



Appropriation Account 2012

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 2012 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

- (a) granted by Dáil Éireann under the Appropriation Act 2012, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- (b) provided for capital supply services in 2012 out of unspent 2011 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

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 is compliant with all relevant guidelines regarding procurement and is complying with all circulars relating to the mandatory use of framework agreements and contracts.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. 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 have put procedures in place to ensure that the reports of the internal audit function are followed up.

Geraldine Tallon

Accounting Officer

Department of the Environment, Community and Local Government

28 March 2013

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 Environment, Community and Local Government for the year ended 31 December 2012 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, 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 her control, for the efficiency and economy of administration in her Department and for the regularity and propriety of all transactions in the appropriation accounts.

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 a report each year, 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 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 Environment, Community and Local Government for the year ended 31 December 2012.

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.

Reporting on matters arising from audit

Chapters 6,10 and 11 of my report on the accounts of the public services for 2012 refers to certain matters relating to the Department of the Environment, Community and Local Government. Chapter 4 of my report on the accounts of the public services for 2012 deals with the management of voted expenditure by a number of departments and offices. This includes a section in relation to the management of Vote 25 Environment, Community and Local Government.

Seamus McCarthy
Comptroller and Auditor General

8 September 2013

Vote 25 Environment, Community and Local Government

Appropriation Account 2012

		2012		2011
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme Expenditure				
A	Housing	691,181	682,566	753,775
B	Water services	380,195	316,368	436,855
C	Environment and waste management	32,243	34,477	47,617
D	Local Government	32,128	31,557	210,704
E	Community and rural development			
	<i>Original</i>	159,065		
	<i>Deferred surrender</i>	34,000		
	<i>Supplementary</i>	8,053		
		201,118	153,076	107,752
F	Planning	15,744	18,293	20,790
G	Met Éireann	17,505	16,089	19,249
Gross expenditure				
	<i>Original</i>	1,328,061		
	<i>Deferred surrender</i>	34,000		
	<i>Supplementary</i>	8,053		
		1,370,114	1,252,426	1,596,742
<i>Deduct</i>				
H	Appropriations-in-aid			
	<i>Original</i>	54,438		
	<i>Supplementary</i>	8,052		
		62,490	70,658	47,917
Net expenditure				
	<i>Original</i>	1,273,623		
	<i>Deferred surrender</i>	34,000		
	<i>Supplementary</i>	1		
		1,307,624	1,181,768	1,548,825

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.

	2012	2011
	€	€
Surplus	125,855,686	60,646,675
Deferred surrender	43,000,000	34,000,000
Surplus to be surrendered	<u>82,855,686</u>	<u>26,646,675</u>

Analysis of administration expenditure

		2012		2011
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	49,360	49,474	51,073
ii	Travel and subsistence	2,529	1,708	1,275
iii	Training and development and incidental expenses	1,981	1,089	974
iv	Postal and telecommunications services	1,586	1,137	1,176
v	Office equipment and external IT services	7,748	7,748	6,845
vi	Office premises expenses	1,580	724	732
vii	Consultancy services and value for money and policy reviews	215	160	99
viii	EU Presidency ¹	632	352	—
		<u>65,631</u>	<u>62,392</u>	<u>62,174</u>

¹ The estimate provision and outturn relate to pay costs.

Notes to the Appropriation Account

1 Operating Cost Statement 2012

	2012	2011
	€000	€000
Programme cost	1,190,034	1,534,568
Pay	49,826	51,073
Non pay	12,566	11,101
Gross expenditure	1,252,426	1,596,742
<i>Deduct</i>		
Appropriations-in-aid	70,658	47,917
Net expenditure	1,181,768	1,548,825
Changes in capital assets		
Purchases cash	(1,719)	
Depreciation	1,511	
Disposals cash	69	
Loss on disposals	24,439	
	24,300	2,852
Changes in assets under development		
Cash payments	(7)	(17)
Changes in net current assets		
Increase in closing accruals	9,767	
Decrease in stock	129	
	9,896	3,333
Direct expenditure	1,215,957	1,554,993
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	18,422	22,025
Notional rents	2,651	2,565
Net programme cost	1,237,030	1,579,583

