

Appropriation Account 2019

Vote 13

Office of Public Works

Introduction

As Accounting Officer for Vote 13, 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 2019 for the salaries and expenses of the Office of Public Works (the Office), for services administered by that Office, for payment of certain grants and for the recoupment of certain expenditure.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2019, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €921,000 is liable for surrender to the Exchequer.

The Office acts as an agent, and incurs expenditure on behalf of other Government Departments and agencies. The expenditure incurred on their behalf is set out in Note 2.10. In addition, the Office provides client services on behalf of the State. This expenditure is set out in Note 1.

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, as set out by the Department of Public Expenditure and Reform in Circular 27 of 2019, have been applied in the preparation of the account, with the exceptions below.

Valuation of capital assets

The Office recognises the value of land and buildings as follows.

- Assessments of market value have been applied to properties where market comparisons are available.
- Prestige properties have been individually valued using the replacement cost method of valuation. This rebuilding cost is based on the application of market rates.
- Where market comparisons are not available, properties acquired or purchased before 1 January 1995 or constructed before 1 January 1997 are valued based on building cost norms and notional site values. Properties purchased since 1 January 1995 or constructed since 1 January 1997 are valued at cost.

The valuations are subject to a number of significant qualifications and should not be regarded as a current estimate of realisable value.

Capital expenditure in a number of areas is not recognised in Note 2.1 Capital assets as follows.

- Expenditure on improvements of certain buildings is not included. The change in value will be reflected at the next valuation date.
- Expenditure on improvements to leased buildings is not capitalised.
- National monuments and certain national historic properties are not valued.
- Flood relief works are considered infrastructure assets and are not capitalised.
- Artwork acquired after 1 January 2008 is included in the statement of capital assets under the heading fixtures and fittings at historical cost and is not revalued. Artwork acquired prior to 1 January 2008 has not been capitalised.

Depreciation

Depreciation is calculated on an annual basis. The depreciation policy is that a full year's depreciation is charged in the year of acquisition/commissioning and no depreciation is charged in the year of disposal.

Plant and machinery assets are depreciated on a straight line basis over their estimated useful life of between five and 20 years, to a projected residual value.

Artworks and heritage assets are not depreciated.

Buildings are not depreciated on the basis that ongoing annual maintenance expenditure is sufficient to maintain their condition.

Capital assets under development

Expenditure on existing properties owned by the Office carried out under Subhead B6 (New works alterations and additions) is capitalised under its relevant asset category in the year the expenditure is incurred save for the exceptions outlined above where capital expenditure is not recognised as a capital asset. Capital expenditure on new developments spanning multiple accounting periods is accounted for as a capital asset under development and is transferred to the relevant asset category on completion.

Property lease payments

The Office recognises payment for goods and services when the goods or services have been provided satisfactorily, the supplier has submitted their account and the instruction for payment has been executed. In the case of property lease agreements, once the lease commences, and the rent is due and payable, then the Office is satisfied the liability has matured. However, where there are legal or compliance difficulties in making such payments to the suppliers, the Office may charge the payment to the Vote and transfer the funds to suspense.

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 Office.

This responsibility is exercised in the context of the resources available to me and my other obligations as Chairman. 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.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office for the provision of human resources and payroll and travel shared services for civil service grades.

I rely on a letter of assurance from the Accounting Officer for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Office.

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.
- Procedures for key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Office
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines
- a corporate governance framework for the Office is in place.

Non-compliance with procurement rules

The Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with the relevant guidelines. In 2019, the Office complied with procurement guidelines with the exception of 35 instances totalling €2.959 million.

- €140,236 related to one contract for urgent specialised work of a security nature
- €1,189,526 related to payments to eight suppliers where no contract was in place at the time of supply
- €440,207 related to six contracts where the incorrect procurement method was used
- €1,189,307 related to 20 contracts which were procured from a single suitable supplier or a contractor with specialised expertise or due to urgency.

Internal audit and Audit Committee

I confirm that the Office 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 Office 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 recommendations arising from reports of the internal audit function are implemented.

