



Appropriation Account 2013

Vote 25

Environment, Community and Local Government

Introduction

As Accounting Officer for Vote 25, 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 2013 for the salaries and expenses of the Office of the Minister for the Environment, Community and Local Government, including grants to local authorities, grants and other expenses in connection with housing, water services, miscellaneous schemes, subsidies and grants and for the payment of certain grants under cash-limited schemes.

The expenditure outturn is compared with the sums

- (a) granted by Dáil Éireann under the Appropriation Act 2013, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- (b) provided for capital supply services in 2013 out of unspent 2012 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €47.82 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 6 form part of the account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account except for the following:

Multi-Annual Capital Commitments

Legally enforceable capital commitments are reported on at the threshold of €12.697 million (F7/9/92).

Capital Assets

Capital assets are depreciated on a straight line basis over their estimated useful life starting in the month the asset was placed in service. Buildings are depreciated at 5% per annum while land is not depreciated. Motor vehicles are depreciated at 20% per year over 5 years, plant and machinery are depreciated over 10 years at 10% per year and radar equipment depreciation is over 15 years.

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.

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.

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.
- 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 is compliant with the exception of three contracts (in excess of €25,000) to a total value of €0.188 million (ex VAT) which were awarded without competitive tender for exceptional reasons. The Department has provided details of these exceptional one-off contracts to the Office of the Comptroller and Auditor General and to the Department of Public Expenditure and Reform as is required.

Internal Audit and Audit Committee

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

John McCarthy

Accounting Officer

Department of the Environment, Community and Local Government

28 March 2014

Comptroller and Auditor General Report for presentation to the Houses of the Oireachtas

Vote 25 Environment, Community and Local Government

I have audited the appropriation account for Vote 25 Department of Environment, Community and Local Government for the year ended 31 December 2013 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 25 for the year ended 31 December 2013.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Department of Environment, Community and Local Government. The appropriation account is in agreement with the books of account.

Reporting on matters arising from audit

Chapters 5, 6 and 7 of my report on the accounts of the public services for 2013 refers to certain matters relating to the Department of Environment, Community and Local Government.

Seamus McCarthy
Comptroller and Auditor General

9 September 2014

Vote 25 Environment, Community and Local Government

Appropriation Account 2013

				2013	2012
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Housing				
	<i>Current year</i>	583,836			
	<i>Deferred surrender</i>	22,000	605,836	588,868	682,566
B	Water services		337,447	285,897	316,368
C	Environment and waste management				
	<i>Current year</i>	29,252			
	<i>Deferred surrender</i>	10,000	39,252	36,027	34,477
D	Local Government				
	<i>Current year</i>	23,715			
	<i>Deferred surrender</i>	2,000	25,715	24,213	31,557
E	Community and rural development				
	<i>Current year</i>	199,477			
	<i>Deferred surrender</i>	9,000	208,477	178,086	153,076
F	Planning		17,085	20,063	18,293
G	Met Éireann		17,240	15,513	16,089
Gross expenditure					
	<i>Current year</i>	1,208,052			
	<i>Deferred surrender</i>	43,000			
			1,251,052	1,148,667	1,252,426
	<i>Deduct</i>				
H	Appropriations-in-aid		77,936	95,369	70,658
Net expenditure					
	<i>Current year</i>	1,130,116			
	<i>Deferred surrender</i>	43,000			
			1,173,116	1,053,298	1,181,768

Surplus for surrender

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.

	2013	2012
	€	€
Surplus	119,818,418	125,855,686
Deferred surrender	72,000,000	43,000,000
Surplus to be surrendered	<u>47,818,418</u>	<u>82,855,686</u>

Analysis of administration expenditure

		2013		2012
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	49,339	47,681	49,474
ii	Travel and subsistence	1,525	1,151	1,708
iii	Training and development and incidental expenses	1,641	843	1,089
iv	Postal and telecommunications services	1,471	859	1,137
v	Office equipment and external IT services	5,166	6,148	7,748
vi	Office premises expenses	1,244	526	724
vii	Consultancy services and value for money and policy reviews	134	49	160
viii	EU Presidency ¹	1,695	1,308	352
		<u>62,215</u>	<u>58,565</u>	<u>62,392</u>

¹ The estimate provision and outturn for 2013 relate to pay and non pay costs. The outturn for 2012 relates to pay costs only.

