

Appropriation Account 2015

Vote 34

Environment, Community and Local Government

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 2015 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.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €42.94 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.

Payments to Pobal

Funds are advanced to Pobal in relation to the delivery of certain programmes on an agency basis. The total amount paid to Pobal in the year was charged against the relevant subheads in the year (see Note 6.7).

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.

Since 23 November 2015 the Department's payroll function is provided on a shared services basis by Shared Services (Vote 18) and I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Department and Shared Services.

The Accounting Officer of the Department of Public Expenditure and Reform is also the Accounting Officer for Vote 18 and is responsible for the operation of controls within the Shared Services Centres.

I take assurance from the system of control within shared services as reported to me by the Accounting Officer for Shared Services.

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 complied with the guidelines with the exception of five contracts (in excess of €25,000, ex VAT) to the value of €343,509 (ex VAT) which were awarded without competitive tender for exceptional reasons. The Department has provided details of these exceptional one-off contracts as part of the annual return in respect of Circular 40/2002 to the Office of the Comptroller and Auditor General and the Department of Public Expenditure and Reform. These contracts primarily relate to expenditure on IT licences, specialist radar equipment and services contracts.

Significant financial risks

The Department continues to have regard to significant financial and other business related risks via the Departmental Risk Register. The Register is a living document and is updated to take account of new risks identified or of changes to existing risks.

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

30 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 34 Environment, Community and Local Government

I have audited the appropriation account for Vote 34 Department of Environment, Community and Local Government for the year ended 31 December 2015 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 34 Department of Environment, Community and Local Government for the year ended 31 December 2015.

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

Reporting on matters arising from audit

Chapter 4 and 5 of my report on the accounts of the public services for 2015 refer to certain matters relating to Vote 34 Department of Environment, Community and Local Government.

Seamus McCarthy

Comptroller and Auditor General

21 July 2016

Vote 34 Environment, Community and Local Government

Appropriation Account 2015

		2015	2014
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Housing	686,708	646,329	594,593
B Water services	168,601	130,700	36,450
C Environment and waste management	35,036	30,315	33,184
D Local Government	269,885	275,096	36,237
E Community and rural development	133,298	124,065	181,640
F Planning	16,357	21,383	18,955
G Met Éireann	19,072	15,410	15,061
Gross expenditure	1,328,957	1,243,298	916,120
<i>Deduct</i>			
H Appropriations-in-aid	47,558	45,920	85,607
Net expenditure	1,281,399	1,197,378	830,513

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.

	2015	2014
	€	€
Surplus	84,020,997	15,078,353
Deferred surrender	(41,078,000)	—
Surplus to be surrendered	42,942,997	15,078,353

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	47,291	46,350	45,786
ii	Travel and subsistence	1,465	1,327	1,227
iii	Training and development and incidental expenses	1,642	798	974
iv	Postal and telecommunications services	1,284	777	779
v	Office equipment and external IT services	8,486	6,577	6,126
vi	Office premises expenses	1,339	418	512
vii	Consultancy services and value for money and policy reviews	171	27	—
		61,678	56,274	55,404

Notes to the Appropriation Account

1 Operating Cost Statement 2015

	2015	2014
	€000	€000
Programme cost	1,187,024	860,716
Pay	46,350	45,786
Non pay	9,924	9,618
Gross expenditure	1,243,298	916,120
<i>Deduct</i>		
Appropriations-in-aid	45,920	85,607
Net expenditure	1,197,378	830,513
Changes in capital assets		
Purchases cash	(958)	
Depreciation	1,035	
Loss on disposals	6	
	83	309
Changes in assets under development		
Cash payments	(117)	(295)
Changes in net current assets		
Decrease in closing accruals	(165)	
Decrease in stocks	158	
	(7)	(3,431)
Direct expenditure	1,197,337	827,096
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	19,978	19,059
Notional rents	3,125	3,016
Net programme cost	1,220,440	849,171

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.

