

## **Vote 25 Environment, Community and Local Government**

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## 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 2011 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 2011, including the amount that could be used as appropriations-in-aid of expenditure for the year.

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***

Certain buildings are depreciated at 5% per annum while others as well as land are not depreciated. The value of the latter will be reviewed every 5 years following consultation with the Office of Public Works and revalued where considered necessary. 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. Electronic voting equipment is depreciated at 5% per year over 20 years.

Capital assets are depreciated on a straight line basis over their estimated useful life starting in the month the asset is placed in service.

#### ***Transfer of Functions***

The account has been prepared in accordance with the Revised Estimates for Public Services 2011, which took account of the alteration of the title of the Department of the Environment, Heritage and Local Government to the Department of the Environment, Community and Local Government with effect from 2 May 2011 (S.I. No. 193 of 2011) and the following transfer of functions:

- the transfer of community functions from the Department of Community, Equality and Gaeltacht Affairs to this Department with effect from 1 May 2011 (S.I. No. 196 of 2011) and
- the transfer of heritage functions from this Department to the Department of Tourism, Culture and Sport (title altered to the Department of Arts, Heritage and the Gaeltacht on 2 May 2011) with effect from 1 May 2011 (S.I. No. 192 of 2011).

In line with accounting arrangements set out by the Department of Public Expenditure and Reform, the Revised Estimates for 2011 reflects the heritage change in Departmental functions on a full year basis. The Appropriation Account, which must follow the form and format of the relevant estimate, also reflects the heritage change in functions on a full year basis. Therefore, all heritage related expenditure and income for 2011 is included in the Appropriation Account for the Department of Arts, Heritage and the Gaeltacht (Vote 35).

**Statement on Internal Financial Control**

Along with the Account, I have submitted a statement in the standard format on the system of internal financial control that operates in the Department of the Environment, Community and Local Government.

**Geraldine Tallon**  
Accounting Officer  
Department of the Environment, Community and Local Government  
29 March 2012

## **Certificate of the Comptroller and Auditor General**

I have audited the Appropriation Account of Vote 25: Environment, Community and Local Government for 2011 under Section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The Account has been prepared in accordance with the Statement of Accounting Policies and Principles. The duties of the Accounting Officer and of the Comptroller and Auditor General in relation to the Appropriation Accounts, and the basis of the audit opinion, are set out in Part 1 to this volume.

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 the Environment, Community and Local Government. The Appropriation Account is in agreement with the books of account.

In my opinion, the Appropriation Account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2011.

Chapters 16, 26 and 27 of my report on the accounts of the public services for 2011 refer to certain matters relating to Vote 25 on which I considered it appropriate to report in accordance with Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993.

**Seamus McCarthy**  
Comptroller and Auditor General  
11 September 2012

## Vote 25 Environment, Community and Local Government Appropriation Account 2011

Service	2011 Estimate provision	2011 Outturn	2010 Outturn
	€000	€000	€000
<b>Administration</b>			
A.1. Salaries, wages and allowances	51,574	51,073	65,100
A.2. Travel and subsistence	1,613	1,275	2,001
A.3. Training and development and incidental expenses	1,664	974	1,310
A.4. Postal and telecommunications services	1,311	1,176	1,455
A.5. Office equipment and external IT services	9,704	6,845	8,369
A.6. Office premises expenses	1,033	732	1,228
A.7. Consultancy services and value for money and policy reviews	349	99	140
<b>Housing</b>			
B.1. Social housing provision and support (part funded by National Lottery)			
	<i>Original</i> 531,325		
	<i>Supplementary</i> (9,999)		
	<u>521,326</u>	490,009	780,930
B.2. Local authority estate regeneration and remedial works	203,700	182,177	194,910
B.3. Private housing adaptation - grants and other supports (part funded by National Lottery)	70,505	70,200	89,440
<b>Water Services</b>			
C.1. Water services investment programme	435,000	428,964	495,000
<b>Environment</b>			
D.1. Environmental Protection Agency	19,796	19,353	27,094
D.2. Environmental radiation policy	3,323	3,398	4,570
D.3. Subscriptions to international organisations	4,110	4,108	4,122
D.4. Carbon Fund	4,200	4,140	36,146
D.5. International climate change			
	<i>Original</i> —		
	<i>Supplementary</i> 10,000		
	<u>10,000</u>	10,000	23,000
<b>Waste Management</b>			
E.1. Recycling services	—	—	—
E.2. Landfill remediation	1,000	1,001	3,526