Notes to the Appropriation Account

1 Operating Cost Statement 2013

	2013	2012
	€000	€000
Programme cost	1,090,102	1,190,034
Pay ¹	48,251	49,826
Non pay	10,314	12,566
Gross expenditure	1,148,667	1,252,426
<i>Deduct</i>		
Appropriations-in-aid	95,369	70,658
Net expenditure	1,053,298	1,181,768
Changes in capital assets		
Purchases cash	(655)	
Depreciation	1,267	
	612	24,300
Changes in assets under development		
Cash payments	(137)	(7)
Changes in net current assets		
Decrease in closing accruals	(2,381)	
Decrease in stocks	22	
	(2,359)	9,896
Direct expenditure	1,051,414	1,215,957
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	17,056	18,422
Notional rents	2,561	2,651
Net programme cost	1,071,031	1,237,030

¹ The pay figure for 2013 includes salaries for the EU presidency amounting to €569,722 (2012: €352,000).

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 25 borne elsewhere.

	2013	2012
	€000	€000
Vote 12 Superannuation and Retired Allowances	15,708	16,978
Vote 13 Office of Public Works	e 1,111	1,231
Central Fund – Ministerial pensions	237	213
	<u>17,056</u>	<u>18,422</u>

“e” indicates that the number is an estimate value or an apportioned cost.

2 Balance Sheet as at 31 December 2013

	Note	2013 €000	2012 €000
Capital assets	2.2	3,691	4,366
Capital assets under development	2.3	146	—
		3,837	4,366
Current assets			
Bank and cash	2.4	77,123	45,871
Stocks	2.5	290	312
Prepayments		3,036	3,055
Accrued income		1,123	5,659
Other debit balances	2.6	833	1,552
Total current assets		82,405	56,449
Less current liabilities			
Accrued expenses		6,638	13,809
Deferred income		332	78
Other credit balances	2.7	3,247	3,336
Net liability to the Exchequer	2.8	74,709	44,087
Total current liabilities		84,926	61,310
Net current liabilities		(2,521)	(4,861)
Net liabilities		1,316	(495)
Represented by:			
State funding account	2.1	1,316	(495)

2.1 State Funding Account	Note	2013 €000	2012 €000
Balance at 1 January		(495)	33,839
Disbursements from the Vote			
Estimate provision	Account	1,173,116	
Deferred surrender		(72,000)	
Surplus to be surrendered	Account	(47,818)	
Net vote		1,053,298	1,181,768
Expenditure (cash) borne elsewhere	1	17,056	18,422
Non cash expenditure – notional rent	1	2,561	2,651
Capital asset adjustments		(73)	(145)
Net programme cost	1	(1,071,031)	(1,237,030)
Balance at 31 December		1,316	(495)

2.2 Capital Assets

	Land and buildings	Plant, machinery and motor vehicles	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2013	425	261	22,847	3,450	26,983
Adjustments ¹	—	—	615	(345)	270
Additions	2	—	630	33	665
Disposals	—	—	(83)	(2)	(85)
Cost or valuation at 31 December 2013	427	261	24,009	3,136	27,833
Accumulated depreciation					
Opening balance at 1 January 2013	23	168	19,518	2,908	22,617
Adjustments ¹	—	—	615	(272)	343
Depreciation for the year	1	23	1,136	107	1,267
Depreciation on disposals	—	—	(83)	(2)	(85)
Cumulative depreciation at 31 December 2013	24	191	21,186	2,741	24,142
Net assets at 31 December 2013²	403	70	2,823	395	3,691
Net assets at 31 December 2012	402	93	3,329	542	4,366

¹ In order to reflect the most accurate valuation of assets, adjustments were required to the cost or valuation of gross assets at 1 January 2013, and to the accumulated depreciation at 1 January 2013, including the introduction of fully depreciated software not previously capitalised and the removal of older office and IT equipment and furniture and fittings assets to reflect their historical physical disposal, which had not been processed on the asset register.