1.1 Net Allied Services Expenditure

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

	2012	2011
	€000	€000
Vote 12 Superannuation and Retired Allowances	16,978	16,430
Vote 13 Office of Public Works	1,231	5,198
Vote 20 Garda Síochána	—	62
Central Fund – Ministerial pensions	213	335
	<u>18,422</u>	<u>22,025</u>

2 Balance Sheet as at 31 December 2012

	Note	2012 €000	2011 €000
Capital assets	2.3	4,366	28,851
Capital assets under development	2.4	—	35
		4,366	28,886
Current assets			
Bank and cash	2.5	45,871	37,030
Stocks	2.6	312	441
Prepayments		3,055	2,413
Accrued income		5,659	5,905
Other debit balances	2.7	1,552	976
Total current assets		56,449	46,765
Less current liabilities			
Accrued expenses		13,809	2,748
Deferred income		78	1,058
Other credit balances	2.8	3,336	3,684
Net liability to the Exchequer	2.9	44,087	34,322
Total current liabilities		61,310	41,812
Net current (liabilities)/assets		(4,861)	4,953
Net (liabilities)/assets		(495)	33,839
Represented by:			
State funding account	2.1	(495)	33,839

2.1 State Funding Account	Note	2012	2011
		€000	€000
Balance at 1 January		33,839	75,054
Funding drawn down	2.2	1,200,190	1,570,850
Non cash expenditure – notional rent	1	2,651	2,565
Adjustment		(145)	2,239
Transfers		—	(37,286)
Net programme cost	1	(1,237,030)	(1,579,583)
Balance at 31 December		(495)	33,839

2.2 Funding drawn down	Note	2012	2011
		€000	€000
Disbursements from the Vote			
Estimate provision	Account	1,307,624	1,609,472
Deferred surrender	Account	(43,000)	(34,000)
Surplus to be surrendered	Account	(82,856)	(26,647)
		1,181,768	1,548,825
Expenditure (cash) borne elsewhere	1	18,422	22,025
Total funding drawn down		1,200,190	1,570,850

2.3 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 2012	60	206	74,536	3,348	78,150
Adjustments ¹	—	—	(10,808)	(2)	(10,810)
Additions	365	55	1,193	104	1,717
Disposals ²	—	—	(42,074)	—	(42,074)
Cost or valuation at 31 December 2012	425	261	22,847	3,450	26,983
Accumulated depreciation					
Opening balance at 1 January 2012	22	153	46,358	2,766	49,299
Adjustments ¹	—	—	(10,628)	2	(10,626)
Depreciation for the year	1	15	1,355	140	1,511
Depreciation on disposals ²	—	—	(17,567)	—	(17,567)
Cumulative depreciation at 31 December 2012	23	168	19,518	2,908	22,617
Net assets at 31 December 2012³	402	93	3,329	542	4,366
Net assets at 31 December 2011	38	53	28,178	582	28,851

¹ Following a review of the asset register, significant adjustments were required to reflect the historical physical disposal of fully depreciated assets which had not been processed on the asset register. It also includes minor adjustments to reflect the reclassification of two annual software support contracts, and the re-introduction of assets previously recorded as transferred to the Department of Arts, Heritage and Gaeltacht in 2011.

² In June 2012, a contract for the removal and disposal of the electronic voting equipment, with a book value of €24.51 million, was signed and a payment of €69,403 was received from the successful tenderer. These transactions are reflected in the Operating Cost Statement.

³ The Department provides some accommodation and ICT services to the Heritage Division of the Department of Arts, Heritage and the Gaeltacht. The capital assets used in the provision of these services are recorded on this Department's Asset Register. Discussions are on-going between the two Departments as to how best to manage these services going forward.

2.4 Capital Assets under Development	2012
at 31 December	€000
Amounts brought forward at 1 January 2012	35
Adjustment ¹	39
Cash payments in year	7
Transferred to asset register	(81)
Balance at 31 December 2012	<u>—</u>

¹ Following a review of capital assets under development this adjustment arose to reflect meteorological equipment that should have been included in the 2011 capital assets under development.