Service	2011	2011	2010
	Estimate provision	Outturn	Outturn
	€000	€000	€000
<b>Local Government</b>			
F.1. Local Government Fund	164,000	175,000	241,403
F.2. Fire and emergency services	12,130	13,130	19,949
F.3. Local authority library and archive service	7,600	7,582	8,832
F.4. Community and social inclusion	2,989	3,399	5,568
F.5. Disability services	—	—	7,615
F.6. Economic and social disadvantage (Dormant Accounts Fund)	282	—	719
<b>Supporting Communities</b>			
G.1. Supports for community and voluntary sector (part funded by National Lottery)	6,486	6,490	—
G.2. Local and community development programmes (part funded by National Lottery)	34,308	33,469	—
G.3. RAPID	2,458	1,563	—
G.4. Dormant accounts measures	1,943	1,639	—
<b>Planning</b>			
H.1. An Bord Pleanála	12,829	13,724	13,565
H.2. Planning Tribunal	3,470	4,137	3,281
H.3. Tidy Towns Competition	1	1	289
H.4. Planning and development, etc.	150	180	236
H.5. Foreshore	1,400	416	833
<b>Rural Development</b>			
I.1. Western Development Commission	660	563	—
I.2. National rural development schemes	2,987	2,985	—
I.3. LEADER - Rural economy sub-programme 2007-2013	53,072	38,610	—
<b>Other Services</b>			
J.1. Irish Water Safety	512	512	539
J.2. Miscellaneous services	14,212	17,818	16,199
<b>Heritage</b>			
— Grant for An Chomhairle Oidhreachta (Heritage Council) (part funded by National Lottery)	—	—	8,482
— Built heritage	—	—	15,502
— Natural heritage (National Parks and Wildlife Service)	—	—	26,908
— Irish Heritage Trust	—	—	436

Service		2011 Estimate provision	2011 Outturn	2010 Outturn
		€000	€000	€000
<b>Gross expenditure</b>				
	<i>Original</i>	1,661,696		
	<i>Supplementary</i>	<u>1</u>		
		1,661,697	1,596,742	2,108,697
<b>Deduct:</b>				
K.	<b>Appropriations-in-aid</b>	<u>52,225</u>	47,917	30,280
<b>Net expenditure</b>				
	<i>Original</i>	1,609,471		
	<i>Supplementary</i>	<u>1</u>		
		<u>1,609,472</u>	1,548,825	2,078,417
<b>Surplus for the year</b>			€60,646,675	€99,187,749
<b>Deferred surrender</b>			€34,000,000	—
<b>Surplus to be surrendered</b>			<u>€26,646,675</u>	<u>€99,187,749</u>

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2011

	Note	€000	2011 €000	2010 €000
Expenditure on administration			62,174	79,603
Expenditure on services and programmes			1,534,568	2,029,094
<b>Gross expenditure</b>			<u>1,596,742</u>	<u>2,108,697</u>
Deduct				
<b>Appropriations-in-aid</b>			47,917	30,280
<b>Net expenditure</b>			<u>1,548,825</u>	<u>2,078,417</u>
<b>Changes in capital assets</b>				
Purchases cash		(904)		
Depreciation		3,745		
Disposals cash		—		
Loss on disposals		11	2,852	2,972
<b>Changes in assets under development</b>				
Cash payments			(17)	(96)
<b>Changes in net current assets</b>				
Increase in closing accruals		3,424		
Increase in stock		(91)		
			3,333	(5,497)
<b>Direct expenditure</b>			<u>1,554,993</u>	<u>2,075,796</u>
Net allied services expenditure	1.1		22,025	19,959
Notional rents			2,565	3,633
<b>Total operating cost</b>			<u><u>1,579,583</u></u>	<u><u>2,099,388</u></u>

#### 1.1 Net Allied Services

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

Vote		2011 €000	2010 €000
7	Superannuation and Retired Allowances	16,430	16,238
10	Office of Public Works	5,198	3,323
20	Garda Síochána	62	192
	Central Fund - Ministerial etc. pensions	335	206
		<u>22,025</u>	<u>19,959</u>



**2 Balance Sheet as at 31 December 2011**

	Note	2011 €000	2010 €000
<b>Capital assets</b>	2.1	28,851	66,668
<b>Capital assets under development</b>	2.2	35	18
		<b>28,886</b>	<b>66,686</b>
<b>Current assets</b>			
Bank and cash	2.3	37,030	3,468
Stocks	2.4	441	350
Prepayments		2,413	8,434
Accrued income		5,905	956
Other debit balances	2.5	976	2,167
<b>Total current assets</b>		<b>46,765</b>	<b>15,375</b>
<b>Less current liabilities</b>			
Accrued expenses		2,748	1,371
Deferred income		1,058	1
Other credit balances	2.6	3,684	4,807
Net liability to the Exchequer	2.7	34,322	828
<b>Total current liabilities</b>		<b>41,812</b>	<b>7,007</b>
<b>Net current assets</b>		<b>4,953</b>	<b>8,368</b>
<b>Net assets</b>		<b>33,839</b>	<b>75,054</b>
<b>Represented by:</b>			
<b>State funding account</b>		<b>33,839</b>	<b>75,054</b>