² The Department provides some accommodation and ICT services to the Heritage Division of the Department of Arts, Heritage and the Gaeltacht. The capital assets purchased by the Department of Environment, Community and Local Government up to 31 December 2012 and used in the provision of these services are recorded on its asset register. A process relating to the possible transfer of these assets to the Department of Arts, Heritage and the Gaeltacht will commence in 2014.

2.3 Capital Assets under Development **2013**
 at 31 December **€000**

Amounts brought forward at 1 January	—
Cash payments in year	146
Transferred to asset register	—
Balance at 31 December	<u>146</u>

2.4 Bank and Cash **2013** **2012**
 at 31 December **€000** **€000**

PMG balances and cash	77,123	45,872
Orders outstanding	—	(1)
	<u>77,123</u>	<u>45,871</u>

2.5 Stocks **2013** **2012**
 at 31 December **€000** **€000**

Meteorological consumables	192	197
IT consumables	47	60
Stationery	33	40
Cleaning materials	1	3
Other	17	12
	<u>290</u>	<u>312</u>

2.6 Other Debit Balances **2013** **2012**
 at 31 December **€000** **€000**

Recoupable salary costs	261	144
Recoupable travel costs	128	82
Recoupable travel pass scheme	54	130
Imprests	7	17
Other debit suspense items	383	1,179
	<u>833</u>	<u>1,552</u>

2.7 Other Credit Balances	2013	2012
at 31 December	€000	€000
Amounts due to the State		
Income Tax	844	862
Pay Related Social Insurance	275	267
Pension contributions	252	217
Value Added Tax	123	231
Professional Services Withholding Tax	63	34
	<u>1,557</u>	<u>1,611</u>
Other credit suspense items	1,690	1,725
	<u>3,247</u>	<u>3,336</u>

2.8 Net Liability to the Exchequer	2013	2012
at 31 December	€000	€000
Surplus to be surrendered	47,818	82,856
Deferred surrender	72,000	43,000
Exchequer grant undrawn	(45,109)	(81,769)
Net liability to the Exchequer	<u>74,709</u>	<u>44,087</u>

Represented by:**Debtors**

Bank and cash	77,123	45,871
Debit balances: suspense	833	1,552
	<u>77,956</u>	<u>47,423</u>

Creditors

Due to State	(1,557)	(1,611)
Credit balances: suspense	(1,690)	(1,725)
	<u>(3,247)</u>	<u>(3,336)</u>
	<u>74,709</u>	<u>44,087</u>

2.9 Matured Liabilities	2013	2012
at 31 December	€000	€000
Estimate of matured liabilities not discharged at 31 December	5	12

2.10 Commitments	2013	2012
at 31 December	€000	€000

(a) Global commitments

(i) Procurement subheads	41	108
(ii) Grant subheads	657,769	1,055,299
	<u>657,810</u>	<u>1,055,407</u>

(b) Multi-annual capital commitments

(Projects costing €12,697,380 or more)

1 Water/Sewerage Projects	Cumulative expenditure to 31 December 2012	Expenditure 2013	Subsequent years	Project total 2013	Project total 2012
Project	€000	€000	€000	€000	€000
Galway DBO Bundle No 2 ¹	16,606	327	1,800	18,733	18,106

Note:

Water Services Investment Programme – capital commitments

The Water Services Act 2013 provided for the establishment of Irish Water as a subsidiary of Bord Gáis Éireann. The Water Services (No 2) Act 2013 transferred statutory responsibility for water services to Irish Water and provided for local authorities to act as agents for Irish Water from 1 January 2014. Arising from the transfer of water services functions to Irish Water, the capital commitments previously funded by the Department under the Water Services Investment Programme are now the responsibility of that company and therefore will not fall to be funded from the Department's Vote from 1 January 2014.

