

**Public Accounts Committee
26 June 2014**

Updating Briefing Paper

Environment, Community and Local Government

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Vote 25: DECLG 2012, 2013 and 2014

The 2012 and 2013 outturns and 2014 estimate, current and capital, for the Environment, Community and Local Government Vote 25 and programme subheads are set out in the following tables.

Gross Expenditure (Including capital carryover)	2012 Outturn €000s		2013 Outturn €000s		2014 Estimate €000s	
	Current	450,020	Current	450,999	Current	456,723
	Capital	802,406	Capital	697,668	Capital	432,500
TOTAL		1,252,426		1,148,667		889,223

Gross Expenditure	2012 Outturn €000s		2013 Outturn €000s		2014 Estimate €000s	
	Current	450,020	Current	450,999	Current	456,723
	Capital	768,406	Capital	657,178	Capital	360,500
TOTAL		1,218,426		1,108,177		817,223

Capital Carryover	2012 Outturn €000s	2013 Outturn €000s	2014 Estimate €000s
HOUSING	-	22,000	22,000
ENVIRONMENT & WASTE MANAGEMENT	-	7,490	-
LOCAL GOVERNMENT	-	2,000	-
COMMUNITY & RURAL DEVELOPMENT	34,000	9,000	50,000
TOTAL	34,000	40,490	72,000

Vote 25 Programme Expenditure			
Subhead	2012 Outturn €000s	2013 Outturn €000s	2014 Estimate €000s
A.3 - LOCAL AUTHORITY HOUSING	Current 146,244 Capital 116,879	Current 158,312 Capital 73,270	Current 180,500 Capital 80,000
A.4 - VOLUNTARY & CO-OPERATIVE HOUSING	Current 68,680 Capital 66,974	Current 69,145 Capital 31,742	Current 55,000 Capital 40,925
A.5 - SOCIAL INCLUSION	Current 51,016 Capital 4,000	Current 49,216 Capital 4,142	Current 49,260 Capital 3,000
A.6 - ESTATE REGENERATION - SOCIAL HOUSING IMPROVEMENTS	Current 200 Capital 148,849	Current - Capital 122,051	Current - Capital 109,400
A.7 - PRIVATE HOUSING GRANTS	Capital 53,417	Capital 38,296	Capital 38,600
A.8 - SUBSIDIES AND ALLOWANCES	Current 5,004 Capital 1,414	Current 4,994 Capital 998	Current 5,000 Capital 899
A.9 - OTHER SERVICES	Current 4,129 Capital 5,664	Current 3,104 Capital 2,664	Current 2,701 Capital 1
B.3 - WATER SERVICES INVESTMENT PROGRAMME	Capital 268,157	Capital 241,477	Capital 6,007
B.4 - RURAL WATER PROGRAMME	Capital 39,710	Capital 33,880	Capital 27,713
B.5 - FORESHORE	Current 1,045	Current 1,122	Current 3,500
B.6 - OTHER SERVICES	Current -	Current 2,648	Current 34
C.3 - ENVIRONMENTAL PROTECTION AGENCY	Current 16,050 Capital 1,100	Current 13,757 Capital 1,568	Current 14,573 Capital 1,375
C.4 - ENVIRONMENTAL RADIATION POLICY	Current 2,221 Capital 200	Current 2,006 Capital 200	Current 2,000 Capital 400
C.6 - CARBON FUND	Capital 1,904	Capital 371	Capital -
C.8 - LANDFILL REMEDIATION	Capital 3,300	Capital 1,108	Capital 8,500
C.9 - OTHER SERVICES	Current -	Current 15	Current 47
D.3 - LOCAL GOVERNMENT FUND	Current -	Current -	Current 1
D.4 - FIRE AND EMERGENCY SERVICES	Current 792 Capital 6,000	Current 762 Capital 2,882	Current 792 Capital 8,000