2.5 Bank and Cash	2012	2011
at 31 December	€000	€000
PMG balances and cash	45,872	37,049
Orders outstanding	(1)	(19)
	<u>45,871</u>	<u>37,030</u>

2.6 Stocks	2012	2011
at 31 December	€000	€000
Meteorological consumables	197	323
Stationery	40	58
IT consumables	60	52
Cleaning materials	3	1
Other	12	7
	<u>312</u>	<u>441</u>

2.7 Other Debit Balances	2012	2011
at 31 December	€000	€000
Recoupable salary costs	144	146
Recoupable travel pass scheme	130	120
Recoupable travel costs	82	42
Imprests	17	8
Other debit suspense items	1,179	660
	<u>1,552</u>	<u>976</u>

2.8 Other Credit Balances	2012	2011
at 31 December	€000	€000
Amounts due to the State		
Income Tax	862	940
Pay Related Social Insurance	267	278
Value Added Tax	231	329
Pension contributions	217	282
Professional Services Withholding Tax	34	224
	<u>1,611</u>	<u>2,053</u>
Other credit suspense items	<u>1,725</u>	<u>1,631</u>
	<u><u>3,336</u></u>	<u><u>3,684</u></u>

2.9 Net Liability to the Exchequer	2012	2011
at 31 December	€000	€000
Surplus to be surrendered	82,856	26,647
Deferred surrender	43,000	34,000
Exchequer grant undrawn	<u>(81,769)</u>	<u>(26,325)</u>
Net liability to the Exchequer	<u><u>44,087</u></u>	<u><u>34,322</u></u>

Represented by:**Debtors**

Bank and cash	45,871	37,030
Debit balances: suspense	<u>1,552</u>	<u>976</u>
	47,423	38,006

Creditors

Due to State	(1,611)	(2,053)
Credit balances: suspense	<u>(1,725)</u>	<u>(1,631)</u>
	(3,336)	(3,684)
	<u><u>44,087</u></u>	<u><u>34,322</u></u>

2.10 Matured Liabilities	2012	2011
at 31 December	€000	€000
Estimate of matured liabilities not discharged at 31 December	12	1

2.11 Commitments	2012	2011
at 31 December	€000	€000

(a) Global commitments

(i) Procurement subheads	108	118
(ii) Grant subheads	1,055,299	1,170,040
	<u>1,055,407</u>	<u>1,170,158</u>

(b) Multi-annual capital commitments

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

1 Water/Sewage Projects	Cumulative expenditure to 31 December 2011	Expenditure 2012	Subsequent years	Total
Project	€000	€000	€000	€000
Arklow Water Supply Scheme ¹	7,780	423	11,546	19,749
Ashbourne/Ratoath/Kilbride Sewerage Scheme	12,349	424	2,689	15,462
Balbriggan/Skerries Wastewater Treatment Plant Upgrade	26,512	942	—	27,454
Ballina Sewerage Scheme	17,980	—	748	18,728
Ballycoolen Water Supply Scheme (3 elements combined) ¹	63,677	—	548	64,225
Ballymore Eustace Water Treatment Plant Stage 3 ¹	75,421	12,632	—	88,053
Ballyshannon Water Supply Scheme ¹	2,701	158	11,148	14,007
Barrow Abstraction Scheme ¹	14,341	18,282	280	32,903
Boherboy Water Supply Scheme ¹	33,466	4,736	1,058	39,260
Bray Shanganagh Sewerage Scheme	68,552	136	—	68,688
Carlow Town Surface Water Drainage (Main Scheme) ¹	12,325	5,552	1,914	19,791
Carrick-on-Shannon Sewerage Scheme	12,380	300	364	13,044
Castlebar Environs Sewerage Scheme (excl. advance & outfall)	41,330	—	843	42,173
Castleconnell Sewerage Scheme	15,438	—	398	15,836