2 Housing Projects	Cumulative expenditure to 31 December 2012	Expenditure 2013	Subsequent years	Project total 2013	Project total 2012
Construction Projects	€000	€000	€000	€000	€000
Fortunestown, Phase B1, Tallaght, Dublin 24 ¹	16,219	8,793	—	25,012	16,399
Gooldshill, Mallow, Co Cork	22,766	—	287	23,053	23,053
Pearse Street, Sallynoggin, Co. Dublin ¹	13,799	1,491	—	15,290	13,959
Stag Park, Mitchelstown, Cork ¹	15,994	1,369	—	17,363	16,912
Total	68,778	11,653	287	80,718	70,323

	Cumulative expenditure to 31 December 2012	Expenditure 2013	Subsequent years	Project total 2013	Project total 2012
	€000	€000	€000	€000	€000
Regeneration Projects					
Glen Phase 2, Cork City ²	9,587	2,939	306	12,832	—
Liberty House, Dublin City	2,096	5,860	5,284	13,240	13,240
Regeneration of Ballymun Flats ¹	736,479	18,919	10,000	765,398	762,479
Sean Treacy House, Dublin City ¹	13,502	523	—	14,025	13,849
St. Michael's Estate, Dublin City ²	10,197	5,507	2,444	18,148	—
Total	771,861	33,748	18,034	823,643	789,568
Voluntary Housing	€000	€000	€000	€000	€000
Respond, Springfield, Tallaght, Dublin 24	22,195	486	—	22,681	22,681
Catholic Housing Aid, Fr. Scully House, Grenville Street, Dublin 1 ¹	3,256	8,274	5,195	16,725	16,629
Total	25,451	8,760	5,195	39,406	39,310
3 Carbon Fund	€000	€000	€000	€000	€000
Purchase of carbon credits ¹	118,913	371	3,000	122,284	122,264

¹ Cost of project updated since 2012.

² Excluded from 2012 account as the then estimated cost of the scheme was under €12.7 million.

Significant variations

An explanation is provided below where multi-annual commitments increased by more than €500,000 from 2012 to 2013.

Project	Total cost increase in 2013 €000	Explanation
Galway DBO Bundle No. 2	627	The increase was due to necessary additional works and costs.
Fortunestown, Phase B1, Tallaght, Dublin 24	8,613	The increase was due to an approved interim project budget following settlement of a contractual dispute.
Pearse Street, Sallynoggin, Co. Dublin	1,331	The increase was due to a revised budget being approved following sanctioning of additional variations and disruption to the contract due to unchartered utility services and interface issues with relevant companies.
Regeneration of Ballymun Flats	2,919	The increase was due to a number of final accounts being submitted in 2013 and the associated payments required.

2.11 Land Remediation

Cumulatively to 31 December 2013, a total of €31.879 million was expended from both the Vote and the Environment Fund on remediation of 15 landfill sites where there were expected future costs at that date. This comprised of €22.857 million from the Vote and €9.022 million from the Environment Fund. Future expenditure of €14.775 million is anticipated on remediation of 13 of these sites. In addition, there will be a significant funding requirement in respect of the remaining 2 sites (Kerdiffstown, County Kildare and Kilconnell, County Galway). The level of expenditure required is not yet available pending decisions on the approach to remediation of these two sites and the outcome of associated procurement processes.

3 Programme Expenditure by Subhead

		2013		2012
		Estimate provision		Outturn
		€000	€000	€000
A	Housing			
A.1	Administration - pay		8,780	7,496
A.2	Administration - non pay		1,903	1,437
A.3	Local authority housing			
	<i>Current year</i>	235,836		
	<i>Deferred surrender</i>	<u>10,000</u>	245,836	241,582
A.4	Voluntary and co-operative housing			
	<i>Current year</i>	125,500		
	<i>Deferred surrender</i>	<u>12,000</u>	137,500	112,885
A.5	Social inclusion		53,510	53,359
A.6	Estate regeneration - social housing improvements		111,400	122,052
A.7	Private housing grants		35,000	38,297
A.8	Subsidies and allowances		6,100	5,993
A.9	Other services		5,807	5,767
			<u>605,836</u>	<u>588,868</u>
				<u>682,566</u>