Subhead	2012 Outturn €000s	2013 Outturn €000s	2014 Estimate €000s
D.5 - LOCAL AUTHORITY LIBRARY AND ARCHIVE SERVICE	Current 1,300 Capital 5,000	Current 1,190 Capital 3,500	Current 1,200 Capital 1,000
D.6 - ECONOMIC AND SOCIAL DISADV - DORMANT AC FUND	Current 279	Current -	Current -
D.7 – FRANCHISE	Current 275 Capital 3	Current 258 Capital -	Current 300 Capital -
D.8 - OTHER SERVICES	Current 289 Capital 5,975	Current 280 Capital 3,500	Current 605 Capital 2,000
E.3 - SUPPORTS FOR COMMUNITY AND VOLUNTARY SECTOR (NAT LOTT)	Current 11,335	Current 10,663	Current 10,875
E.4 - LOCAL AND COMMUNITY DEVELOPMENT PROGRAMMES (NAT LOTT)	Current 53,682	Current 47,657	Current 47,707
E.5 – RAPID	Current 2,212 Capital 865	Current 3 Capital 260	Current - Capital 1,900
E.6 - DORMANT ACCOUNTS MEASURES	Current 1,100 Capital 1,357	Current 658 Capital 585	Current 3,450 Capital 2,006
E.7 - WESTERN DEVELOPMENT COMMISSION	Current 1,387	Current 1,313	Current 1,521
E.8 - NATIONAL RURAL DEVELOPMENT SCHEMES	Current 2,750 Capital 392	Current 3,393 Capital 401	Current 3,400 Capital 383
E.9 - LEADER RURAL ECONOMY SUB-PROGRAMME 2007-2013	Capital 19,244	Capital 73,688	Capital 1
E.10 - PROGRAMME FOR PEACE AND RECONCILIATION	Current 2,434 Capital 13,413	Current 3,921 Capital 16,925	Current 2,280 Capital 21,516
E.11 - INTERREG PROGRAMME	Capital 2,409	Capital 2,499	Capital 2,293
E.12 - TIDY TOWNS COMPETITION	Current 1	Current 1	Current 1
E.13 - IRISH WATER SAFETY	Current 512	Current 507	Current 657
E.14 - OTHER SERVICES	Current 95 Capital 267	Current 35 Capital -	Current 64 Capital -
F.3 - AN BORD PLEANÁLA	Current 12,897 Capital -	Current 11,793 Capital -	Current 12,000 Capital 500
F.4 - PLANNING TRIBUNAL	Current 3,281	Current 5,321	Current 1,998
F.5 - OTHER SERVICES	Current 331	Current 1,531	Current 110
H - APPROPRIATIONS IN AID	Current 23,272 Capital 47,386	Current 27,744 Capital 67,618	Current 24,977 Capital 53,365

Note 6.2 Committees and Commissions

This Note in the Appropriation Account 2012 refers to an estimate by the Mahon Tribunal Registrar in May 2012 of €196m as the overall cost of the Tribunal to be funded through the DECLG Vote. A revised estimate prepared by the Registrar in May 2014 indicates an overall such cost of €159m; expenditure from the Vote at the end of 2013 amounted to €106m, so additional costs of €53m may arise.

This reduction in the estimate of overall Tribunal costs reflects the fact that a significant volume of cases and third party costs have been settled since the 2012 estimate. This has facilitated the preparation of a more up-to-date estimate of potential final costs. As significant third-party cases are concluded during the 2014-2015 period, the estimate may reduce further. The Tribunal estimates that the majority of outstanding monies will have fallen due by the end of 2015.

Chapter 4 Vote Accounting (Paragraphs 4.32-4.38)

Negotiations to conclude a lease used to store voting equipment in respect of the one remaining property located in County Monaghan were being completed as the 2012 C&AG Report was being published in September 2013.

In April 2004 the returning officer at the time, who is since deceased, agreed a 25-year lease at a cost of €16,800 per annum. Rent ceased to be paid with effect from 1 September 2012 and the property was vacated in February 2013. There was a clause in the lease allowing for termination on payment of an amount equivalent to three years rent.

On 1 April 2014 the returning officer sought the approval of the Department to conclude negotiations and for a payment of €50,000 to be made to the landlord. Sanction was sought from the Department of Public Expenditure and Reform and this was obtained on 1 May 2014. The payment is to be made from the Central Fund.

For all of the other locations, rental arrangements were either concluded without cost, or the premises put to alternative use. There are no further costs accruing beyond those set out in the C&AG's Annual Report. It is not expected that any further costs will arise. The total and final cost of the e-voting project is therefore some €55.04m as set out beneath.

Table 1 Total Expenditure on E Voting

Description	€m	€m
Purchase of Voting Machines & Ancillary Equipment		41.98
Other Costs		
Extra Hardware Equipment	1.38	
Retrofit some machines	2.91	
Awareness Campaign	2.58	
Software Testing and Training	2.50	
Storage Costs – 2004 to 2012 (Central Fund)	3.64	
Buy out of Lease 2014	0.05	13.06
Total Expenditure		55.04

Chapter 10: Central Government Funding of Local Authorities¹

Table 2 Updated Local Authority Expenditure Data

Expenditure	2012 (audited)	2013 (provisional)	2014 (budget)
Revenue expenditure	€4.4bn	€4.6bn	€4.2bn
Capital expenditure	€1.9bn	€1.5bn	n/a
Aggregate expenditure	€6.3bn	€6.1bn	n/a

Table 3 Updated Local Authority Income Projections By % Source

Income	2012 (audited)	2013 (budget)	2014 (budget)
Goods and Services	27%	27%	37%
Commercial rates	35%	35%	34%
Grants & subsidies	22%	21%	20%
Local Government Fund/PRD	16%	17%	9%

The total income to the Local Government Fund in 2013 was some €1.16bn. This comprised €1.136bn in income from Motor Tax, €23m of receipts from the Household Charge, and interest of €0.2m.