1 Water/Sewage Projects	Cumulative expenditure to 31 December 2011	Expenditure 2012	Subsequent years	Total
Project	€000	€000	€000	€000
Courtown Riverchapel Sewerage	20,424	—	224	20,648
Donegal Bay Wastewater Treatment Plant - Group A (DBO contract)	26,143	—	1,841	27,984
Dublin Bay Sewerage ¹	446,103	3,489	—	449,592
Dublin Region Watermains Rehabilitation Project - Tranche 1 ^{1,3}	31,776	489	440	32,705
Dublin Region Watermains Rehabilitation Project - Tranche 2 ¹	15,826	6,040	2,432	24,298
Dublin Region Watermains Rehabilitation Project - Tranche 3	—	3,127	12,677	15,804
Dungarvan Sewerage ¹	31,260	155	2,920	34,335
Dunshaughlin Water Supply Scheme	13,244	—	330	13,574
East Waterford Water Supply Scheme Stage 2 Phase 2 ¹	16,132	521	244	16,897
Four Roscommon Regional Water Supply Scheme	10,821	101	29,277	40,199
Galway DBO Bundle No. 2 ¹	16,042	564	1,500	18,106
Gorey Regional Water Supply Scheme ¹	13,605	2,110	4,360	20,075
Kildare Sludge Treatment Centre ¹	16,080	—	1,063	17,143
Kildare Water Supply Strategy, Phase 1 - Trunk Watermains ¹	14,831	4,970	242	20,043
Killybegs Sewerage Scheme	18,399	506	1,084	19,989
Kinsale Sewerage Scheme ¹	19,372	1,646	2,483	23,501
Leitrim Towns and Villages Sewerage Scheme (11 villages) ¹	17,347	629	367	18,343
Leixlip Water Treatment Plant Expansion Scheme	11,921	16,511	5,014	33,446

1 Water/Sewage Projects	Cumulative expenditure to 31 December 2011	Expenditure 2012	Subsequent years	Total
Project	€000	€000	€000	€000
Letterkenny Sewerage Scheme ¹	28,983	7,992	—	36,975
Limerick Main Drainage (Phase 1, 2 & 3) - collection and treatment ^{1,3}	333,919	4,084	1,031	339,034
Limerick Water Network (Southern Ring Main - City & County)	13,219	—	248	13,467
Lough Mask Regional Water Supply (Knock-Ballyhaunis)	30,421	—	650	31,071
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 ¹	50,535	2,520	—	53,055
Middleton Sewerage	26,220	77	—	26,297
Navan Mid Meath Water Supply ¹	24,139	—	1,191	25,330
Navan Sewerage	32,766	—	491	33,257
New Ross Sewerage Scheme ¹	14,218	272	1,982	16,472
North Fringe Water Supply Scheme	28,130	467	—	28,597
Portlaoise Main Drainage ¹	47,708	991	—	48,699
Portrane, Donabate, Rush and Lusk Waste Water Treatment Plant ¹	32,552	—	841	33,393
Roscommon Towns & Villages SS (17 Villages) Work started on 4 - Creagh, Cootehall, Tulsk & Lisacul ¹	17,421	1,106	2,945	21,472
Sandyford High Level Water Supply Scheme ¹	15,109	—	593	15,702
Sligo Wastewater Treatment Plant (DBO contract) ¹	19,130	224	136	19,490
Tipperary Grouped DBO & Wastewater Treatment Plants ¹	16,809	1,605	—	18,414

1 Water/Sewage Projects	Cumulative expenditure to 31 December 2011	Expenditure 2012	Subsequent years	Total
Project	€000	€000	€000	€000
Tuam Regional Water Supply Scheme Stage 3	16,815	—	520	17,335
Tuam Regional Water Supply Scheme Ext. to Headford ¹	14,989	—	2,173	17,162
Tuam Water & Sewerage Scheme Network Contract ¹	20,696	407	431	21,534
Tullamore Sewerage Scheme, DBO Contract ^{1,3}	18,368	44	—	18,412
Waterford Grouped Towns & Villages Sewerage Scheme (Ardmore, Tallow, Stradbally, Cappoquin, Dunmore East, Kilmacthomas and Ballyduff/Kilmeadan) ¹	12,124	2,264	29,591	43,979
Waterford Sewerage Scheme Stage 2 ¹	53,490	3,354	71	56,915
Westport Sewerage (excl. advance section)	49,925	—	662	50,587
Wicklow Sewerage Scheme (Wentworth Place Culvert) ¹	23,748	1,598	—	25,346
Wicklow Town Water Supply Scheme	10,235	776	1,965	12,976
Total	2,109,208	112,224	147,329	2,368,761