Significant variations

Overall, the expenditure in relation to the Programme A was €16.97 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Voluntary and co-operative housing	24,615	There was lower than expected take-up by approved housing bodies of funding available under the Capital Assistance and Capital Advance Leasing Facility Schemes.
Estate regeneration – social housing improvements	(10,652)	Arising from an energy efficiency stimulus measure announced in mid-2013, additional expenditure was incurred on insulation retrofitting works.
Private housing grants	(3,297)	Additional expenditure arose due to the continued high level of demand under the Housing Adaptation Grant Schemes for Older People and People with Disability.

	2013		2012
	Estimate provision	Outturn	Outturn
	€000	€000	€000
B Water Services			
B.1 Administration - pay	5,587	5,805	6,142
B.2 Administration - non pay	1,126	965	1,314
B.3 Water services investment programme	286,344	241,477	268,157
B.4 Rural water programme	39,600	33,880	39,710
B.5 Foreshore	2,000	1,122	1,045
B.6 Other services	2,790	2,648	—
	337,447	285,897	316,368

Significant variations

Overall, the expenditure in relation to the Programme B was €51.55 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Water services investment programme	44,867	Difficulties for contractors in securing necessary bonds, issues with local authority contributions to project costs, and legal/procurement delays, together with the need to progress the Water Sector Reform Programme, impacted on the level of expenditure and contributed to savings on the subhead.
Rural water programme	5,720	Savings arose as expected claims by local authorities in respect of the grant scheme for the remediation/upgrade of domestic waste water treatment systems did not materialise.
Foreshore	878	Spending in respect of legal costs, valuations and contingencies was less than anticipated.
Other services	142	The daily fine element imposed on Ireland in ECJ case C-374/11 (septic tanks) was less than originally envisaged and other legal costs did not arise.

	2013		2012
	Estimate provision	Outturn	Outturn
	€000	€000	€000
C Environment and Waste Management			
C.1 Administration - pay	6,670	7,254	7,165
C.2 Administration - non pay	2,886	2,257	2,537
C.3 Environmental Protection Agency	15,177	15,325	17,150
C.4 Environmental radiation policy	2,206	2,206	2,421
C.5 Subscriptions to international organisations	—	—	—
C.6 Carbon Fund	400	371	1,904
C.7 International climate change commitments	—	—	—
C.8 Landfill remediation			
	<i>Current year</i>	1,866	
	<i>Deferred surrender</i>	10,000	
C.9 Other services		47	16
		39,252	36,027
			34,477

The EU Presidency estimate provision and outturn for administration subhead (viii) are reflected against subheads C.1 and C.2 above for 2013. The outturn for 2012 is reflected against subhead C.1 above.

Significant variations

Overall, the expenditure in relation to the Programme C was €3.23 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Landfill remediation	3,268	Work on two large landfill remediation projects being undertaken by local authorities did not commence as had been expected in 2013.

	2013		2012
	Estimate provision		Outturn
	€000	€000	€000
D Local Government			
D.1 Administration - pay		8,997	8,184
D.2 Administration - non pay		1,919	1,659
D.3 Local Government Fund		—	—
D.4 Fire and emergency services			
<i>Current year</i>	5,792		
<i>Deferred Surrender</i>	2,000	7,792	5,644
D.5 Local authority library and archive service		6,300	4,689
D.6 Economic and social disadvantage (Dormant Accounts Fund)		—	—
D.7 Franchise		300	258
D.8 Other services		407	3,779
		25,715	24,213
			31,557

Significant variations

Overall, the expenditure in relation to the Programme D was €1.5 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Fire and emergency services	2,148	Funding allocated towards a major new fire station in Waterford was not drawn down by the local authority due to the length of time required to plan and commence the project.
Local authority library and archive service	1,611	Local authorities did not achieve the expected level of progress on two library projects in Dublin and Kilkenny.
Other services	(3,372)	Additional expenditure arose in order to finance completion of the Cobh Landslide Remediation Programme.