Risk and control framework

The Office has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on an annual basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls to specific staff.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Management Board, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of effectiveness

I confirm that the office has procedures to monitor the effectiveness of its risk management and control procedures. The Office's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Office responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

The following internal financial control issue was identified in 2019.

Expenditure on measured term maintenance contract

A measured term maintenance contract entered into in 2014 had an anticipated value estimated at €12 million. The contract term ended in October 2018. In 2019, the Office incurred expenditure of €7.4 million on works placed under the contract prior to the term end.

A replacement measured term maintenance contract entered into in October 2018 had an anticipated value estimated at €15 million. Up to the end of 2019, the Office incurred expenditure of €34.7 million on works placed under this contract. €22 million of this expenditure related to urgent Brexit Infrastructure works.

Maurice Buckley
Accounting Officer
Office of Public Works

25 September 2020

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 13 Office of Public Works

Opinion on the appropriation account

I have audited the appropriation account for Vote 13 Office of Public Works for the year ended 31 December 2019 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 13 Office of Public Works for the year ended 31 December 2019, and
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the *Preface to the Appropriation Accounts*. I am independent of the Office of Public Works and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on the statement on internal financial control, and on other matters

The Accounting Officer has presented a statement on internal financial control together with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the *Preface to the Appropriation Accounts*.

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that there was a significant level of non-compliance with national procurement rules in respect of contracts that operated in 2019.

Expenditure under a maintenance contract

Chapter 6 of my report on the accounts of the public services for 2018 examined excess expenditure by the OPW under a maintenance contract in the period 2015–2018. The Accounting Officer has disclosed in the statement on internal financial control that further excess expenditure occurred in 2019 on a replacement maintenance contract.

Seamus McCarthy
Comptroller and Auditor General

25 September 2020

Vote 13 Office of Public Works

Appropriation Account 2019

	2019		2018
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Flood risk management	108,771	99,296	99,244
B Estate management	355,172	355,835	350,639
Gross expenditure	463,943	455,131	449,883
<i>Deduct</i>			
C Appropriations-in-aid	24,205	24,314	26,240
Net expenditure	439,738	430,817	423,643

Surplus

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. €8 million of unspent allocations in respect of the capital elements of Programme A was carried forward to 2020.

	2019	2018
	€	€
Surplus	8,921,440	571,328
Deferred surrender	(8,000,000)	—
Surplus to be surrendered	921,440	571,328

Maurice Buckley
Accounting Officer
Office of Public Works

27 March 2020

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2019

	2019	2018
	€000	€000
Programme cost	399,146	399,018
Administration pay	43,487	39,895
Administration non pay	12,498	10,970
Gross expenditure	455,131	449,883
<i>Deduct</i>		
Appropriations-in-aid	24,314	26,240
Net expenditure	430,817	423,643
Changes in capital assets		
Purchases cash	(10,592)	
Depreciation	4,748	
Disposals cash	5,464	
Gain on disposal	(90)	(6,780)
Changes in net current assets		
Decrease in closing accruals	(6,569)	
Decrease in stock	135	(6,434)
Direct expenditure	423,913	419,279
Expenditure on services where OPW acts as client	(106,998)	(127,015)
Direct expenditure (excluding services where OPW acts as client)	316,915	292,264
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	(171,059)	(156,795)
Net programme cost ^a	145,856	135,469

Note ^a The net programme cost does not include:

- Notional rents receivable by the OPW on State owned properties are estimated at some €89.4 million. Notional rents payable by OPW are estimated at €3.6 million.
- Amounts have not been included in the statement in respect of notional income from client departments in respect of services currently provided free of charge by the OPW.

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 13 borne elsewhere and costs borne by Vote 13 in respect of other votes.