2 Housing Projects	Cumulative expenditure to 31 December 2011	Expenditure 2012	Subsequent years	Total
Construction Projects	€000	€000	€000	€000
Balgaddy, Phase E, Lucan, Co. Dublin	16,340	720	—	17,060
Carrickpheirish Upper, Phase 3, Waterford City ¹	18,592	1,084	—	19,676
Fortunestown, Phase B1, Tallaght, Dublin 24	15,857	362	180	16,399
Gooldshill, Mallow, Co. Cork ¹	22,146	620	287	23,053
Pearse Street, Sallynoggin, Co. Dublin	13,799	—	160	13,959
Stag Park, Mitchelstown, Cork ¹	15,784	210	918	16,912
Total	102,518	2,996	1,545	107,059
Turnkey Projects	€000	€000	€000	€000
Tory Top Road, Cork City	15,102	163	—	15,265
Total	15,102	163	—	15,265
Regeneration Projects	€000	€000	€000	€000
Bunratty Road, Maisonettes, Dublin City ¹	13,753	1,151	—	14,904
Knocknaheeny, Block D, Cork City ^{1,3}	33,082	3,788	—	36,870
Liberty House, Dublin City	568	1,528	11,144	13,240
Lourdes House, Dublin City	18,293	835	—	19,128
Regeneration of Ballymun Flats ¹	706,479	30,000	26,000	762,479
Sean Treacy House, Dublin City ¹	13,169	333	347	13,849
Total	785,344	37,635	37,491	860,470

2 Housing Projects	Cumulative expenditure to 31 December 2011	Expenditure 2012	Subsequent years	Total
	€000	€000	€000	€000
Voluntary Housing				
Respond, Springfield, Tallaght, Dublin 24	21,068	1,127	486	22,681
Catholic Housing Aid, Fr. Scully House, Grenville Street, Dublin 1	1,238	2,018	13,373	16,629
Respond, High Park Convent, Grace Park Road, Dublin 9	12,662	169	115	12,946
Total	34,968	3,314	13,974	52,256

3 Carbon Fund	Cumulative expenditure to 31 December 2011	Expenditure 2012	Subsequent years	Total
	€000	€000	€000	€000
Purchase of carbon credits	117,009	1,904	3,351	122,264

Notes:

- ¹ Cost of project updated since 2011.
- ² Excluded from 2011 account as the then estimated cost of the scheme was under €12.7m.
- ³ Cumulative expenditure to 31 December 2011 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 Programme Expenditure by Subhead

		2012		2011
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	Housing			
A.1	Administration - pay	8,783	8,061	9,160
A.2	Administration - non pay	2,916	2,035	1,947
A.3	Local authority housing	267,000	263,123	318,899
A.4	Voluntary and co-operative housing	141,700	135,654	101,664
A.5	Social inclusion	60,120	55,016	64,854
A.6	Estate regeneration - social housing improvements	145,200	149,049	182,177
A.7	Private housing grants	55,000	53,417	62,063
A.8	Subsidies and allowances	6,600	6,418	8,137
A.9	Other services	3,862	9,793	4,874
		691,181	682,566	753,775

Significant variations

Overall, the expenditure in relation to the Programme A was €8,614,536 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Administration - non pay	881	Savings were achieved in 2012 in a number of areas of the non-pay administrative budget (such as travel and subsistence, office premises and office services) in the context of continuing efforts to reduce operating costs while meeting essential business needs. These savings were reflected in the outturn on this subhead.
Voluntary and co-operative housing	6,046	There was lower than expected take-up by Approved Housing Bodies of capital assistance available for the purchase of properties to accommodate persons with specific housing needs; in addition, lower interest rates led to reduced expenditure on the Capital Loan and Subsidy Scheme.
Social inclusion	5,104	Savings arose due to efficiencies achieved in the provision of accommodation for the homeless. In addition, some projects relating to the provision of traveller accommodation did not proceed as expected during the year.
Other services	(5,931)	Additional expenditure was incurred 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.