## 2.1 Statement of Capital Assets

	Land and buildings	Plant, and machinery and motor vehicles	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000	€000	€000
<b>Gross assets</b>					
Cost or valuation at 1 January 2011	33,094	9,189	78,220	6,541	127,044
Prior year adjustments <sup>1</sup>	238	(49)	(5,210)	(711)	(5,732)
Additions	—	—	957	29	986
Disposals	—	—	(358)	—	(358)
Transfers to the Department of Arts, Heritage and the Gaeltacht	(33,272)	(8,975)	(708)	(2,622)	(45,577)
Transfers from the Department of Community, Equality and Gaeltacht Affairs	—	41	1,635	111	1,787
Cost or valuation at 31 December 2011	60	206	74,536	3,348	78,150
<b>Accumulated depreciation</b>					
Opening balance at 1 January 2011	36	6,778	50,085	3,477	60,376
Prior year adjustments <sup>1</sup>	4	(1)	(7,629)	(345)	(7,971)
Depreciation for the year	1	12	3,593	139	3,745
Depreciation on disposals	—	—	(347)	—	(347)
Depreciation on transfers to the Department of Arts, Heritage and the Gaeltacht	(19)	(6,648)	(529)	(560)	(7,756)
Depreciation on transfers from the Department of Community, Equality and Gaeltacht Affairs	—	12	1,185	55	1,252
Cumulative depreciation at 31 December 2011	22	153	46,358	2,766	49,299
<b>Net assets at 31 December 2011<sup>2</sup></b>	<b>38</b>	<b>53</b>	<b>28,178</b>	<b>582</b>	<b>28,851</b>
<b>Net assets at 31 December 2010</b>	<b>33,058</b>	<b>2,411</b>	<b>28,135</b>	<b>3,064</b>	<b>66,668</b>

<sup>1</sup> In order to correctly reflect the most accurate valuation of assets, adjustments were required to the cost or valuation of gross assets at 1 January 2011, and to the accumulated depreciation at 1 January 2011.

<sup>2</sup> In June 2012, a contract for removal and disposal of the electronic voting equipment, with a book value of €24.51 million, was signed providing for payment of €70,267 by the successful tenderer, subject to verification of the quantities of items involved. This will be reflected in the Operating Cost Statement in the Appropriation Account for 2012.

**2.2 Statement of Capital Assets under Development**

at 31 December	<b>€000</b>
Amounts brought forward at 1 January 2011	18
Cash payments for the year	17
Transferred to asset register	—
Amounts carried forward at 31 December 2011	<u>35</u>

**2.3 Bank and Cash**

at 31 December	<b>2011</b>	<b>2010</b>
	<b>€000</b>	<b>€000</b>
PMG balances and cash	37,049	4,684
Orders outstanding	(19)	(1,216)
	<u>37,030</u>	<u>3,468</u>

**2.4 Stocks**

at 31 December	<b>2011</b>	<b>2010</b>
	<b>€000</b>	<b>€000</b>
Meteorological consumables	323	61
Stationery	58	58
IT consumables	52	81
Other	7	140
Cleaning materials	1	10
	<u>441</u>	<u>350</u>

**2.5 Other Debit Balances**

at 31 December	<b>2011</b>	<b>2010</b>
	<b>€000</b>	<b>€000</b>
Imprests	8	9
Advances to OPW	—	121
Recoupable salary costs	146	205
Recoupable travel costs	42	40
Recoupable travel pass scheme	120	167
Other debit suspense items	660	1,625
	<u>976</u>	<u>2,167</u>

**2.6 Other Credit Balances**

at 31 December	<b>2011</b>	<b>2010</b>
	<b>€000</b>	<b>€000</b>
<b>Amounts due to the State</b>		
Income Tax	940	820
Pay Related Social Insurance	278	556
Withholding Tax	224	471
Value Added Tax	329	647
Pension Contributions	282	376
	<u>2,053</u>	<u>2,870</u>
Other credit suspense items	1,631	1,937
	<u>3,684</u>	<u>4,807</u>