	2019	2018
	€000	€000
Vote 9 Office of the Revenue Commissioners	8	8
Vote 12 Superannuation and Retired Allowances	22,446	21,828
Vote 18 National Shared Services Office	76	69
Apportioned cost of shared services for other votes	<u>(193,589)</u>	<u>(178,700)</u>
	<u>(171,059)</u>	<u>(156,795)</u>

Note 2 Statement of Financial Position as at 31 December 2019

	Note	2019 €000	2018 €000
Capital assets	2.1	3,349,956	3,338,779
Current assets			
Bank and cash	2.2	40,667	20,375
Stocks	2.3	1,712	1,847
Prepayments	2.4	21,646	19,172
Accrued income		3,444	1,076
Other debit balances	2.5	13,846	8,761 ^a
Total current assets		81,315	51,231
Less current liabilities			
Accrued expenses		7,345	9,364
Deferred income		343	52
Other credit balances	2.6	45,592	28,700 ^a
Net Exchequer funding	2.7	8,921	436
Total current liabilities		62,201	38,552
Net current assets		19,114	12,679
Net assets		3,369,070	3,351,458
Represented by:			
State funding account	2.8	3,369,070	3,351,458

Note ^a Other debit balances and other credit balances have been restated on the same basis as the current year which is by client rather than expenditure type.

2.1 Capital assets

	Land and buildings ^a	Plant and machinery	Office equipment	Furniture and fittings	Assets under development ^b	Total ^c
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2019	3,317,031	44,018	26,265	22,367	1,130	3,410,811
Prior year adjustment ^d	620	199	—	(7)	—	812
Additions	6,491	6,919	1,645	815	1,098	16,968
Disposals	(5,251)	(1,909)	(3,097)	(468)	—	(10,725)
Revaluation on disposal	3,615	—	—	—	—	3,615
Cost or valuation at 31 December 2019	3,322,506	49,227	24,813	22,707	2,228	3,421,481
Accumulated depreciation						
Opening balance at 1 January 2019	—	34,020	22,826	15,186	—	72,032
Depreciation on prior year adjustment	—	80	—	—	—	80
Depreciation for the year	—	2,584	1,778	386	—	4,748
Depreciation on disposals	—	(1,809)	(3,084)	(442)	—	(5,335)
Cumulative depreciation at 31 December 2019	—	34,875	21,520	15,130	—	71,525
Net assets at 31 December 2019	3,322,506	14,352	3,293	7,577	2,228	3,349,956
Net assets at 31 December 2018	3,317,031	9,998	3,439	7,181	1,130	3,338,779

Note ^a An analysis of the valuations of land and buildings is given below.

^b Capital assets under development does not include construction projects carried out under Subhead B6 New works, alterations and additions.

^c Expenditure on leased buildings is not capitalised.

^d The prior year adjustment is principally as a result of a cancelled disposal.

Valuation of land and buildings

As set out in the statement of accounting policies and principles, assets are valued using a number of valuation basis. The number of buildings and the valuation basis used is set out below.

Valuation basis	2019		2018	
	Number of buildings	€000	Number of buildings	€000
Market value	286	830,109	287	831,124
Building cost norms	544	718,711	544	718,711
Cost	140	845,780	135	839,290
Prestige properties (replacement cost)	11	927,906	11	927,906
Heritage properties (nil value)	727	—	727	—
	1,708	3,322,506	1,704	3,317,031

2.2 Bank and cash

at 31 December	2019	2018
	€000	€000
PMG balances	40,660	20,388
Petty cash	7	8
Orders outstanding	—	(21)
	40,667	20,375

2.3 Stocks

at 31 December	2019	2018
	€000	€000
Engineering stocks	825	910
Heritage depot stocks	801	846
Building materials	30	51
Stationery	32	20
Miscellaneous stocks	24	20
	1,712	1,847

2.4 Prepayments

at 31 December	2019	2018
	€000	€000
Administration	943	658
Flood risk management	1,142	5
Estate management	19,561	18,509
	21,646	19,172

2.5 Other debit balances

at 31 December	2019	2018
	€000	€000
Agency balances (note 2.10)	12,348	8,603 ^a
Other debit balances	1,498	158
	13,846	8,761

Note ^a Agency balances have been restated on the same basis as the current year which is by client rather than expenditure type.