	2012		2011
	Estimate provision	Outturn	Outturn
	€000	€000	€000
B Water Services			
B.1 Administration - pay	5,589	6,142	6,291
B.2 Administration - non pay	1,772	1,314	1,184
B.3 Water services investment programme	331,000	268,157	349,964
B.4 Rural water programme	40,000	39,710	79,000
B.5 Foreshore	1,800	1,045	416
B.6 Other services	34	—	—
	380,195	316,368	436,855

Significant variations

Overall, the expenditure in relation to the Programme B was €63,827,259 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Administration - non pay	458	Savings were achieved in 2012 in a number of areas of the non-pay administrative budget (such as travel and subsistence, office premises and office services) in the context of continuing efforts to reduce operating costs while meeting essential business needs. These savings were reflected in the outturn on this subhead.
Water services investment programme	62,843	Local authorities did not achieve the expected level of progress on the Water Services Investment Programme in 2012.
Foreshore	755	Spending in respect of legal costs, valuations and contingencies was less than anticipated.

	2012		2011
	Estimate provision	Outturn	Outturn
	€000	€000	€000
C Environment and Waste Management			
C.1 Administration - pay	6,730	7,165	6,224
C.2 Administration - non pay	2,783	2,537	1,870
C.3 Environmental Protection Agency	17,058	17,150	19,353
C.4 Environmental radiation policy	2,421	2,421	3,398
C.5 Subscriptions to international organisations	—	—	1,622
C.6 Carbon Fund	1,904	1,904	4,140
C.7 International climate change commitments	—	—	10,000
C.8 Landfill remediation	1,300	3,300	1,001
C.9 Other services	47	—	9
	32,243	34,477	47,617

The EU Presidency estimate provision and outturn for the Administration subhead (viii) are reflected against subhead C.1 above.

Significant variations

Overall, the expenditure in relation to the Programme C was €2,233,511 more than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Landfill remediation	(2,000)	Claims received were considerably in excess of estimate due to rapid progress on a project - the creation of compensatory wetlands by Waterford County Council.

	2012		2011
	Estimate provision	Outturn	Outturn
	€000	€000	€000
D Local Government			
D.1 Administration - pay	9,001	9,398	9,590
D.2 Administration - non pay	3,024	2,246	2,035
D.3 Local Government Fund	—	—	175,000
D.4 Fire and emergency services	6,792	6,792	13,130
D.5 Local authority library and archive service	6,300	6,300	7,581
D.6 Economic and social disadvantage (Dormant Accounts Fund)	281	279	—
D.7 Franchise	306	278	326
D.8 Other services	6,424	6,264	3,042
	32,128	31,557	210,704

Significant variations

Overall, the expenditure in relation to the Programme D was €571,093 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Administration - non pay	778	Savings were achieved in 2012 in a number of areas of the non-pay administrative budget (such as travel and subsistence, office premises and office services) in the context of continuing efforts to reduce operating costs while meeting essential business needs. These savings were reflected in the outturn on this subhead.

		2012		2011	
		Estimate provision		Outturn	
		€000	€000	€000	
E	Community and Rural Development				
E.1	Administration - pay		4,791	4,810	3,622
E.2	Administration - non pay		1,000	811	673
E.3	Supports for community and voluntary sector (part funded by National Lottery)		11,832	11,335	7,077
E.4	Local and community development programmes (part funded by National Lottery)		54,888	53,682	33,469
E.5	RAPID		4,150	3,077	3,148
E.6	Dormant accounts measures		3,800	2,457	1,639
E.7	Western Development Commission		1,545	1,387	563
E.8	National rural development schemes		3,150	3,142	2,985
E.9	LEADER – rural economy sub-programme 2007-2013				
		<i>Original</i>	62,793		
		<i>Deferred surrender</i>	34,000		
			96,793	53,244	38,610
E.10	Programme for Peace and Reconciliation				
		<i>Original</i>	7,978		
		<i>Supplementary</i>	8,053		
			16,031	15,847	13,204
E.11	INTERREG programme		2,500	2,409	987
E.12	Tidy Towns Competition		1	1	1
E.13	Irish Water Safety		512	512	512
E.14	Other services		125	362	1,262
			201,118	153,076	107,752