	2015	2014
	€000	€000
Vote 9 Office of the Revenue Commissioners e	19	12
Vote 12 Superannuation and Retired Allowances	18,567	17,542
Vote 13 Office of Public Works	1,129	1,296
Vote 18 Shared Services	8	—
Central Fund – Ministerial pensions	255	209
	<u>19,978</u>	<u>19,059</u>

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

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	3,561	3,649
Capital assets under development	2.3	549	432
		4,110	4,081
Current assets			
Bank and cash	2.4	52,098	596
Stocks	2.5	201	359
Prepayments		3,455	4,022
Accrued income		5,299	4,117
Other debit balances	2.6	1,627	1,804
Total current assets		62,680	10,898
Less current liabilities			
Accrued expenses		7,252	7,482
Deferred income		769	109
Other credit balances	2.7	12,649	2,712
Net liability to the exchequer	2.8	41,076	(312)
Total current liabilities		61,746	9,991
Net current assets		934	907
Net assets		5,044	4,988
Represented by:			
State funding account	2.1	5,044	4,988

2.1 State Funding Account	Note	2015 €000	2014 €000
Balance at 1 January		4,988	1,316
Disbursements from the Vote			
Estimate provision	Account	1,281,399	
Deferred surrender		(41,078)	
Surplus to be surrendered	Account	(42,943)	
Net vote		1,197,378	830,513
Expenditure (cash) borne elsewhere	1	19,978	19,059
Non cash expenditure – notional rent	1	3,125	3,016
Capital asset adjustments	2.2	15	255
Net programme cost	1	(1,220,440)	(849,171)
Balance at 31 December		5,044	4,988

2.2 Capital Assets

	Land and buildings	Plant, machinery and motor vehicles	Office and IT equipment	Furniture and fittings	Total
Gross assets	€000	€000	€000	€000	€000
Cost or valuation at 1 January 2015	427	281	24,509	3,510	28,727
Adjustments ^a	—	—	2	3	5
Additions	—	—	928	10	938
Disposals	—	(25)	(462)	(34)	(521)
Transfers to other Departments ^b	—	—	(43)	—	(43)
Cost or valuation at 31 December 2015	427	256	24,934	3,489	29,106
Accumulated depreciation					
Opening balance at 1 January 2015	24	213	21,858	2,983	25,078
Adjustments ^a	—	—	(11)	1	(10)
Depreciation for the year	—	21	889	125	1,035
Depreciation on disposals	—	(25)	(460)	(30)	(515)
Transfers to other Departments ^b	—	—	(43)	—	(43)
Cumulative depreciation at 31 December 2015	24	209	22,233	3,079	25,545
Net assets at 31 December 2015^c	403	47	2,701	410	3,561
Net assets at 31 December 2014	403	68	2,651	527	3,649

^a In order to reflect the most accurate valuation of assets, adjustments were required to the cost or valuation of gross assets at 1 January 2015, and to the accumulated depreciation at 1 January 2015 for the addition of furniture provided by the Office of Public Works for the decentralised offices at Newtown Road, Wexford, the removal of incorrectly capitalised IT hardware and the addition of IT hardware purchased in a prior year but not previously included on the asset register.

^b The assets transferred relate to application licences for the Oracle Financial Management System moved to the Department of Justice and Equality and office equipment moved to the Department of Arts, Heritage and the Gaeltacht.

^c 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 commenced in 2014. It is intended that a schedule of all ICT Heritage Assets managed on behalf of the Department of Arts, Heritage and the Gaeltacht will be provided to that Department by mid-2016.

2.3 Capital Assets under Development

at 31 December	€000
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Amounts brought forward at 1 January 2015	432
Cash payments in year	117
Transferred to asset register	—
Balance at 31 December 2015	<u>549</u>

2.4 Bank and Cash

	2015	2014
at 31 December	€000	€000

PMG balance	51,970	(1,109)
Commercial bank account balance and cash	128	1,705
	<u>52,098</u>	<u>596</u>

2.5 Stocks

	2015	2014
at 31 December	€000	€000

Meteorological consumables	98	255
IT consumables	43	45
Stationery	48	42
Cleaning materials	2	2
Other	10	15
	<u>201</u>	<u>359</u>

2.6 Other Debit Balances

	2015	2014
at 31 December	€000	€000

Recoupable salary costs	310	422
Recoupable travel pass scheme	158	94
Recoupable travel costs	24	81
Imprests	5	8
Other debit suspense items	1,130	1,199
	<u>1,627</u>	<u>1,804</u>

2.7 Other Credit Balances	2015	2014
at 31 December	€000	€000

Amounts due to the State

Income Tax	1,148	793
Pension contributions	167	284
Pay Related Social Insurance	411	274
Value Added Tax	139	192
Professional Services Withholding Tax	36	35
	<u>1,901</u>	<u>1,578</u>