2.6 Other credit balances

at 31 December	2019	2018
	€000	€000
Amounts due to the State		
Income tax	1,063	963
Universal social charge	224	220
Pay related social insurance	941	858
Professional services withholding tax	713	616
Value added tax	5,970	4,189
Pension contributions	260	275
Local property tax	10	10
	9,181	7,131
Agency balances (note 2.10)	23,522	11,966 ^a
Sundry works account	17	—
Property management	10,923	7,543
Percent for art scheme	1,047	850
Miscellaneous heritage	802	726
Payroll deductions held in suspense	—	104
Other credit balances	100	380
	45,592	28,700

Note ^a Agency balances have been restated on the same basis as the current year which is by client rather than expenditure type.

2.7 Net Exchequer funding

at 31 December	2019	2018
	€000	€000
Surplus to be surrendered	921	571
Deferred surrender	8,000	—
Exchequer grant undrawn	—	(135)
Net Exchequer funding	8,921	436
Represented by:		
Debtors		
Bank and cash	40,667	20,375
Debit balances: suspense	13,846	8,761
	54,513	29,136
Creditors		
Due to State	(9,181)	(7,131)
Credit balances: suspense	(36,411)	(21,569)
	(45,592)	(28,700)
	8,921	436

2.8 State funding account

	Note	2019	2018
		€000	€000
Balance at 1 January		3,351,458	3,342,029
Disbursements from the Vote			
Estimate provision	Account	439,738	
Deferred surrender	Account	(8,000)	
Surplus to be surrendered	Account	(921)	
Net vote		430,817	423,643
Expenditure (cash) borne elsewhere	Note 1.1	22,530	21,905
Allied services	Note 1.1	(193,589)	(178,700)
Client services	Note 1	(106,998)	(127,015)
Net programme cost	Note 1	(145,856)	(135,469)
Asset adjustments		10,708	5,065
Balance at 31 December		3,369,070	3,351,458

2.9 Commitments

a) Global commitments		
At 31 December	2019	2018
	€000	€000
Procurement of goods and services	13,259	10,328
Non-capital grant programmes	1,250	1,500
Capital grant programmes	13,199	12,720
Capital projects	38,996	53,055
Public private partnership projects	391,587	417,748
Total of legally enforceable commitments	458,291	495,351

There were commitments outstanding at the end of 2019 in respect of rental of leased properties and associated service charges. Figures have not been included for such commitments in this account but they are estimated to be €113.6 million in 2020 (2019: €107.6 million).

b) Non-capital grant programmes		
	2019	2018
	€000	€000
Opening balance	1,500	1,750
Grants paid in year	(250)	(250)
Closing balance	1,250	1,500

c) Capital grant programmes		
	2019	2018
	€000	€000
Opening balance	12,720	12,970
Adjustment ^a	769	—
New grant commitments	258	—
Grants paid in year	(548)	(250)
Closing balance	13,199	12,720

Note ^a This adjustment is required to account for grants omitted from the 2019 opening balance.

d) Major capital projects

Major projects during 2019 where the total estimated cost of the individual project is expected to exceed €10 million. Particulars are as follows:

Project	Cumulative expenditure to 31 December 2018	Expenditure in 2019	Project commitments in subsequent years ^a	Expected total spend lifetime of project 2019	Expected total spend lifetime of project 2018
	€000	€000	€000	€000	€000
Flood risk management					
River Dodder (fluvial scheme)	14,055	1,763	2,000	17,818	17,155
Ennis Lower	18,055	118	1,000	19,173	19,000
Bray	42,176	151	250	42,577	42,576
Waterford	15,591	413	96	16,100	16,000
Bandon	22,432	2,532	3,468	28,432	28,432
Skibbereen	24,897	7,292	2,311	34,500	34,500
Clonakilty	7,605	12,398	5,897	25,900	24,100
Ennis South	777	4,631	11,992	17,400	—
Douglas	1,316	2,888	15,296	19,500	—
Athlone	1,963	2,859	5,928	10,750	—
Clare Galway	8,719	1,465	816	11,000	—
Total	157,586	36,510	49,054	243,150	181,763
Estate management					
Miesian Plaza	19,500	1,790	2,151	23,441	23,441
Leinster House	7,703	8,561	377	16,641	14,867
Total	27,203	10,351	2,528	40,082	38,308

Note ^a Project commitments in subsequent years refers to the Office's current estimate of capital costs to completion of project.