	2013		2012	
	Estimate provision		Outturn	
	€000	€000	€000	
E	Community and Rural Development			
E.1	Administration - pay	4,788	5,899	4,810
E.2	Administration - non pay	636	678	811
E.3	Supports for community and voluntary sector (part funded by National Lottery)	10,661	10,664	11,335
E.4	Local and community development programmes (part funded by National Lottery)	48,707	47,657	53,682
E.5	RAPID	2,050	263	3,077
E.6	Dormant accounts measures	6,385	1,243	2,457
E.7	Western Development Commission	1,531	1,312	1,387
E.8	National rural development schemes	3,800	3,793	3,142
E.9	LEADER – rural economy sub-programme 2007-2013			
	<i>Current year</i>	96,000		
	<i>Deferred Surrender</i>	9,000		
		105,000	82,689	53,244
E.10	Programme for Peace and Reconciliation	20,846	20,845	15,847
E.11	INTERREG programme	2,500	2,500	2,409
E.12	Tidy Towns Competition (note 6.7)	1	1	1
E.13	Irish Water Safety	507	507	512
E.14	Community sector redundancy support (cash-limited)	1,000	—	—
E.15	Other services	65	35	362
		208,477	178,086	153,076

Significant variations

Overall, the expenditure in relation to the Programme E was €30.39 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
RAPID	1,787	Savings arose as expenditure by other public bodies to be co-funded under the scheme was lower than expected.
Dormant accounts measures	5,142	The nature of the dormant accounts scheme results in a large number of voluntary organisations drawing down funding over a two/three year period. Expenditure was less than expected due to slower than anticipated claims from beneficiaries and the length of time required to plan implementation of the Gateway Initiative.
Western Development Commission	219	Savings arose due to reduced staffing costs in the Western Development Commission.
LEADER - rural economy sub-programme 2007-2013	22,311	An increase in the EU co-financing rate served to reduce the overall cost to the Exchequer of the programme and required adjustments in the allocations to local development companies to be evaluated and put into effect. It was necessary to defer project approvals in the early part of the year pending completion of this process, thus impacting on payments under the programme.
Community sector redundancy support (cash-limited)	1,000	Arrangements in relation to implementation of the scheme were not in place by year end so no expenditure was incurred.

		2013		2012
		Estimate provision	Outturn	Outturn
		€000	€000	€000
F	Planning			
F.1	Administration - pay	1,596	1,318	1,678
F.2	Administration - non pay	87	100	106
F.3	An Bord Pleanála	11,793	11,793	12,897
F.4	Planning Tribunal	1,999	5,321	3,281
F.5	Other services	1,610	1,531	331
		17,085	20,063	18,293

Significant variations

Overall, the expenditure in relation to the Programme F was €2.98 million more than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Planning tribunal	(3,322)	Additional funding was required to meet third party legal costs arising from the work of the Planning Tribunal.

		2013		2012
		Estimate provision	Outturn	Outturn
		€000	€000	€000
G	Met Éireann			
G.1	Administration - pay	13,496	12,295	12,572
G.2	Administration - non pay	3,744	3,218	3,517
G.3	Subscription to international organisations	—	—	—
		17,240	15,513	16,089

Significant variations

An explanation is provided in the case of each expenditure subhead where the outturn varied from the amount provided by more than €100,000, and by more than 5% (25% in the case of administration subheads). No outturn of this programme met these criteria in 2013.