Payroll deductions held in suspense	389	284
Urban Development Fund	9,616	—
Other credit suspense items	743	850
	<u>12,649</u>	<u>2,712</u>

2.8 Net Liability to the Exchequer	2015	2014
at 31 December	€000	€000

Surplus to be surrendered	42,943	15,078
Deferred surrender	41,078	—
Exchequer grant undrawn	(42,945)	(15,390)
Net liability to the Exchequer	<u>41,076</u>	<u>(312)</u>

Represented by:**Debtors**

Bank and cash	52,098	596
Debit balances: suspense	1,627	1,804
	<u>53,725</u>	<u>2,400</u>

Creditors

Due to State	(1,901)	(1,578)
Credit balances: suspense	(10,748)	(1,134)
	<u>(12,649)</u>	<u>(2,712)</u>

	<u>41,076</u>	<u>(312)</u>
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2.9 Matured Liabilities	2015	2014
at 31 December	€000	€000

Estimate of matured liabilities not discharged at 31 December	31	2
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2.10 Commitments **2015** **2014**
at 31 December **€000** **€000**

(a) Global commitments

(i) Procurement subheads	—	—
(ii) Grant subheads	1,161,075	431,084
	<u>1,161,075</u>	<u>431,084</u>

(b) Multi-annual capital commitments

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

1 Rural Water Programme	Cumulative expenditure to 31 December 2014	Expenditure in 2015	Project commitments in subsequent years	Expected total spend lifetime of project 2015	Expected total spend lifetime of project 2014
Project	€000	€000	€000	€000	€000
Galway DBO Bundle No 2 ¹	18,295	503	172	18,970	18,766
2 Housing Projects	Cumulative expenditure to 31 December 2014	Expenditure in 2015	Project commitments in subsequent years	Expected total spend lifetime of project 2015	Expected total spend lifetime of project 2014
Construction Projects	€000	€000	€000	€000	€000
Fortunestown, Phase B1, Tallaght, Dublin 24	30,819	—	1,069	31,888	30,819
Pearse Street, Sallynoggin, Co. Dublin	16,424	—	53	16,477	16,477
Priory Hall Refurbishment, Donaghmede, Dublin 13 ²	4,045	7,991	24,864	36,900	6,471
Bunratty (Phase 1C), Coolock, Dublin 17 ³	—	—	13,540	13,540	—
Kilbride Lane, Bray, Co. Wicklow ³	—	—	14,700	14,700	—
Total	<u>51,288</u>	<u>7,991</u>	<u>54,226</u>	<u>113,505</u>	<u>53,767</u>

¹ List of cumulative spend to end December 2014 revised since 2014.² Excluded from 2014 account as the estimated cost of the scheme was under €12.7 million.³ New project entered into in 2015.

Voluntary Housing	Cumulative expenditure to 31 December 2014	Expenditure in 2015	Project commitments in subsequent years	Expected total spend lifetime of project 2015	Expected total spend lifetime of project 2014
	€000	€000	€000	€000	€000
Respond, Springfield, Tallaght, Dublin 24	22,681	—	1,175	23,856	23,699
Catholic Housing Aid, Fr. Scully House, Grenville Street, Dublin 1	16,388	—	555	16,943	16,943
Total	<u>39,069</u>	<u>—</u>	<u>1,730</u>	<u>40,799</u>	<u>40,642</u>

	Cumulative expenditure to 31 December 2014 €000	Expenditure in 2015 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2015 €000	Expected total spend lifetime of project 2014 €000
Regeneration Projects					
Glen Phase 2, Cork City	12,776	—	3,500	16,276	12,832
Liberty House, Dublin City	13,231	—	338	13,569	13,569
Regeneration of Ballymun Flats	761,286	2,845	2,000	766,131	765,398
St. Michael's Estate, Dublin City	18,709	4,000	—	22,709	19,533
Total	806,002	6,845	5,838	818,685	811,332

Significant variations

An explanation is provided below where multi-annual commitments increased by more than €500,000 from 2014 to 2015.