Significant variations

An explanation is provided below where multi-annual commitments changed by more than €500,000 from 2018 to 2019.

Flood risk management**River Dodder (fluvial scheme)**

Increase in expected total spend: €663,000

The revised estimated total project cost is as a result of necessary additional works identified during the course of the project. In the main, the additional expenditure relates to direct labour costs.

Clonakilty

Increase in expected total spend: €1.8 million

The revised estimated total project cost is due to the vulnerability of some buildings in Clonakilty town centre and the subsequent project redesign required.

Estate management**Leinster House**

Increase in expected total spend: €1.774 million

The revised estimate arose due to additional necessary works identified during the course of the project that were not foreseen. The rectification of significant defects in the building will ensure the building can be safely occupied for future generations.

e) Unitary payments of public private partnership projects

	Cumulative Expenditure to 31 December 2018	Expenditure in 2019	Legally enforceable commitments to be met in subsequent years	Expected total spend lifetime of project 2019	Expected total spend lifetime of project 2018
	€000	€000	€000	€000	€000
Convention Centre Dublin	350,700	24,123	391,587	766,410	768,448

2.10 Provision of agency services

In addition to expenditure on Vote 13, the Office also acts as an agent, and incurs expenditure on behalf of other Government departments and agencies. Funding for this expenditure is provided to the Office by the sponsoring department/agency and appears as a charge on the account of the client organisation. The total expenditure in 2019 was €112.5 million of which the main areas of expenditure were major capital works (€89 million); schools programme (€1.3 million); maintenance works (€3.2 million) and leasing of accommodation (€19 million).

Agency services account

at 31 December	2019	2018
	€000	€000
Opening balance at 1 January	(3,363)	(14,262)
Payments	112,520	89,005
Receipts	(120,332)	(78,106)
Closing balance ^a	(11,175)	(3,363)

Note ^a The closing credit balance of €11.175 million is made up of debit agency balances (note 2.5) €12.348 million and credit agency balances (note 2.6) €23.522 million.

2.11 Contingent liabilities

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

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2019		2018
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	41,429	43,487	39,895
ii	Travel and subsistence	1,911	2,332	2,049
iii	Training and development and incidental expenses	1,187	1,229	1,087
iv	Postal and telecommunications services	1,532	1,727	1,445
v	Office equipment and external IT services	5,250	6,095	5,195
vi	Office premises expenses	1,079	975	953
vii	Consultancy services and value for money and policy reviews	266	57	118
viii	Government Publication Services	170	83	123
		52,824	55,985	50,865

Significant variations

The following outlines the reasons for significant variations in administration expenditure (+/- 25% and €100,000).

vii Consultancy services and value for money and policy reviews

Estimate provision: €266,000, outturn: €57,000

The saving of €209,000 was due to the requirement for consultancy services being less than anticipated and the expected spend in relation to equality investigations and market research in 2019 being postponed to 2020.

Programme A Flood risk management

	2019		2018
	Estimate provision	Outturn	Outturn
	€000	€000	€000
A.1 Administration – pay	10,898	11,567	10,134
A.2 Administration – non pay	2,246	3,430	2,749
A.3 Purchase of plant and machinery	4,150	6,896	4,385
A.4 Hydrometric and hydrological investigation and monitoring	1,255	1,132	1,024
A.5 Flood risk management	73,127	58,289	64,644
A.6 Drainage maintenance	17,095	17,982	16,308
	108,771	99,296	99,244

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €9.475 million lower than originally provided. There was an increase of €1.853 million in administration expenditure for the programme (see above). Non-administration programme expenditure overall was €11.328 million less than originally provided, mainly due to the following.

A.3 Purchase of plant and machinery

Estimate provision: €4.15 million, outturn: €6.896 million

The increase of €2.746 million was as a result of the OPW's investment in new vehicles to reduce emissions and improve safety. The OPW purchased additional plant equipment to aid construction of flood relief schemes and technical equipment for hydrometric operations.

A.4 Hydrometric and hydrological investigation and monitoring

Estimate provision: €1.255 million, outturn: €1.132 million

The saving of €123,000 was mainly due to delays in reaching and maintaining predicted staff numbers in 2019.