<b>2.7 Net Liability to the Exchequer</b>	<b>2011</b>	<b>2010</b>
at 31 December	<b>€000</b>	<b>€000</b>
Surplus to be surrendered	26,647	99,188
Deferred surrender	34,000	—
Exchequer grant undrawn	(26,325)	(98,360)
Net liability to the Exchequer	<u>34,322</u>	<u>828</u>
<b>Represented by:</b>		
<b>Debtors</b>		
Net PMG position and cash	37,030	3,468
Debit balances: suspense	976	2,167
	<u>38,006</u>	<u>5,635</u>
<b>Creditors</b>		
Due to State	(2,053)	(2,870)
Credit balances: suspense	(1,631)	(1,937)
	<u>(3,684)</u>	<u>(4,807)</u>
	<u>34,322</u>	<u>828</u>

<b>2.8 Matured Liabilities</b>	<b>2011</b>	<b>2010</b>
	<b>€000</b>	<b>€000</b>
Estimate of matured liabilities not discharged at 31 December	1	18

## 2.9 Commitments

### (a) Global commitments

Global figure for commitments likely to materialise in subsequent year(s) under procurement and grant subheads are €117,901 and €1,170,039,952 respectively.

### (b) Multi-annual capital commitments

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

<b>1 Water/Sewerage Projects</b>	<b>Cumulative expenditure to 31 December 2010</b>	<b>Expenditure in 2011</b>	<b>Subsequent years</b>	<b>Total cost</b>
<b>Project</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Arklow Water Supply Scheme <sup>1</sup>	5,581	2,199	12,032	19,812
Ashbourne/Ratoath/Kilbride Sewerage Scheme <sup>2</sup>	12,349	—	3,113	15,462
Ballina Sewerage Scheme	17,980	—	748	18,728
Ballycoolen Water Supply Scheme (3 elements combined) <sup>1</sup>	61,324	2,353	1,858	65,535
Ballymore Eustace Water Treatment Plant Stage 3 <sup>1</sup>	62,965	12,456	10,224	85,645
Ballyshannon Water Supply Scheme <sup>1</sup>	2,260	441	11,206	13,907
Barrow Abstraction Scheme	7,313	7,028	11,402	25,743

<b>1 Water/Sewerage Projects</b>	<b>Cumulative expenditure to 31 December 2010</b>	<b>Expenditure in 2011</b>	<b>Subsequent years</b>	<b>Total cost</b>
<b>Project</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Boherboy Water Supply Scheme <sup>1</sup>	30,467	2,999	848	34,314
Bray Shanaganagh Sewerage Scheme <sup>1,3</sup>	60,604	7,948	136	68,688
Carlow Town Surface Water Drainage (Main Scheme) <sup>1</sup>	5,279	7,047	6,188	18,514
Carna/Kilkieran Water Supply Scheme	12,448	—	569	13,017
Castlebar Environs Sewerage Scheme (excl advance & outfall)	41,330	—	843	42,173
Castleconnell Sewerage Scheme	13,438	2,000	398	15,836
Courtown Riverchapel Sewerage <sup>1</sup>	19,619	805	224	20,648
Donegal Bay Wastewater Treatment Plant - Group A (DBO contract)	26,143	—	1,841	27,984
Dublin Bay Sewerage <sup>1</sup>	434,291	11,812	4,891	450,994
Dublin Region Watermains Rehabilitation Project (aka Dublin Water Conservation - Project C Rehabilitation - Long Term Phase - Tranche 2) <sup>2</sup>	5,419	10,407	8,679	24,505
Dublin Water Conservation (DRWRP) <sup>1</sup>	33,961	3,233	21,204	58,398
Dungarvan Sewerage	31,162	98	1,134	32,394
Dunshaughlin Water Supply Scheme <sup>1</sup>	13,244	—	330	13,574
East Waterford Water Supply Scheme Stage 2 Phase 2 <sup>1</sup>	15,873	259	518	16,650
Four Roscommon Regional Water Supply Scheme	10,723	98	29,378	40,199
Galway DBO Bundle No. 2 <sup>1,3</sup>	6,477	9,565	1,272	17,314
Gorey Regional Water Supply Scheme <sup>1</sup>	11,430	2,175	5,168	18,773
Kildare Sludge Treatment Centre	16,080	—	1,004	17,084
Kildare Water Supply Strategy, Phase 1 - Trunk Watermains <sup>1,3</sup>	14,831	—	503	15,334
Killybegs Sewerage Scheme	5,221	13,178	1,590	19,989
Kinsale Sewerage Scheme <sup>1</sup>	17,519	1,852	2,561	21,932
Leitrim Towns and Villages Sewerage Scheme (9 villages) <sup>1</sup>	17,347	—	4,819	22,166
Letterkenny Sewerage Scheme	14,453	14,530	5,235	34,218
Limerick Main Drainage (Phase 1, 2 & 3) - collection and treatment <sup>1</sup>	331,110	4,357	280	335,747
Limerick Water Network (Southern Ring Main - City & County)	12,979	240	248	13,467
Lough Mask Regional Water Supply (Knock-Ballyhaunis)	30,421	—	650	31,071