Project	Total cost increase in 2015 €000	Explanation
Fortunestown, Phase B1, Tallaght, Dublin 24	1,069	There was an increase due to a revised budget at the final account stage following the settlement of a contract dispute.
Priory Hall Refurbishment, Donaghmede, Dublin 13	30,429	The increase is due to this project being developed and approved on a phased basis. At the end of 2014 only the early phases had been approved. This project continues to be developed and approved in phases with one to five being approved at 31 December 2015. It's expected that phases six and seven will be approved in 2016.
Glen Phase 2, Cork City	3,444	The increase was due to a revised budget following the settlement of a contract dispute.
Regeneration of Ballymun Flats	733	There was an increase of less than 1% in the project cost at the final account stage due to routine variations between budgeted and actual expenditure.
St. Michael's Estate, Dublin City	3,176	There was an increase in the final account due to variations on the initial contract and additional professional fees associated with the delivery of the project.

2.11 Landfill Remediation

Cumulatively to 31 December 2015, a total of €126.487 million was expended from both the Vote and the Environment Fund on remediation of 51 landfill sites (€73.655 million from the Vote and €52.832 million from the Environment Fund). Future expenditure of €13.180 million is anticipated on remediation of 15 sites in 2016, the most significant single project being Kerdiffstown landfill in Co. Kildare. The precise funding requirement of Kerdiffstown landfill will become known when procurement at local authority level has concluded.

3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	Housing			
A.1	Administration - pay	8,550	8,218	7,728
A.2	Administration - non pay	1,934	1,533	1,470
A.3	Local authority housing	354,385	303,261	257,288
A.4	Voluntary and co-operative housing	114,537	106,718	101,201
A.5	Social inclusion	61,458	73,783	57,414
A.6	Estate regeneration - social housing improvements	99,830	106,580	120,944
A.7	Private housing grants	24,090	25,028	37,076
A.8	Subsidies and allowances	4,679	3,822	5,611
A.9	Other services	17,245	17,386	5,861
		686,708	646,329	594,593

Significant variations

Overall, the expenditure in relation to the Programme A was €40.38 million lower than provided. A significant element of these savings has been carried forward into Housing programmes in 2016. The lower than provided expenditure was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Local authority housing	51,124	<p>Savings of €25.8 million arose mainly due to the utilisation of the Rental Accommodation Scheme reserves by local authorities and lower than anticipated demand for the long-term leasing initiative.</p> <p>Additional savings of €17.6 million arose due to the reclassification of expenditure on returning vacant properties to productive use, A.6 (Estate regeneration – social housing improvements).</p> <p>Further savings of €7.6 million arose from slower than anticipated delivery of the Housing Assistant Payment (HAP) scheme in the first half of 2015.</p>
Voluntary & co-operative housing	7,819	Expenditure was lower than expected on the Capital Assistance Scheme due to projects not progressing as quickly as anticipated. However, there were higher than expected level of claims submitted by local authorities on the Capital Loans & Subsidy Scheme.
Social inclusion	(12,325)	Additional expenditure arose due to the rising demands for homeless services and additional support costs in respect of traveller accommodation services.

Description	Less/ (more) than provided €000	Explanation
Estate regeneration - social housing improvements	(6,750)	Additional expenditure arose on returning some 2,700 social housing units to productive use compared to the expected 1,000 units.
Subsidies and allowances	857	Expenditure was lower than anticipated due to the decrease in the number of applications under the mortgage allowance scheme and the affordable housing and shared ownership schemes.

		2015	2014
		Estimate provision	Outturn
		€000	€000
B	Water Services		
B.1	Administration - pay	5,442	4,824
B.2	Administration - non pay	1,175	973
B.3	Water quality programme	11,000	13,589
B.4	Rural water programme	17,535	16,881
B.5	Foreshore	3,415	110
B.6	Water conservation grant	130,000	94,323
B.7	Other services	34	—
		168,601	130,700
			36,450

Significant variations

Overall, the expenditure in relation to the Programme B was €37.90 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Water quality programme	(2,589)	Expenditure relating to road opening protocols incurred by local authorities in respect of the Irish Water metering programme was greater than anticipated.
Foreshore	3,305	Spending in respect of legal costs, valuations and contingencies was less than anticipated.
Water conservation grant	35,677	The Water Conservation Grant is a demand led scheme and savings arose due to a lower than anticipated level of applications.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C	Environment and Waste Management			
C.1	Administration - pay	5,932	5,481	5,736
C.2	Administration - non pay	1,844	1,671	1,609
C.3	Environmental Protection Agency	18,713	18,646	15,738
C.4	Environmental radiation policy	—	—	2,398
C.5	Carbon Fund	—	—	—
C.6	International climate change commitments	—	—	—
C.7	Landfill remediation	8,500	4,506	7,673
C.8	Other services	47	11	30
		35,036	30,315	33,184