A.5 Flood risk management

Estimate provision: €73.127 million, outturn: €58.289 million

The saving of €14.838 million relates to delays around the planning process for a number of major projects. This includes projects submitted for Ministerial approval/consent under the Arterial Drainage Acts, to An Bord Pleanála under Part 10 of the Planning and Development Acts and also projects subject to approval under Part 8 of the Planning and Development Acts. In addition, the expenditure on the Voluntary Home Relocation Scheme was less than anticipated as the application process under the Scheme has not progressed in line with expectations.

A.6 Drainage maintenance

Estimate provision: €17.095 million, outturn: €17.982 million

The increase in spend of €887,000 was due to legal claims settled in the year.

Programme B Estate management

		2019		2018
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay	30,531	31,920	29,761
B.2	Administration – non pay	9,149	9,068	8,221
B.3	President's household staff	912	797	803
B.4	Grants for certain refurbishment works and services	500	500	500
B.5	Purchase of sites and buildings	3,480	2,561	3,780
B.6	New works, alterations and additions	74,030	74,635	77,690
B.7	Property maintenance and supplies	61,478	64,675	60,720
B.8	Rents	96,520	91,016	90,772
B.9	Service charges and utilities	11,043	12,319	10,724
B.10	Unitary payments	25,000	24,123	24,328
B.11	Heritage services	42,529	44,221	43,340
		355,172	355,835	350,639

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €663,000 higher than provided. The variance was mainly due to the following.

B.3 President's household staff

Estimate provision: €912,000, outturn: €797,000

The saving of €115,000 occurred, in the main, due to staff vacancies in 2019.

B.5 Purchase of sites and buildings

Estimate provision: €3.48 million, outturn: €2.561 million

The underspend of €919,000 relates to property purchases under consideration during the year which did not proceed or were not finalised in 2019.

B.7 Property maintenance and supplies

Estimate provision: €61.478 million, outturn: €64.675 million

The increase in expenditure of €3.197 million was due to the higher cost of providing maintenance services, in particular, maintaining older buildings. In addition, some works were carried out earlier than anticipated and the cost to the Office for a client service was higher than estimated.

B.8 Rents

Estimate provision: €96.52 million, outturn: €91.016 million

The underspend of €5.504 million on rental expenditure is mainly due to timing issues around the acquisition of leases. In addition, a rent review had not concluded within the estimated timeframe.

B.9 Service charges and utilities

Estimate provision: €11.043 million, outturn: €12.319 million

The increase in expenditure of €1.276 million was primarily due to a payment settlement on service charges relating to the previous year for two properties.

Note 4 Receipts

4.1 Appropriations-in-aid

	2019		2018
	Estimated €000	Realised €000	Realised €000
1 Rents, licence fees, etc.	3,150	3,882	4,541
2 Events and facilities management	3,500	5,045	4,412
3 Receipts for Government publication services	630	697	737
4 Recoveries for services carried out on repayment or agency basis	—	—	—
5 Sales at national monuments and historic properties	2,300	1,631	2,475
6 Admission charges at national monuments and historic properties	10,500	8,223	10,057
7 Miscellaneous, including fees, interest and disposals etc.	200	2,837	1,054
8 Receipts from additional superannuation contributions on public service remuneration ^a	3,925	1,999	2,964
Total	24,205	24,314	26,240

Note ^a The 2018 figure refers to pension related deductions. These were replaced by additional superannuation contributions from 1 January 2019.

Significant variations

Overall, appropriations-in-aid were €109,000 more than the estimate.

Explanations for variances are set out below.

1 Rents, licence fees, etc.

Estimate: €3.15 million, realised: €3.882 million

The increase of €732,000 is primarily due to the early payment of 2020 mast rental income, a timing differences on 2018 rental income and the collection of rental arrears.

2 Events and facilities management

Estimate: €3.5 million, realised: €5.045 million

The increase of €1.545 million was mainly due to higher than expected visitor numbers at three sites Dublin Castle, Kilkenny Castle and Farnleigh combined with an increase in the admission price at two of the sites.

