

BUDGET 2023 BONANZA FOR HOUSING, LOCAL GOVERNMENT AND HERITAGE

Ongoing investment in housing, local government and heritage was announced on Budget Day for the year ahead, when an overall package of €6.3bn was unveiled, including an investment of more than €4bn in the Government's housing strategy, combined with vacant property tax and measures to assist renters to strengthen progress made under 'Housing for All' during 2023.

The €6.3bn funding measures will be instrumental in delivering homes, supports, services, infrastructure and amenities for citizens across Ireland, according to Minister for Housing, Local Government and Heritage, Darragh O'Brien TD.

The Government is making Exchequer funding of €4bn available for social and affordable housing programmes, of which €2.6bn is capital and will be complemented by investment under the Housing Finance Agency and the Land Development Agency.

"More than €1.3bn will be invested in affordability measures in 2023 including the delivery of 5,550 affordable purchase and cost rental homes, the First Home Scheme, Local Authority Home Loan and Help-to-Buy. We're making significant changes to our cost rental and affordable housing funding models meaning that local authorities and AHB's can deliver homes at lower rents and significantly discounted prices.

"In 2023, 11,830 social homes will be delivered including 9,100 new build homes, building on our 2022 targets. 9,600 new households will have their needs met through the Housing Assistance Payment (HAP) and the Rent Assistance Scheme (RAS) – these represent direct supports for renting households."

"Funding of €215m will be made available for the delivery



of homeless services, to ensure that local authorities can provide homeless preventions services, emergency accommodation and other services to households experiencing, or at risk of homelessness.

"Households experiencing homelessness are supported to exit homelessness to tenancies as quickly as possible. The funding will also maintain several important measures introduced during Covid-19."



KEY HIGHLIGHTS OF BUDGET 2023

- €1.3 billion investment will support an overall package of measures to deliver more affordable housing including 5,550 households supported to buy or rent at an affordable price.
- Continued delivery of Cost Rental Homes with 1,850 delivered next year via the Cost Rental Equity Loan (CREL) facility and Affordable Housing Fund (AHF).
- €90 million under the AHF to also support the delivery of 1,200 affordable purchase homes.
- €50 million for First Home Scheme delivering approximately 2,000 homes next year.
- 11,830 new social homes to be delivered, including 9,100 new builds.
- 9,600 new households to be supported under HAP and RAS.
- €215 million (10% increase on 2022) to ensure local authorities and NGO partners can provide homeless prevention services, emergency accommodation and other services and funding to help us achieve our target of creating 1,300 new Housing First tenancies.
- €136 million to support the advancement of 132 URDF supported projects already approved and for the targeted expansion of the programme to accelerate new supply and tackle vacancy in towns as part of the Town Centres First approach.
- €219 million to fund programmes and supports for disabled people, older people and Travellers.
- €65 million provided to remediate homes affected by defects including Pyrite and Defective Concrete Blocks.
- €87 million to support alleviation of fuel poverty and ensure more energy efficient homes, through the upgrading of 2,400 local authority social homes to a Building Energy Rating of B2 or cost optimal equivalent, in line with Climate Action Plan.
- €1.6 billion allocated to Water Services for 2023.
- €333 million to support local authorities in their work – an increase of €108 million on funding from the Local Government Fund in 2022.
- €147.5 million for the heritage sector (increase of 10.5 %) and a continued commitment to addressing heritage and biodiversity needs, including funding of €52.6 million for the National Parks and Wildlife Service (an increase of 20%).

MEASURES TO TACKLE VACANT HOUSING

Funding has also been made available in Budget 2023 for a range of measures to tackle vacancy issues and the better utilisation of existing stock, and to support people in their existing homes through retrofitting, upgrading and maintenance programmes.

Minister O'Brien said that the new vacant property grant aid of up to €50,000 is proving very popular. "The Government is set to extend it further, and this will help to revitalise communities, towns and villages across the state – as will further funding to support the regeneration and rejuvenation of towns and cities under the Urban Regeneration and Development Fund (URDF)."

Having recently brought a memo to Government on the report of the Working Group to Examine Defects in Housing, he said that his department will now establish an inter-departmental and agency group to bring forward specific proposals to Government by the end of the year. The group will develop a timeframe for implementation of any agreed actions.

"Significant funding of €1.68 billion has been secured for the delivery of water services in 2023 – this is a major increase of over €110 million, primarily composed of an additional €48 million capital investment by Irish Water critical to supporting the delivery of housing committed to in 'Housing for All'. This continued investment in water generally, and in particular Irish Water as a national, publicly owned standalone regulated utility, will ensure the continued operation, repair and upgrading of Ireland's water and wastewater infrastructure."

SUPPORTING LOCAL AUTHORITIES

Peter Burke TD, Minister of State for Local Government and Planning, pointed out that €333 million contributed by his department to support local authorities next year represents an increase of €108 million on core funding from the Local Government Fund in 2022.

With local authorities carrying out over one thousand services to provide frontline supports every day, the Minister said that this additional funding will ensure that all councils will have a minimum level of funding available to them, including those with weaker property tax bases, that is separate to programme funding.

"This significant increase year-on-year is due to the move to 100% retention of Local Property Tax within the local authority area. As a result, all equalisation funding is now met by the Exchequer.

"The work of our department is not just about funding programmes but improving the lives of our citizens. I particularly welcome the increase in funding for housing adaptation grants. A capital provision of €67 million next year will allow for around 12,300 grants to be made available. This scheme is critical in ensuring that the physical accommodation needs of our older and disabled people are met."

The Minister said that additional funding of €3 million will support a range of initiatives for disabled and older people. This will include a capital provision of €1.3 million to deliver innovative pilot schemes to support older homeowners with their accommodation requirements; €25 million has been set aside for a dedicated funding stream for adaptation grants for local authority owned social homes.

"Housing for older people and people with disabilities is funded from our mainstream capital programmes. These programmes include social housing in local authorities, as well as the Capital Assistance Scheme, which provides funding to Approved Housing Bodies for specialist housing. So, €97 million will be provided for the Capital Assistance Scheme in 2023."

EXPANDING BIODIVERSITY INVESTMENT

Minister of State for Heritage and Electoral Reform Michael Noonan noted that the increased funding for heritage represents a continued commitment to address significant historic underfunding of heritage and biodiversity and realises many of the commitments set out in the Programme for Government.

An increase in funding will allow work to continue the implementation of the Government's Strategic Action Plan for the National Parks and Wildlife Service, which will receive €52.6 million in programme funding, in addition to an increase in staffing resources.

Combined with EU funding for LIFE Programmes and an expansion of the Local Authority Biodiversity Officers Programme through the Heritage Council, this gives us an effective total funding for nature and biodiversity of over €90 million.

"This will enable the continued reform and renewal of the organisation, significant investment in nature conservation, in our habitats and species, and in our national parks and nature reserves. With increased visitor numbers to Ireland's National Parks and Reserves, this additional funding will continue to ensure visitor safety as well as supporting sustainable tourism. It also ensures the enhanced protection and preservation of the natural environments of all our National Parks and Nature Reserves.

"Expanding the programme of biodiversity investment and the restoration and conservation of protected habitats will also be enabled by

Budget 2023. This includes raised bog compensation and financial incentives schemes, in line with national biodiversity and climate action objectives and Just Transition policy. The implementation of Heritage Ireland 2030 will also be supported, and the funding announced will also ensure the protection and promotion of our monuments and historic buildings."



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