<b>1 Water/Sewerage Projects</b>	<b>Cumulative expenditure to 31 December 2010</b>	<b>Expenditure in 2011</b>	<b>Subsequent years</b>	<b>Total cost</b>
<b>Project</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Lower Liffey Valley Sewerage Scheme (treatment plant & collection system for Kilcock, Straffan, Celbridge, Maynooth and Leixlip)	13,961	—	3,774	17,735
Meath Grouped Towns and Villages Sewerage Scheme <sup>1</sup>	46,949	3,586	630	51,165
Midleton Sewerage	26,220	—	77	26,297
Mullingar Sewerage Improvement Scheme	37,041	—	103	37,144
Navan Mid Meath Water Supply <sup>1</sup>	24,139	—	1,006	25,145
Navan Sewerage	32,766	—	491	33,257
New Ross Sewerage Scheme <sup>1</sup>	12,857	1,361	282	14,500
Portlaoise Main Drainage <sup>1</sup>	45,075	2,633	510	48,218
Portrane, Donabate, Rush and Lusk Waste Water Treatment Plant <sup>1</sup>	21,786	10,766	807	33,359
Roscommon Towns & Villages SS (17 villages) Work started on 4 - Creagh, Cootehall, Tulsk & Lisacul <sup>1</sup>	14,502	2,919	1,435	18,856
Sandyford High Level Water Supply Scheme <sup>1,3</sup>	15,109	—	544	15,653
Sligo Wastewater Treatment Plant (DBO contract) <sup>1</sup>	18,642	487	312	19,441
Tipperary Grouped DBO & Wastewater Treatment Plants <sup>1</sup>	16,809	—	1,581	18,390
Tuam Regional Water Supply Stage 3	16,815	—	520	17,335
Tuam Regional Water Supply Scheme Ext to Headford	14,989	—	228	15,217
Tuam Water & Sewerage Scheme Network Contract <sup>1</sup>	10,976	9,720	837	21,533
Tullamore Sewerage Scheme, DBO Contract <sup>1</sup>	8,098	11,044	120	19,262
Waterford Grouped Towns & Villages Sewerage Scheme (Ardmore, Tallow, Stradbally, Cappoquin, Dunmore East, Kilmacthomas and Ballyduff/Kilmeadan) <sup>2</sup>	11,338	786	1,625	13,749
Waterford Sewerage Scheme Stage 2 <sup>1</sup>	47,373	6,118	219	53,710
Waterville Water Supply & Sewerage Scheme <sup>2</sup>	8,804	755	3,464	13,023
Westport Sewerage (excl. advance section)	49,925	—	662	50,587
Wicklow Sewerage Scheme (Wentworth Place Culvert) <sup>1</sup>	23,433	315	708	24,456
<b>Total</b>	<b>1,919,248</b>	<b>167,570</b>	<b>171,029</b>	<b>2,257,847</b>

