Request from Mr Tommy Broughan, T.D.

1. The estimated cost of pay restoration for Section 39 health workers from 2019;

Response: *The estimated cost of pay restoration for Section 39 health workers from 2019 is €67.881m, to be paid over a period of time, yet to be negotiated. The projected cost for all organisations is assessed on unaudited information provided by a pilot group of 38 organisations*

2. The estimated cost of pay equality for teachers from 2019;

Costs presented use data collected to end 2017 as part of the report by the Minister for Finance & Public Expenditure and Reform, to the Oireachtas "Examination of Remaining Salary Scale Issues in Respect of Post January 2011 Recruits at Entry Grades". In keeping with the report costs are estimated based on a two point increment adjustment for qualifying individuals.
The annualised full year cost of a two point increment adjustment for the existing 16,054 New Entrant Teachers identified would cost the exchequer €59m

3. The estimated cost of pay equality for hospital consultants and specialist doctors from 2019;

Response: ***The cost in 2019 is broadly estimated to be €45m***

FYI Cost for pay equality for new entrants: Costs presented use data collected to end 2017 as part of the report by the Minister for Finance & Public Expenditure and Reform, to the Oireachtas "Examination of Remaining Salary Scale Issues in Respect of Post January 2011 Recruits at Entry Grades". In keeping with the report costs are estimated based on a two point increment adjustment for qualifying individuals.
The annualised full year cost of a 2 point increment adjustment for qualifying new entrant consultants identified by the HSE would cost the exchequer €6m.

4. The overall likely additional costs of full pay restoration and equality for all public sector workers from 2019;

Response:
Costs presented use data collected to end 2017 as part of the report by the Minister for Finance & Public Expenditure and Reform, to the Oireachtas "Examination of Remaining Salary Scale Issues in Respect of Post January 2011 Recruits at Entry Grades". In keeping with the report costs are estimated based on a two point increment adjustment for qualifying individuals.
The annualised full year cost of a two point increment adjustment for the existing 61,500 staff identified as new entrants would be an estimated €200m.

5. Any analysis of the imputed costs of balancing Budget 2019 (rather than running a deficit) vis a vis postponing the €500 million Rainy Day Fund to 2020;

Response: Introducing the rainy day fund will increase the deficit by €500 million or roughly 0.2% of GDP.

6. The expected cost of the programme of implementation of Sláintecare in 2019;

Response: *The level of funding to be provided in 2019 for Slaintecare implementation is subject to current estimates discussions*

7. The expected cost of implementation of the 'Vision for Change' mental health strategy in 2019;

Response: *Adjusting for the most recent population data and shortfall in WTE's, taking an average salary across the main staff headings of Medical, Nursing, Support Staff, Allied Health Professionals and Administration this would lead to an additional full year cost of €189.2m. It should be noted that this amount does not include any additional accommodation and other costs which would cost approximately 25% more. Vision for Change is being reviewed at present which may change above estimates.*

8. The likely revenue to be raised from a Vacant Site Levy of 25% as proposed by Deputy Mick Wallace; *Housing, Planning and Local Government*

Response:

The Urban Regeneration and Housing Act 2015 introduced the vacant site levy, which is a measure aimed at incentivising the development of vacant, under-utilised sites in urban areas. Under the Act, planning authorities are required to establish a register of vacant sites in their areas, beginning on 1 January 2017.

In terms of levy implementation, planning authorities must first identify vacant sites which are in areas – (i) in need of and suitable for housing, and (ii) in need of regeneration and which are having adverse effects on the area in which they are situated. The fact that a site is vacant is not the sole reason it would attract the levy; rather liability to the levy is determined in accordance with the criteria set out in the Act. Once identified as a qualifying vacant site for the purposes of the levy, the planning authority shall enter the site on its local vacant site register and then arrange for a market valuation of such sites to be undertaken having regard to the fact that the levy is applied at a % rate of the market valuation.

The levy shall be applied by planning authorities annually commencing on 1 January 2019 in respect of sites included on their registers for the preceding 12 months in 2018. Under the Act the levy will be charged on the registered owners of vacant sites at a rate of 3% of the market value of each site in 2019 in respect of 2018.

As signalled in Budget 2018, the rate of the levy is being increased from 2019 onwards. In this connection, the recently enacted Planning and Development (Amendment) Act 2018 amends the Urban Regeneration and Housing Act 2015 and provides that the rate of levy shall be increased from 3% to 7% of the market valuation of relevant sites with effect from January 2020. Thus, the increased levy rate of 7% will apply from January 2020 in respect of sites included on the local authority vacant site registers in 2019 and subsequent years (unless otherwise revised).

The proceeds of the levy raised on vacant sites by planning authorities will be used by them for the provision of housing and regeneration development in the local area in which vacant sites are located. No more than 10% of the levy monies received by planning authorities may be used on their collection and administration costs. The proceeds do not accrue the Exchequer.

At this time, it is not possible to provide an exact estimate of the annual levies that may be raised by planning authorities in the operation of the levy due to a number of factors:

- Some planning authorities have yet to include the market values of sites on their registers;
- A number of sites are on appeal and if successful will be removed from the registers;

- Sites may be brought into use before the demand for payment is made and will therefore be removed from the registers.

However, on foot of a recent review undertaken by DHPLG of the on-line vacant site registers across all local authority areas, there are collectively almost 290 individual sites currently on the local registers. Over 160 of these sites were entered on the local vacant site registers before 1 January 2018 with their market valuations and will therefore be subject to the levy in 2019, unless development works are activated in the interim.

The 4 Dublin local authorities – particularly Dublin City Council – have been the most active in implementing the levy provisions to date. In this regard and taking account of the market valuations assigned to individual sites, it is estimated that (applying the current 3% levy rate) €7.5m could be raised by the Dublin planning authorities if their registers remained unchanged between now and the demand for payment in January 2019. Similarly if the registers were to remain constant until January 2020 (i.e. without any additional sites being included on the local registers), it is estimated that (applying the increased 7% levy rate) over €27m could be raised by the Dublin planning authorities in 2020 for use for local housing or regeneration purposes.

At this point in time and without any increase in the number of sites currently listed on local authority registers, it is estimated that the levy proceeds nationally could be €8.3m in 2019 (applying the current 3% levy rate) and €29.4m (applying the increased 7% levy rate). However the latter estimate for 2020 is based on the number of sites currently included on the local vacant site registers and in respect of which market valuations have been attached to the registered sites. It is expected that the number of registered sites in respect of which market valuations will be obtained will increase in the coming months which should result in an increase in the estimated levy proceeds nationally for 2020.

Although not currently provided for in legislation, if the rate of the levy was raised to 25% and applied in each year, based on current information, over €68m could be generated from the levy nationally in 2019 and over €105m in 2020.

It should also be noted in this context that the vacant site levy was never intended to be a revenue generating measure or that its success or otherwise would be measured on the basis of the amount of the levy proceeds generated. Rather its success would be measured by the number of vacant sites its implementation influenced in bringing back into productive use for housing and regeneration purposes.

DHPLG has actively engaged with local authorities in relation to the implementation of the vacant site levy in order to ensure a consistent application of the levy provisions across all city and county areas and to facilitate the sharing of best practice. DHPLG has provided detailed guidance and advice and also organised three separate information seminars for local authorities, most recently on 1 May 2018, which was attended by officials from every local authority.

DHPLG will continue to monitor implementation of the levy to ensure that it is being fully used, in line with its intended purpose of incentivising the development of vacant or under-utilised sites in urban areas and so that the full potential of the measure can be realised.