Significant variations

Overall, the expenditure in relation to the Programme E was €48,041,952 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
RAPID	1,073	Savings arose as expenditure by other public bodies to be co-funded under the scheme was lower than expected.
Dormant accounts measures	1,343	The nature of dormant accounts funding results in a large number of voluntary organisations drawing down funding over a two year period. Savings arose due to slower than anticipated claims from beneficiaries.
Western Development Commission	158	Savings arose due to reduced staffing costs in the Western Development Commission.
LEADER – rural economy sub-programme 2007-2013	43,549	Savings arose due to slower than anticipated project spending by the Local Action Groups which deliver the programme.
Other services	(237)	Funding was allocated to allow an additional project to proceed under the Social and Community Facilities Scheme.

		2012		2011
		Estimate provision	Outturn	Outturn
		€000	€000	€000
F	Planning			
F.1	Administration - pay	1,597	1,678	2,693
F.2	Administration - non pay	140	106	123
F.3	An Bord Pleanála	12,897	12,897	13,724
F.4	Planning Tribunal	1,000	3,281	4,137
F.5	Other services	110	331	113
		15,744	18,293	20,790

Significant variations

Overall, the expenditure in relation to the Programme F was €2,549,176 more than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Planning Tribunal	(2,281)	Additional funding was required to meet third party legal costs of the planning tribunal.
Other services	(221)	Provision is made under this subhead for legal costs and it is not possible to forecast with accuracy the timing and extent of liabilities arising.

		2012		2011
		Estimate provision	Outturn	Outturn
		€000	€000	€000
G	Met Éireann			
G.1	Administration - pay	13,501	12,572	13,493
G.2	Administration - non pay	4,004	3,517	3,269
G.3	Subscription to international organisations	—	—	2,487
		17,505	16,089	19,249

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 2012.

4 Receipts

4.1 Appropriations-in-aid		2012		2011
		Estimated	Realised	Realised
		€000	€000	€000
1.	Fees payable by local authorities, etc., for audit of their accounts	2,100	2,752	2,499
2.	Receipts from the Social Insurance Fund in respect of premises occupied in connection with Social Insurance (Social Welfare (Consolidation)) Act, 2005	740	741	741
3.	Met Éireann receipts	8,500	9,989	9,332
4.	Miscellaneous receipts	200	311	364
5.	Dormant accounts receipts	281	279	—
6.	Foreshore receipts	2,000	1,028	2,192
7.	Rural development schemes	—	—	4,366
8.	LEADER, INTERREG and Peace programme			
		<i>Original</i> 1,000		
		<i>Supplementary</i> 8,052		
			9,052	8,053
9.	Dormant accounts - administration	850	803	938
10.	Dormant accounts - programme expenditure	2,950	1,653	1,441
11.	LEADER rural economy sub-programme 2007-2013	30,000	38,800	17,208
12.	Receipts from pension-related deductions on public service remuneration	5,817	6,249	6,540
Total		62,490	70,658	47,917

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	(652)	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	(1,489)	Income was higher than expected due to an increase in revenue from the Irish Aviation Authority and the repayment of VAT credits from July 2010 by the Revenue Commissioners.
Miscellaneous receipts	(111)	Miscellaneous appropriations-in-aid are difficult to estimate and were greater than expected.
Foreshore receipts	972	Foreshore receipts are difficult to predict reliably and were less than expected.
LEADER, INTERREG and Peace programme	999	An expected final payment from the EU due in respect of the Peace II programme 2000-2006 was not received in the year.

Description	Less/ (more) than provided €000	Explanation
Dormant accounts - programme expenditure	1,297	This appropriation-in-aid relates to recoupment from the Dormant Accounts Fund for any expenditure arising under subhead E.6. In the event, expenditure from subhead E.6 was less than anticipated in 2012.
LEADER rural economy sub-programme 2007-2013	(8,800)	This appropriation-in-aid relates to expenditure from subhead E.9, which is co-financed by the EU. The co-financing rate was increased from 55% to 85% from January 2012 resulting in the increased receipts.
Receipts from pension-related deductions on public service remuneration	(432)	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 €174,196. These were mainly in respect of the disposal of electronic voting equipment, redemption of projects funded under the Voluntary Housing Capital Assistance Scheme and interest from the bank account used for electronic payments.