<b>2 Housing Projects</b>	<b>Cumulative expenditure to 31 December 2010</b>	<b>Expenditure in 2011</b>	<b>Subsequent years</b>	<b>Total cost</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Construction Projects</b>				
Balgaddy, Phase E, Lucan, Co. Dublin <sup>1</sup>	15,936	403	719	17,058
Carrickpheirish Upper, Phase 3, Waterford City	17,766	826	371	18,963
Fortunestown, Phase B1, Tallaght, Dublin 24 <sup>1</sup>	14,690	1,167	543	16,400
Fortunestown, Phase B2, Tallaght, Dublin 24 <sup>1</sup>	23,037	224	—	23,261
Gooldshill, Mallow, Co. Cork <sup>1</sup>	22,146	—	1,116	23,262
Mountwood, Dun Laoghaire, Co. Dublin <sup>1</sup>	16,847	—	151	16,998
Pearse Street, Sallynoggin, Co. Dublin <sup>1</sup>	13,799	—	160	13,959
Rickardstown, Newbridge, Co. Kildare <sup>1</sup>	24,849	—	675	25,524
Shankill, Phase 2, Co. Dublin <sup>1</sup>	26,517	1,210	—	27,727
Stag Park, Mitchelstown, Cork <sup>1</sup>	14,164	1,620	—	15,784
<b>Total</b>	<b>189,751</b>	<b>5,450</b>	<b>3,735</b>	<b>198,936</b>
<b>Turnkey Projects</b>				
Carriganarra, Ballincollig, Co.Cork	15,498	—	930	16,428
Tory Top Road, Cork City <sup>1</sup>	15,102	—	163	15,265
<b>Total</b>	<b>30,600</b>	<b>—</b>	<b>1,093</b>	<b>31,693</b>
<b>Regeneration Projects</b>				
Bunratty Road, Maisonettes, Dublin City	13,753	—	724	14,477
Knocknaheeny, Block D, Cork City <sup>1,3</sup>	33,332	—	2,668	36,000
Laurel Avenue, Dun Laoghaire	15,050	1,072	—	16,122
Lourdes House, Dublin City	17,963	329	469	18,761
Poplar Row, Dublin City	16,499	—	677	17,176
Regeneration of Ballymun Flats <sup>1</sup>	685,960	20,519	51,000	757,479
Sean Treacy House, Dublin City	10,880	2,289	337	13,506
The Glen, Phase 2, Cork City <sup>1</sup>	8,010	3,789	6,167	17,966
<b>Total</b>	<b>801,447</b>	<b>27,998</b>	<b>62,042</b>	<b>891,487</b>
<b>Voluntary Housing</b>				
Respond, Springfield, Tallaght, Dublin 24	18,654	2,414	1,613	22,681
Catholic Housing Aid, Fr. Scully House, Grenville Street, Dublin 1	—	1,238	15,391	16,629
Respond, High Park Convent, Grace Park Road, Dublin 9 <sup>2</sup>	12,662	—	284	12,946
<b>Total</b>	<b>31,316</b>	<b>3,652</b>	<b>17,288</b>	<b>52,256</b>

<b>3 Carbon Fund</b>	<b>Cumulative expenditure to 31 December 2010</b>	<b>Expenditure in 2011</b>	<b>Subsequent years</b>	<b>Total cost</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Purchase of carbon credits <sup>1</sup>	112,869	4,140	3,160	120,169

**Notes:**

<sup>1</sup> Cost of project updated since 2010.

<sup>2</sup> Excluded from 2010 account as the then estimated cost of the scheme was under €12.7m.

<sup>3</sup> Cumulative expenditure to 31 December 2010 updated.

**(c) Water services Public Private Partnership (PPP) projects**

Water services related PPP projects are typically in the form of Design Build Operate (DBO) contracts for a water or waste water treatment plant. The DBO contract is between the local authority and the private sector partner. The Department funds a percentage of the capital cost of the contract by way of a grant payment which is paid to the local authority during the construction period (typically 24-30 months duration) of the treatment plant. The operation and maintenance element of the DBO is paid directly by the local authority to the private sector partner. The Department does not make any unitary payments to the local authority or private sector partner over the term of the contract and there is no capital commitment for the Department beyond the construction stage.



### 3 Variations in Expenditure

#### 3.1 Explanation of significant variations

An explanation is provided below 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).

In the latter part of 2011, based on an analysis of expenditure trends and a full review of 2011 requirements, and following consultation with the Department of Public Expenditure and Reform, the Department through the established processes of virement/supplementary estimate transferred savings that arose on various subheads to augment other subhead provisions in order to accommodate identified additional requirements in 2011.

<b>Sub-head</b>	<b>Less/(more) than provided €000</b>	<b>Explanation</b>
A.3.	690	Savings arose as a result of the consolidation of office accommodation, sharing of costs with co-tenants and lower than expected expenditure on staff training.
A.5.	2,859	Savings were achieved through re-negotiation of software contracts, changes in service providers and deferral of certain ICT projects.
A.6.	301	Expenditure was less than expected due to the reduction in the number of staff in the Department and the associated consolidation of Dublin offices.
A.7.	250	Expenditure was confined to a limited number of projects, resulting in overall savings.
B.1.	31,317	Savings arose as progress on the Voluntary Housing Capital Assistance Scheme was less than expected.
B.2.	21,523	Expenditure was lower than anticipated as a number of projects did not progress as planned during the year.
F.1.	(11,000)	Extra funding was provided to assist local authorities with additional costs arising from serious flooding in a number of areas and meeting environmental compliance requirements.
F.2.	(1,000)	Expenditure was higher than expected due to the progress made by local authorities in relation to the construction/upgrading of fire stations, the procurement of fire appliances and the provision of miscellaneous equipment.
F.4.	(410)	Due to the relevant scheme ending in 2011, work on projects was expedited resulting in a significant increase in claims arising for payment to local authorities.
F.6.	282	Project selection and awarding of contracts took longer than anticipated and resulted in lower than expected spending in 2011.
G.3.	895	Savings arose as expenditure by other public bodies to be co-funded under the scheme was lower than expected.