€670m was paid directly to local authorities in 2013. €422m paid to the Department of Transport, Tourism and Sport (D/TTaS) was used by that Department to pay for the Driver and Vehicle Computer Services Division, and Roads and Public Transport Infrastructure, including Local and Regional Road Grants to local authorities. An amount of €100m was paid from the Local Government Fund to the Exchequer. The balance of expenditure from the Fund, amounting to some €16m, is not paid to local authorities. The recipients in these cases include the Road Safety Authority (in respect of Driver Licences), the Local Government Management Agency and the Institute of Public Administration.

The local government funding model is changing considerably in 2014. Under the Finance (Local Property Tax) Act 2012, commencing this year, the Minister for Finance will pay into the Local Government Fund an amount equivalent to the Local Property Tax paid into the Central Fund during the year. This will provide greater levels of connection between local revenue-raising and associated expenditure decisions, thereby reinforcing local democratic decision-making and encouraging greater efficiency by local authorities on behalf of their electorates.

¹ All outturn figures in respect of 2013 are provisional and subject to audit.

From 1 July 2013, any outstanding Household Charge liability (including late payment penalties) was included as part of the LPT liability for the property. From July 2013 to April 2014, approximately €7.4m of Household Charge revenue (representing approximately 38,900 properties) has either been paid to Revenue, or is the subject of a phased payment agreement.

Local Government Fund income for 2014 is expected to be in the region of €1.7bn, comprising motor tax (€1.2bn) and local property tax receipts (€550m). The 2014 allocations from the Local Government Fund include general purpose grants of €281m, €376m to the D/TTaS, €486.5m subvention to Irish Water, and a payment to the Exchequer of up to a maximum of €600m.

Chapter 11: Costs of Land Remediation (DECLG)

In April 2005 the European Court of Justice ruled, in case C494/01, that Ireland had infringed the Waste Framework Directive under various articles of that directive. The response of the Irish authorities to the case has two main elements - a general response addressing the structural or administrative deficiencies highlighted by the ECJ and, secondly, a response to the site specific cases themselves.

In addition, certain other complaints or issues which had been taken or raised by the European Commission against or with Ireland (such as unregulated end of life vehicles and other illegal sites or orphan sites such as Irish Ispat) were subsumed under the case and are therefore part of an enlarged response which is required by Ireland to bring finality to the case.

Remediation of the ECJ494 case sites is a requirement of the resolution of the infringement proceedings. Accordingly, there are several legacy licensed and unlicensed landfill sites that have required remediation since the judgment – including, for example, the former Irish Steel plant at Haulbowline – and some others that have arisen in the interim which must be remediated in the course of the next few years for environmental, reputational and economic reasons.

Total expenditure to end June 2013 (as set out in the C and AG report) was almost €100m with over half of this going towards the remediation of Haulbowline. The following table set out the summary position as at 31 December 2013.

The Kerdiffstown, Co. Kildare, and East Galway landfill sites – both currently being managed by the EPA – are not part of the ECJ494 judgment but have significant environmental, reputational or economic risks associated with them and are therefore viewed as part of the deliverables by the State in the overall resolution of the case. It is likely that significant further costs will be incurred in the remediation of remaining sites, including, in particular, ongoing work at Haulbowline and future remediation of Kerdiffstown.

Table 4 Figure 11.1 (Updated)

Costs of Land Remediation Number of sites, costs and estimated future costs at 31 December 2013			
Description	No. of Sites	Cost to 31 December 2013 (€m)	Estimated future cost (€m)
Unlicensed sites *	15	10.18	12.63
Licensed local authority sites	22	41.35	0.84
Licensed private site **	1	0.84	N/A
Industrial site ***	1	52.44	N/A
Wetland creation	5	8.04	1.31
Total	44	112.85	14.78

*Kerdiffstown future costs not included as a decision on a remediation option has not yet been taken

**East Galway (Kilconnell) future costs not included as a decision on a remediation option has not yet been taken

***Department of Agriculture, Food and the Marine took charge of this site (Haulbowline) in 2012