Significant variations

Overall, the expenditure in relation to the Programme C was €4.72 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Landfill remediation	3,994	The savings arose because the landfill remediation at Kerdiffstown, County Kildare and other projects did not progress as quickly as anticipated.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D	Local Government			
D.1	Administration - pay	8,757	7,925	7,995
D.2	Administration - non pay	2,004	1,703	1,681
D.3	Local Government Fund	233,100	241,100	—
D.4	Fire and emergency services	8,792	6,574	7,460
D.5	Local authority library and archive service	2,400	2,597	2,199
D.6	Franchise	2,585	1,138	235
D.7	Other services	12,247	14,059	16,667
		269,885	275,096	36,237

Significant variations

Overall, the expenditure in relation to the Programme D was €5.21 million higher than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Local Government Fund	(8,000)	Additional expenditure arose in supporting local authorities in their response to the severe flooding event in December 2015.
Fire and emergency services	2,218	The savings arose due to the expenditure on the Joint Procurement of Fire Appliances project and a number of other projects not progressing as quickly as anticipated.
Local authority library and archive service	(197)	Additional expenditure arose to meet greater than expected library lease recoupment payments to local authorities.
Franchise	1,447	The savings arose due to the Department sponsoring fewer than anticipated referendums in 2015.
Other services	(1,812)	Additional expenditure arose mainly due to exceptional costs borne by local authorities in relation to tourism infrastructure, certain piers, harbours and other facilities following storm damage in early 2014. Total storm damage related expenditure in the year was €11.73 million. Funding of storm damage that occurred in early 2014 is now closed.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E	Community and Rural Development			
E.1	Administration – pay	4,661	6,249	6,088
E.2	Administration - non pay	663	680	668
E.3	Supports for community and voluntary sector (part funded by National Lottery)	12,624	10,794	10,184
E.4	Local and community development & social inclusion & community activation programme (part funded by National Lottery)	45,407	45,134	47,971
E.5	RAPID	500	317	170
E.6	Dormant accounts measures	6,726	3,346	2,342
E.7	Western Development Commission	1,488	1,283	1,413
E.8	National rural development schemes	3,816	3,945	5,182
E.9	LEADER – rural economy sub-programme	45,000	35,268	92,358
E.10	Programme for Peace and Reconciliation	11,174	16,129	12,445
E.11	INTERREG programme	511	227	2,149
E.12	Tidy Towns competition (note 6.6)	1	1	1
E.13	Irish Water Safety	657	657	657
E.14	Other services	70	35	12
		133,298	124,065	181,640

Significant variations

Overall, the expenditure in relation to the Programme E was €9.23 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Administration - pay	(1,588)	The budget allocation for this programme under performance budgeting was underestimated because of administrative changes to the Community and Rural Development Division. This is offset by savings in pay across other programme areas. Overall, there were savings in pay of €0.941 million across the Department.
Supports for community and voluntary sector	1,830	Savings of €1 million arose due to delay in establishment of the arrangements for implementation of a Community Sector Redundancy Fund. Savings also arose due to the slower than projected transition of the management and administration of the Seniors Alert scheme to Pobal.
RAPID	183	The saving arose as expenditure by other public bodies to be co-funded under the scheme was lower than expected.

Description	Less/ (more) than provided €000	Explanation
Dormant accounts measures	3,380	Savings arose due to lower than anticipated drawdown of funding by certain projects. Further savings arose due to delay in implementation of the Gateway Initiative and Youth Employment Initiative.
Western Development Commission	205	The savings arose due to unfilled staff vacancies and lower than anticipated pension related costs.
LEADER - rural economy sub- programme	9,732	Savings arose mainly because the roll-out of the Rural Development Programme 2014-2020 was delayed as the operational programme was not approved by the European Commission until May 2015.
Programme for Peace and Reconciliation	(4,955)	Additional funding was required in order to meet claims in advance of the closure of the Peace III Programme.
INTERREG programme	284	The savings arose due to lower than expected final claims on projects under the Environment and Community measures of the INTERREG (IV) Programme.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
F	Planning			
F.1	Administration - pay	1,552	1,506	1,257
F.2	Administration - non pay	92	101	85
F.3	An Bord Pleanála	13,558	15,036	12,250
F.4	Planning Tribunal	1,045	4,740	5,326
F.5	Other services	110	—	37
		16,357	21,383	18,955

Significant variations

Overall, the expenditure in relation to the Programme F was €5.03 million higher than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
An Bord Pleanála	(1,478)	Additional funding was required to meet legal costs following the implementation of new European Union measures.
Planning Tribunal	(3,695)	Additional funding was required to meet third party legal costs arising from the work of the Planning Tribunal.
Other services	110	Expenditure was lower than expected on legal services because of a lower level of activity arising.