Sub-head	Less/(more) than provided €000	Explanation
G.4.	304	Savings arose as a number of anticipated liabilities did not mature during the year.
H.1.	(895)	Additional funding was provided to An Bord Pleanála to meet increased expenditure associated with legal costs and the retirement of Board members, and shortfalls arising from reduced fee income.
H.2.	(667)	Legal costs to be met by the Tribunal were higher than expected in 2011.
H.5.	984	Spending in respect of legal costs, valuations and contingencies was less than anticipated.
I.3.	14,462	Savings arose due to slower than anticipated project spending by the Local Action Groups which deliver the programme.
J.2.	(3,606)	Expenditure on the Programme for Peace and Reconciliation was greater than expected due to additional requirements and commitments to be met in 2011.

### 3.2 Expenditure comparison for transfer of functions

The table below shows the full expenditure for all Supporting Communities and Rural Development subheads which formed part of the Department of Community, Equality and Gaeltacht Affairs (Vote 27) until these functions were transferred to the Department of the Environment, Community and Local Government (Vote 25) with effect from 1 May 2011.

Subhead Description	2011			2010
	Vote 27 €000	Vote 25 €000	Total €000	Total €000
<b>Supporting Communities</b>				
G.1. Supports for community and voluntary sector (part funded by National Lottery)	3,514	6,490	10,004	11,567
G.2. Local and community development programmes (part funded by National Lottery)	28,976	33,469	62,445	67,454
G.3. RAPID	706	1,563	2,269	6,067
G.4. Dormant account measures	1,131	1,639	2,770	6,814
<b>Rural Development</b>				
I.1. Western Development Commission	895	563	1,458	2,175
I.2. National rural development schemes	412	2,985	3,397	10,427
I.3. LEADER - Rural economy sub programme 2007-2013	8,928	38,610	47,538	44,271

## 4 Receipts

4.1 Appropriations-in-aid	2011	2011	2010
	Estimated €000	Realised €000	Realised €000
1. Fees payable by local authorities, etc., for audit of their accounts	2,060	2,499	2,601
2. Receipt 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	9,100	9,332	9,506
4. Miscellaneous receipts	175	364	200
5. Dormant accounts receipts	282	—	719
6. Foreshore receipts	2,000	2,192	7,935
7. Rural development schemes	3,877	4,366	—
8. LEADER, INTERREG and Peace programme	2,000	2,296	—
9. Dormant accounts - administration	900	938	—
10. Dormant accounts - programme expenditure	2,000	1,441	—
11. LEADER rural economy sub-programme 2007-2013	23,185	17,208	—
12. Receipts from pension-related deduction on public service remuneration	5,905	6,540	7,562
- Rents (including receipts from lettings of fishing rights, etc.)	—	—	177
- Sales of property	—	—	44
- Services and charges at National Parks and Wildlife sites	—	—	795
<b>Total</b>	<b>52,225</b>	<b>47,917</b>	<b>30,280</b>

### 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%.

Heading	Less/(more) than estimated €000	Explanation
1.	(439)	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.
4.	(189)	Miscellaneous appropriations-in-aid are difficult to estimate.
5.	282	This appropriation-in-aid relates to recoupment from the Dormant Accounts Fund for any expenditure arising under subhead F.6. There was no expenditure from subhead F.6 in 2011 and as a result there was no recoupment.
6.	(192)	Foreshore receipts are difficult to predict reliably.
7.	(489)	There were higher than expected receipts from EU funds.
8.	(296)	There were higher than expected receipts from EU funds.
10.	559	The shortfall in receipts arose due to a delay in the commencement of certain projects.
11.	5,977	This appropriation-in-aid relates to expenditure from subhead I.3., which is co-financed by the EU. In the event, expenditure from subhead I.3. was less than anticipated in 2011.
12.	(635)	Income from this source was difficult to predict accurately.

#### 4.2 Extra receipts payable to the Exchequer

Miscellaneous receipts payable directly to the Exchequer amounted to €1,208,453. These were mainly in respect of refunds of grants, interest from the bank account used for electronic payments, and redemption of projects funded under the Voluntary Housing Capital Assistance Scheme.

