Reform discussing possible re-purposing proposals for the fund.

7.3 Land Acquisition Fund

	2022	2021
	€000	€000
Opening balance	—	—
Transfer to fund	125,000	—
Expenditure for the year	—	—
Closing balance at 31 December	125,000	—

The Land Acquisition Fund was established in December 2022. A review of land available to local authorities completed in 2022, highlighted a shortage of land available to meet Housing for All social housing build targets. The fund was established to facilitate the purchasing of land on behalf of local authorities, to ensure that the necessary land banks are available to meet delivery targets. The management of the fund is overseen by the Department of Housing, Local Government and Heritage and the Housing Agency is responsible for the day-to-day operation of the fund, including financial management, the acquisition process and onward transfer of the land acquired to local authorities. An allocation of €125 million was made to the Housing Agency in December 2022 to establish the fund.

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 2022 and where the Department has an obligation to present financial statements. It indicates, as at end March 2023, 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	2021	22 Dec 2022	6 Mar 2023	23 Mar 2023
Eiría and Gas Networks Ireland	2021	30 Mar 2022	29 Apr 2022	27 Jul 2022
Housing Finance Agency	2021	31 Mar 2022	27 Apr 2022	26 Jul 2022
Housing and Sustainable Communities Agency ^a	2021	25 Nov 2022	10 Jan 2023	25 Jan 2023
Irish Water	2021	30 Mar 2022	07 Jun 2022	13 Jul 2022
Local Government Fund	2021	31 Jul 2022	31 Jul 2022	7 Sep 2022
Local Government Management Agency	2021	25 May 2022	11 Nov 2022	17 Jan 2023
Residential Tenancies Board	2021	28 Jun 2022	30 Jun 2022	16 Nov 2022
Ordnance Survey Ireland	2021	14 Dec 2022	22 Feb 2023	10 Mar 2023
Office of Planning Regulator	2021	19 May 2022	30 May 2022	18 Jul 2022
Land Development Agency ^b	2021/2022	31 Aug 2022	5 Sep 2022	—
The Heritage Council	2021	27 Jun 2022	4 Jul 2022	31 Jan 2023
Waterways Ireland ^c	2020	14 Dec 2021	12 Apr 2022	2 Aug 2022
Approved Housing Bodies Regulatory Authority ^d	2021	29 Jul 2022	5 Aug 2022	11 Oct 2022

Note ^a Includes Pyrite Resolution Board

^b Accounting period from 1 January 2021 to 31 March 2022 (15 months)

^c Waterways Ireland is a cross border entity and is therefore subject to joint audit by the Comptroller and Auditor General and the Northern Ireland Comptroller and Auditor General. The accounts are required to be simultaneously presented to the Oireachtas and Northern Ireland Assembly. This has an impact on the audit timelines.

^d Accounting period from 1 February to 31 December 2021 (11 months)