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
G	Met Éireann			
G.1	Administration - pay	12,397	12,147	11,885
G.2	Administration - non pay	6,675	3,263	3,176
		19,072	15,410	15,061

Significant variations

Overall, the expenditure in relation to the Programme G was €3.66 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Administration – non pay	3,412	Savings arose due to the Aviation Modernisation and Automation Project (AMAP) and some other projects not progressing as quickly as anticipated.

4 Receipts

4.1 Appropriations-in-aid

		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	Fees payable by local authorities, etc., for audit of their accounts	1,830	2,506	2,169
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	9,300	9,242	9,507
4.	Miscellaneous receipts	250	836	314
5.	Foreshore receipts	2,000	2,163	1,418
6.	Programme for Peace and Reconciliation	13,311	9,973	9,669
7.	Dormant accounts - administration	750	750	400
8.	Dormant accounts - programme expenditure	5,976	2,595	1,942
9.	LEADER rural economy programme expenditure	8,100	11,450	53,790
10.	Receipts from pension-related deduction on public service remuneration	5,300	5,664	5,657
Total		47,558	45,920	85,607

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	(676)	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.
Miscellaneous receipts	(586)	An unexpected EU advance payment in relation to the adoption of the Programme for Employability, Inclusion and Learning (PEIL) 2014-2020 under the ESF was received.
Foreshore receipts	(163)	Foreshore receipts are difficult to predict reliably and were higher than expected.
Programme for Peace and Reconciliation	3,338	There were lower than expected receipts from EU funds due to the impact of a variety of factors, such as the fluctuation in the euro/sterling exchange rate and delays by projects in the submission of actual vouched expenditure, which affected the amount and timing of payments.

Description	Less/ (more) than provided €000	Explanation
Dormant accounts - programme expenditure	3,381	This receipt relates to recoupment from the Dormant Accounts Fund of programme expenditure arising under E.6 (Dormant accounts measures). Expenditure from E.6 was less than expected in 2015 due to lower than anticipated drawdown of funding by certain projects. Further savings arose due to delay in implementation of the Gateway Initiative.
LEADER - rural economy programme expenditure	(3,350)	The greater than expected receipts arose due to the revision of the programme financial plan in 2015 by the Department of Agriculture, Food and the Marine.
Receipts from pension-related deductions on public service remuneration	(364)	The increase arose due to greater than estimated intake of pension related deductions from staff in the Department and in the state agencies under its remit.

4.2 Extra receipts payable to the Exchequer

	2015 €000	2014 €000
Balance at 1 January	—	—
Emissions trading scheme ^a	52,183	39,597
Proceeds of the Hatherton Fund from National Building Agency	1,000	—
Refund from The World Bank/European Investment Bank	710	—
Payment under Pyrite Resolution Act 2013	484	—
Redemption of projects funded under the Voluntary Housing Capital Assistance scheme	196	22
Refund from Dublin City Council	117	—
PRTB pension contributions	33	33
Proceeds from sale of property	—	21
Voluntary surrender of pay	—	4
Transfer to the Exchequer	(54,723)	(39,677)
Balance at 31 December	—	—

^a Since the start of the third trading period in 2013, auctioning has 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. The EPA was appointed EU Emissions Trading Auctioneer for Ireland. The EPA retained €1,279,531 of emission receipts in 2015 for carrying out these regulatory and administrative functions for the scheme in accordance with the Department of Public Expenditure and Reform sanction. The 2015 gross emission trading receipts were €53,462,360 before the EPA costs were deducted.

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)		
Department	721	721
Agencies	681	678
	1,402	1,399

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.