4 Receipts

4.1 Appropriations-in-aid		2013		2012
		Estimated €000	Realised €000	Realised €000
1.	Fees payable by local authorities, etc., for audit of their accounts	2,100	2,437	2,752
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	8,500	9,580	9,989
4.	Miscellaneous receipts	200	405	311
5.	Dormant accounts receipts	—	—	279
6.	Foreshore receipts	2,000	1,849	1,028
7.	Programme for Peace and Reconciliation	12,361	11,248	8,053
8.	Dormant accounts - administration	750	647	803
9.	Dormant accounts - programme expenditure	5,634	596	1,653
10.	LEADER rural economy sub-programme 2007-2013	40,000	61,767	38,800
11.	Receipts from pension-related deduction on public service remuneration	5,650	6,099	6,249
Total		77,936	95,369	70,658

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/ (more) than provided €000	Explanation
Fees payable by local authorities, etc., for audit of their accounts	(337)	Demands for audit fees are issued on an ongoing basis as audits are completed. Income was higher than expected due to the receipt of outstanding fees.
MET Éireann receipts	(1,080)	Income from fees in respect of Met Éireann services was higher than expected.
Miscellaneous receipts	(205)	Miscellaneous appropriations-in-aid are difficult to estimate and were greater than expected.
Foreshore receipts	151	Foreshore receipts are difficult to predict reliably and were less than expected.
Programme for Peace and Reconciliation	1,113	There were lower than expected receipts from EU funds during the year due to the impact of the variety of factors, such as the fluctuation in the euro/sterling exchange rates and delays by projects in the submission of actual vouched expenditure, which affect the amount and the timing of payments.
Dormant accounts - administration	103	Administration costs in respect of the dormant accounts measures and programmes were negotiated downwards resulting in lower receipts.

Description	Less/ (more) than provided €000	Explanation
Dormant accounts – programme expenditure	5,038	This appropriation-in-aid relates to recoupment from the Dormant Accounts Fund of programme expenditure arising under subhead E.6. In the event, such expenditure from subhead E.6 was less than anticipated in 2013.
LEADER, rural economy sub-programme 2007-2013	(21,767)	The greater than expected receipts reflected the increase in the EU co-financing rate from 55% to 85% and the level of expenditure achieved in the relevant qualifying financial periods.
Receipts from pension-related deductions on public service remuneration	(449)	Income from this source was difficult to predict accurately.

4.2 Extra receipts payable to the Exchequer

	2013 €000	2012 €000
Emissions trading scheme ¹	43,437	—
Refund of ineligible expenditure under the Clár programme	268	—
PRTB pension contributions	171	—
Proceeds from sale of property	110	—
Redemption of projects funded under the Voluntary Housing Capital Assistance scheme	88	56
Outstanding balance in closed bank account	74	—
Interest from bank account used for electronic payments	19	33
Voluntary surrender of pay	16	16
Disposal of electronic voting equipment	—	69
	44,183	174

¹ With the start of the third trading period in 2013, auctioning will progressively become the main method for allocating carbon allowances under the EU Emissions Trading Scheme. Ireland, in common with other member states, participates in the EU centralised auctioning facility where the allowances are auctioned on the open market. Following completion of the auctions, the proceeds are distributed among the member states concerned.

5 Employee Numbers and Pay

	2013	2012
Number of staff at year end (full time equivalents)		
Department	748	779
Agencies ¹	696	739
	1,444	1,518
	2013	2012
	€000	€000
Pay	43,177	44,497
Higher, special or additional duties allowance	470	377
Other allowances	1,877	2,111
Overtime	548	486
Employer's PRSI	2,427	2,431
Total pay ²	48,499	49,902

5.1 Allowances and Overtime Payments ²

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2013 €	Maximum individual payment 2012 €
Higher, special or additional duties	117	8	18,706	19,666
Other allowances	235	84	21,682	22,016
Overtime	155	14	20,094	23,517

Certain individuals received extra remuneration in more than one category.

¹ The number of staff at year end in the Department's agencies includes a number of non-commercial state agencies that are not in direct receipt of Exchequer funding.

² The pay, allowance and other remuneration details above relate to the Department's staff paid directly from the Vote under programmes A to G. Detailed information in relation to employee numbers and pay in respect of the Department's agencies is available from the relevant annual reports or directly from the agencies concerned.