5 Sales at national monuments and historic properties

Estimate: €2.3 million, realised: €1.631 million

The decrease of €669,000 was as a result of no large Phoenix Park event being held in 2019.

6 Admission charges at national monuments and historic properties

Estimate: €10.5 million, realised: €8.223 million

The decrease of €2.277 million was due to the suspension of admission charges at Bru na Boinne/Newgrange while works were in progress at the site. In addition, there was a reduction in visitor numbers at some sites.

7 Miscellaneous, including fees, interest and disposals etc.

Estimate: €200,000, realised: €2.837 million

The increase of €2.637 million is primarily due to €1.241 million in proceeds from sale of State property and a transfer of €334,000 due to the Exchequer on completion of reconciling accounts.

8 Receipts from additional superannuation contributions on public service remuneration

Estimate: €3.925 million, realised: €1.999 million

The difference of €1.926 million was due to a higher than required estimate. The estimates provision for 2020 have now been adjusted to take account of the overestimate.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2019	2018
Number of staff at year end		
Civil service grades	803	724
OPW specific grades	1,270	1,049
	2,073	1,773

5.2 Pay

	2019	2018
	€000	€000
Pay		
Civil service grades	40,167	37,057
OPW specific grades	47,143	45,887
Higher, special or additional duties allowance		
Civil service grades	228	210
OPW specific grades	2,137	2,022
Overtime		
Civil service grades	86	81
OPW specific grades	3,225	3,169
Extra attendance, shift and roster		
OPW specific grades	2,497	2,414
Employer's PRSI		
Civil service grades	3,005	2,548
OPW specific grades	5,827	5,561
Total pay	104,315	98,949

Note The total pay figure includes pay for 563 temporary and seasonal staff in 2019 (2018: 551 staff).

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2019	2018
			€	€
Higher, special or additional duties				
Civil service grades	44	7	20,614	20,596
OPW specific grades	1,090	—	9,795	10,292
Overtime				
Civil service grades	26	—	8,957	11,644
OPW specific grades	1,033	85	38,016	54,401
Extra attendance, shift and roster				
OPW specific grades	864	7	13,994	13,233
Extra remuneration in more than one category				
Civil service grades	5	1	10,175	9,409
OPW specific grades	1,072	191	38,691	55,076

5.4 Other remuneration arrangements

Three retired civil servants in receipt of civil service pensions were re-engaged on a fee basis at a total cost of €12,305.

5.5 Payroll overpayments

at 31 December	Number of recipients	2019	2018
		€	€
Overpayments	34	48,216	31,371
Recovery plans in place	14	28,412	14,345

Six individuals with recovery plans in place to the value of €2,193 transferred to other Departments in the year.

Note 6 Miscellaneous

6.1 Compensation and legal costs

	Number of cases	Legal costs paid by Office €000	Legal costs awarded €000	Compensation awarded €000	2019	2018
					Total €000	Total €000
Claims by employees						
Personal injury claims						
- settled in 2019	4	26	—	2,051	2,077	564
- settled in a previous year or ongoing	3	14	—	—	14	29
Claims by members of the public						
Personal injury claims						
- settled in 2019	4	39	30	219	288	217
- settled in a previous year or ongoing	20	30	83	—	113	17
Loss or damage claims settled in 2019	14	2	2	356	360	37
		111	115	2,626	2,852	864

6.2 Arbitration and conciliation costs

Expenditure in 2019 includes payments of €6.001 million (2018: €6.732 million) made to contractors and others as a result of conciliation and arbitration proceedings. There were six cases in 2019 (2018: seven). Figures include VAT, legal and professional fees.

6.3 Interest and compensation

Penalty interest and compensation payments amounting to €69,798 were made by the OPW in 2019 under the Prompt Payment of Accounts Act 1997, in respect of late payments (2018: €58,893). The total value of payments made by the OPW in 2019 amounted to €418 million and the total number of reckonable payments were 91,571.

6.4 Write offs

The following sums were written off in the year:

	2019	2018
	€000	€000
Unpaid fees from companies no longer trading	2	—