5 Employee Numbers and Pay

	2012	2011
Number of staff at year end (full time equivalents)		
Department	779	812
Agencies ¹	739	803
	1,518	1,615
	2012	2011
	€000	€000
Pay	44,497	45,568
Higher, special or additional duties allowance	377	360
Other allowances	2,111	2,245
Overtime	486	599
Employer's PRSI	2,431	2,363
Total Pay ²	49,902	51,135

5.1 Allowances and Overtime Payments ²

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2012 €	Maximum individual payment 2011 €
Higher, special or additional duties	93	8	19,666	19,586
Other Allowances	310	87	22,016	22,016
Overtime	112	19	23,517	22,098

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 €15,319.

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.

6 Miscellaneous

6.1 EU Funding

The outturn shown in subheads 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 expenditure and actual outturns were as follows:

Subhead	Description	Estimate	2012	2011
			Outturn	Outturn
			€000	€000
B.4	Rural water programme	400	366	5,288
E.9	Leader - Rural economy sub-programme 2007-2013	56,978	38,800	17,208
E.10	Programme for peace and reconciliation	8,052	8,052	8,493
E.11	INTERREG programme	712	712	—
		66,142	47,930	30,989

6.2 Committees and Commissions

	Year of appointment	Cumulative expenditure to end 2012	2012 Outturn	2011 Outturn
		€000	€000	€000
Tribunal of Inquiry into certain Planning Matters and Payments	1997	100,633	3,281	4,137

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 2012 was €101 million. On the basis of a tribunal estimate in May 2012 and expenditure to the end of 2012, additional costs of €96 million may arise, primarily relating to third party legal representation.

6.3 National Lottery Funding

Sub-head	Description	2012		2011
		Estimate	Outturn	Outturn
		€000	€000	€000
A.4	Voluntary and co-operative housing	700	700	2,000
A.7	Private housing grants	6,764	6,764	6,375
E.3	Supports for community and voluntary sector (part funded by National Lottery)	6,285	6,285	4,430
E.4	Local and community development programmes (part funded by National Lottery)	7,528	7,528	5,915
		21,277	21,277	18,720

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

6.4 Legal Costs

	2012	2011
	€000	€000
Legal costs paid during the year are categorised as follows:		
Legal fees	—	—
Compensation costs	7,257	405
	7,257	405

Details of costs were as follows:-

- Payments totalling €5,664,188 were 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).
- A payment of €908,950 was made to meet an award of damages against the Minister 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 10 April 2012).
- Payments totalling €303,258 were made to meet the costs of the plaintiffs arising from a High Court ruling in a case taken against the Minister regarding the constitutionality of a draft County Development Plan (Department of Public Expenditure and Reform sanction S74/45/00 of 12 July 2012).
- A payment of €283,268 was made to meet the costs of the plaintiffs arising from a Supreme Court ruling concerning section 62 of the Housing Act 1966 (Department of Public Expenditure and Reform sanction S74/45/00 of 17 May 2012).
- A payment of €97,105 was made to meet the costs of the plaintiffs arising from a High Court action taken against the Minister, Ireland and the Attorney General in connection with a requirement on candidates to pay a deposit to be placed on the ballot paper for elections to the Dáil and European Parliament (Department of Public Expenditure and Reform sanction S74/45/00 of 5 March 2012).

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, €43,000,000 of unspent allocation in respect of the capital elements of subheads B.3 and E.9 was carried forward to 2013.

As agreed with the Department of Public Expenditure and Reform under the delegated administrative budget scheme, a carryover of €200,000 from the Vote for 2012 was included in the Estimates for 2013.

6.7 Tidy Towns Funding

In addition to voted money (€1,000), sponsorship totalling €475,166 was administered and expended on the Tidy Towns Competition through a vote suspense account.