5.2 Other Remuneration Arrangements

Eight retired civil servants in receipt of civil service pensions were re-engaged on a fee basis at a total cost of €120,894. Their pensions were abated where necessary.

6 Miscellaneous

6.1 EU Funding

The outturn shown in subheads B.3, B.4, E.10 and E.11 includes payments in respect of activities co-financed by the European Regional Development Fund. The outturn shown in subhead E.9. includes payments in respect of activities co-financed by the European Agricultural Fund for Rural Development. Estimates of EU funding and outturns, based on expenditure and co-financing rates, were as follows:

Subhead	Description	2013		2012
		Estimate	Outturn	Outturn
			€000	€000
B.3	Water services investment programme	2,500	1,000	—
B.4	Rural water programme	250	207	366
E.9	LEADER - Rural economy sub-programme 2007-2013	89,250	70,286	38,800
E.10	Programme for peace and reconciliation	11,361	11,361	8,052
E.11	INTERREG programme	1,875	1,875	712
		105,236	84,729	47,930

6.2 Committees and Commissions

	Year of appointment	Cumulative expenditure to end 2013	2013 Outturn	2012 Outturn
		€000	€000	€000
Tribunal of Inquiry into certain Planning Matters and Payments	1997	105,954	5,321	3,281

There will be further payments associated with the Tribunal of Inquiry into certain Planning Matters and Payments. Final costs cannot be determined at this point pending the determination of third party legal costs in respect of the period since 2002. Expenditure to the end of 2013 was €106 million. On the basis of a tribunal estimate in May 2014 and expenditure to the end of 2013, additional costs of €53 million may arise, primarily relating to third party legal representation.

6.3 National Lottery Funding

Sub-head	Description	2013		2012
		Estimate	Outturn	Outturn
		€000	€000	€000
A.4	Voluntary and co-operative housing	431	431	700
A.7	Private housing grants	5,548	5,548	6,764
E.3	Supports for community and voluntary sector (part funded by National Lottery)	5,960	5,960	6,285
E.4	Local and community development programmes (part funded by National Lottery)	6,630	6,630	7,528
		18,569	18,569	21,277

Details are available on the Department's website www.environ.ie

6.4 Legal Costs

	2013	2012
	€000	€000
Legal costs paid during the year are categorised as follows:		
Legal fees	—	—
Compensation costs	7,812	7,257
	7,812	7,257

Details of costs were as follows:-

- A payment of €2,664,000 was made by the Housing and Sustainable Communities Agency following a High Court judgement in respect of a land-swap arrangement with a house building company under the affordable housing initiative (Department of Public Expenditure and Reform sanction S74/45/00 of 26 October 2012).
- Payments totalling €2,648,000 were made to meet fines imposed on Ireland in the European Court of Justice case C-374/11 in relation to transposition and implementation of a Directive on waste relating to the disposal of domestic waste waters in the countryside through septic tanks and other individual waste water treatment systems (Department of Public Expenditure and Reform sanction S74/45/00 of 6 March 2013).
- A payment of €1,500,000 was made to meet a fine imposed on Ireland in the European Court of Justice case C-279/11 in relation to transposition of a Directive relating to Environment Impact Assessments (Department of Public Expenditure and Reform sanction S74/45/00 of 6 March 2013).
- Payments totalling €1,000,000 were made to meet the legal costs of relevant parties arising from a Supreme Court judgement relating to the imposition of an exclusion zone for mussel fishing as part of a foreshore licence (Department of Public Expenditure and Reform sanction S74/45/00 of 4 September 2013 and 18 October 2013).

6.5 Contingent Liability

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

6.6 Carryover of Funding

Under the provisions of Section 91 of the Finance Act 2004, €72,000,000 of unspent allocation in respect of the capital elements of subheads B.3, B.4 and E.9 was carried forward to 2014.

6.7 Tidy Towns Funding

In addition to voted money (€1,000), sponsorship totalling €482,544 was administered and expended on the Tidy Towns Competition through a vote suspense account.