### 5 Employee Numbers and Pay

	2011	2010
<b>Number of staff at year end</b> (full time equivalents)	812	1,177
	<b>2011</b>	<b>2010</b>
	<b>€000</b>	<b>€000</b>
Pay	45,568	62,756
Higher, special or additional duties allowances	360	410
Other allowances	2,245	2,526
Overtime	599	1,092
Employer's PRSI	2,363	3,540
<b>Total pay</b>	<b>51,135</b>	<b>70,324</b>

**Note:** The total pay figure is inclusive of pay in subheads A.1. and H.2.

#### 5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2011 €	Maximum individual payment 2010 €
Higher, special or additional duties	89	9	19,586	20,634
Other allowances	330	92	22,016	21,911
Overtime	152	18	22,098	21,624

**Note:** Certain individuals received extra remuneration in more than one category.

#### 5.2 Other Remuneration Arrangements

Five retired civil servants in receipt of civil service pensions were re-engaged on a fee basis at a total cost of €25,921.

## 6 Miscellaneous

### 6.1 EU Funding

The outturn shown in subheads C.1 and J.2. includes payments in respect of activities co-financed by the European Regional Development Fund. The outturn shown in subhead I.3. includes payments in respect of activities co-financed by the European Agricultural Fund for Rural Development. Estimates of expenditure and actual outturns were as follows:

Subhead Description	2011 Estimate €000	2011 Outturn €000	2010 Outturn €000
C.1. Water services investment programme	6,177	5,288	5,000
I.3. Leader - Rural economy sub-programme 2007-2013	38,002	17,208	—
J.2. Miscellaneous services	3,983	8,493	8,140
— <i>Built heritage</i>	—	—	783
— <i>Natural heritage (National Parks and Wildlife Service)</i>	—	—	502
	<b>48,162</b>	<b>30,989</b>	<b>14,425</b>

### 6.2 Commissions and Inquiries

	Year of appointment	Cumulative expenditure to end 2011 €000	2011 Outturn €000	2010 Outturn €000
Tribunal of Inquiry into certain Planning Matters (The Mahon Tribunal (formerly The Flood Tribunal))	1997	97,352	4,137	3,281

There will be further payments associated with the Tribunal of Inquiry into certain Planning Matters (The Mahon Tribunal (formerly the Flood Tribunal)). 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 2011 was €97m; in May 2012, the Tribunal estimated that additional costs of €99m may arise, primarily relating to third party legal representation.

### 6.3 Redundancy Payments

Gross payments of €77,960 were made, within the terms of a Department of Public Expenditure and Reform sanction, in respect of statutory redundancy arising from the establishment of the Local and Community Development Programme and its integrated delivery structure. This Department's net contribution was €31,184, with the balance of €46,776 being rebated from the Social Insurance Fund via the Department of Social Protection.

## 6.4 National Lottery Funding

Subhead	Description	2011 Estimate €000	2011 Outturn €000	2010 Outturn €000
B.1.	Social housing provision and support (part funded by National Lottery)	2,000	2,000	3,500
B.3.	Private housing adaptation - grants and other supports (part funded by National Lottery)	6,375	6,375	6,688
G.1.	Supports for community and voluntary sector (part funded by National Lottery)	4,430	4,430	—
G.2.	Local and community development programmes (part funded by National Lottery)	5,915	5,915	—
—	<i>Grant for An Chomhairle Oidhreachta (Heritage Council) (part funded by National Lottery)</i>	—	—	6,742
		<b>18,720</b>	<b>18,720</b>	<b>16,930</b>

Details are available on the Department's website at [www.environ.ie](http://www.environ.ie)

## 6.5 Legal Costs

A payment of €231,917 was made in relation to this Department's contribution to settlement of the judicial review in the High Court of consents related to the Corrib Gas Pipeline, including the foreshore licence granted by the Minister (Department of Public Expenditure and Reform sanction of 9 March 2011).

A payment of €113,165 was made in settlement of legal costs incurred in a High Court action taken against the State, the Minister, An Bord Pleanála, Dublin City Council and the Attorney General. The main issue for the Department concerned the adequacy of transposition of the Public Participation Directive (Department of Public Expenditure and Reform sanction S10/2/75 of 22 July 2011).

Payments totalling €60,095 were made in respect of legal costs in relation to judicial reviews of the Residential Tenancies Act 2004 (Department of Public Expenditure and Reform sanctions S74/45/00 of 22 February 2011 and 14 October 2011).

## 6.6 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.

## 6.7 Carryover of Funding

Under the provisions of Section 91 of the Finance Act 2004, €34,000,000 of unspent allocation in respect of the capital elements of subheads B.2., B.3., C.1. and I.3. was carried forward to 2012.

As agreed with the Department of Public Expenditure and Reform under the delegated administrative budget scheme, a carryover of €702,000 from the Vote for 2011 was included in the Estimates for 2012.

## 6.8 Tidy Towns Funding

In addition to voted moneys of €1,000, sponsorship and Environment Fund funding totalling €553,211 was expended on the Tidy Towns Competition.