	2015	2014
	€000	€000
Pay	41,532	41,146
Higher, special or additional duties allowance	315	329
Other allowances	1,745	1,748
Overtime	442	422
Employer's PRSI	2,497	2,387
Total pay	46,531	46,032

5.1 Allowances and Overtime Payments ¹

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	61	7	18,313	17,602
Other allowances	144	78	25,759	20,867
Overtime	95	15	20,347	20,285
Number of individuals who received extra remuneration in more than one category	74	66	41,326	40,089

¹ 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

One retired civil servant in receipt of a civil service pension was re-engaged on a fee basis at a total cost of €95,362. Pension abatement applied.

5.3 Payroll Overpayments

Overpayments at the year end were €16,476 (12 cases) (2014 €16,837, 29 cases). Recovery plans are in place for four of these cases and the Department is in the process of implementing recovery plans for the remaining cases.

6 Miscellaneous

6.1 EU Funding

The outturn shown in subheads A.6, 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.4 includes payments in respect of activities co-financed by the European Social 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:

Sub-head	Description	2015		2014
		Estimate	Outturn	Outturn
		€000	€000	€000
A.6	Estate regeneration – social housing improvements	5,741	5,741	—
E.4	Local and community development & social inclusion & community activation programme (part funded by National Lottery)	4,000	3,834	—
E.9	LEADER - Rural economy sub-programme	34,950	28,487	78,504
E.10	Programme for peace and reconciliation	6,035	8,790	6,783
E.11	INTERREG programme	308	170	1,611
		<u>51,034</u>	<u>47,022</u>	<u>86,898</u>

6.2 Committees and Commissions

	Year of appointment	Cumulative expenditure to end 2015	2015 Outturn	2014 Outturn
		€000	€000	€000
Tribunal of Inquiry into certain planning matters and payments	1997	116,020	4,740	5,326

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 2015 was €116 million. On the basis of a Tribunal estimate and expenditure to the end of 2015, additional costs of €43 million may arise, primarily relating to third party legal representation.

6.3 National Lottery Funding

Sub-head	Description	2015		2014
		Estimate	Outturn	Outturn
		€000	€000	€000
A.4	Voluntary and co-operative housing	737	200	764
A.7	Private housing grants	4,150	4,150	5,570
E.3	Supports for community and voluntary sector (part funded by National Lottery)	7,750	6,881	6,029
E.4	Local and community development & social inclusion & community activation programme (part funded by National Lottery)	4,024	4,569	5,347
		<u>16,661</u>	<u>15,800</u>	<u>17,710</u>

Details are available on the Department's website:

<http://www.housing.gov.ie/corporate/finance/national-lottery-funding/national-lottery-funding>

6.4 Legal Costs

	Number of cases	Compensation awarded €000	Legal costs awarded €000	2015	2014
				Total	Total
				€000	€000
Claims by employees of the Vote	—	—	—	—	—
Claims by external organisations/ individuals	7	2,894	396	3,290	310
		<u>2,894</u>	<u>396</u>	<u>3,290</u>	<u>310</u>

A payment of €2,904,332 made up of compensation and legal costs, was made following a High Court judgement in respect of a land-swap arrangement with a house building company under the affordable housing initiative in line with Department of Public Expenditure and Reform sanction.

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 Tidy Towns Funding

In addition to voted money (€1,000 - subhead E.12), sponsorship totalling €493,898 was administered and expended on the Tidy Towns competition through a vote suspense account.

6.7 Payments to Pobal

In accordance with the Department's accounting policy, the total paid to Pobal in the year (€21.993 million) was charged to the relevant subheads as set out below.

		2015	2014
		€000	€000
Sub-head	Description		
E.3	Supports for community and voluntary sector (part funded by National Lottery)	4,764	1,934
E.4	Local and community development & social inclusion & community activation programme (part funded by National Lottery)	13,130	42,520
E. 6	Dormant accounts measures	2,379	764
E. 9	LEADER – rural economy sub-programme	1,720	196
		21,993	45,414

At 31 December 2015, Pobal had accrued balances totalling €3.20 million in relation to programmes it delivers for the Department (2014: €2.56 million).

6.8 Deferred Surrender

Under the provisions of Section 91 of the Finance Act 2004, €41,078,000 of unspent allocation in respect of the capital elements of subheads A.4, A.9, B.7, C.3 and C.6 was carried forward to 2016.

6.9 Write-Offs

Sanction was obtained from the Department of Public Expenditure and Reform to write off €72,101 under the Programme for Peace and Reconciliation 2007 – 2013.