

PART II EXPENDITURE ALLOCATIONS 2014-2016

1. Introduction

Part I of this Report set out the broad background and context for *Budget 2014*. In preparing this Budget, the Government has been mindful that it strikes the right balance between minimising any negative economic and social impact of consolidation and ensuring a successful return to the markets later this year. The Government remains committed to protecting progress made in key social and economic areas while meeting the requirements of the fiscal consolidation path agreed under the EU/IMF Programme of Financial Assistance. Taking these considerations on board, the Government has decided that the most appropriate course of action for 2014 is to target a deficit of 4.8% of GDP. This is well within the 5.1% of GDP deficit limit recommended by the European Council under the Excessive Deficit Procedure.

The Government has also decided on some changes to the composition of the €3.1 billion adjustment previously indicated for 2014. The updated 2014 consolidation path for expenditure is set out in Table 1 below.

| Table 1 | 2014 Expenditure Consolidation Path | 2014 |
|----------------|---|------------------|
| | | <i>€ billion</i> |
| | Increase in Savings from Prior Year Measures | 0.1 |
| | Savings from New Measures | 1.4 |
| | Current consolidation | 1.5 |
| | Capital consolidation | 0.1 |
| | Total Expenditure Consolidation (Current + Capital) | 1.6 |
| | Live Register savings | 0.16 |
| | Expenditure Adjustment | 1.76 |
| | Additional Pressures* | 0.3 |
| | Total Consolidation Effort from Spending (incl. Pressures requiring additional measures) | 2.06 |

* This represents the savings effort that Departments are adopting to achieve the current expenditure consolidation and meet additional service and demographic pressures while adhering to the Departmental ceilings.

The expenditure aggregates set out in this Report, and published in the *Budget 2014* document, are consistent with the requirements under the Stability and Growth Pact and the recommendations of

the European Council. Within this overall Government Expenditure Ceiling⁴, the individual Ministerial expenditure ceilings for 2014 set out in this Report have been determined largely on the basis of the allocations set out in last December's *Expenditure Report 2013*, adjusted for the impact of the Haddington Road Agreement and in certain cases in light of the updated consolidation path set out above and in light of other specific developments, including some technical changes.

The Medium-Term Expenditure Framework (MTEF), first introduced in the *Comprehensive Expenditure Report 2012-2014* in December 2011, was put on a legislative footing earlier this year. Part III of this Report discusses the MTEF in the context of the broader reforms of expenditure management. The reforms aim to improve the focus on medium-term, structural and strategic planning of expenditure within each area. The multi-annual allocations for both current and capital expenditure are set within this medium-term expenditure management framework.

Reducing the Cost of the Public Service

As signaled in the *Expenditure Report 2013*, the Government secured a comprehensive and far reaching pay and conditions agreement with Public Service unions during 2013. The Haddington Road Agreement contains a number of provisions that will form the basis for a €1 billion contribution by the Public Service pay and pensions bill to our fiscal recovery, through a series of equitable and sustainable measures, and will allow for the creation of a more streamlined and unified Public Service.

As a result of the Haddington Road Agreement and other measures, including the pay reductions and control of Public Service staffing numbers, the provision for the Public Service pay bill for 2014 is €14.5 billion, a significant reduction on the €15.1 billion estimate for 2013, with consequent reductions to follow in future years. That said, even with the full embrace of new work practices and the timely implementation of the benefits of Haddington Road and previously secured reforms, it is not possible to continue the pace of headcount reduction achieved in recent years far into the future. Other more sustainable responses need to be pursued such as the increased use of Shared Services, procurement reforms, property asset management, the use of alternative methods of service delivery and the harnessing of the potential of digitalisation. Of course these initiatives will reduce costs, but they will also enhance the quality and efficiency of public administration and service delivery. The next phase of Public Service Reform will be published before the end of the year and will build on the progress made to date. It will also set out an ambitious range of further reforms. The Government has always maintained that protecting frontline services as the overall system downsizes is one of its

⁴ As per the *Ministers and Secretaries (Amendment) Act, 2013* each year the Government is required to make a decision approving an upper limit on gross Departmental expenditure ("Government Expenditure Ceiling") for the following three year period.

key priorities. By securing savings in other areas of the system, the Government can use some of the additional Haddington Road savings to recruit in priority areas.

Capital Expenditure

The capital allocation for 2014 now stands at over €3.3 billion. This includes €110 million allocated to Departments for stimulus projects, some of which were announced earlier this year. A further provision of €200 million which is being funded from the proceeds of the National Lottery licence transaction will shortly be allocated to jobs intensive projects throughout the country, including on road maintenance and repair works, a new round of Sports Capital Grants, the Better Energy Programme and a range of other projects. A further part of the proceeds will be ring-fenced to ensure the construction of the National Children's Hospital.

2. Current Expenditure Allocations

The *Expenditure Report 2013* set out Departmental expenditure ceilings for 2014 and these ceilings have now been adjusted to take account of the Government's decision on an updated expenditure consolidation path and to reflect specific factors. Table 2 sets out an overall technical reconciliation between the 2014 current spending level set out last year, and the level on which the Government has now decided as part of Budget 2014.

| Table 2 Technical Reconciliation of Gross Current Voted Expenditure 2014 | |
|--|------------------|
| | <i>2014</i> |
| | <i>€ million</i> |
| Gross Current Voted Expenditure as per <i>Expenditure Report 2013</i> | 49,232 |
| <u>Adjustments to the Ceilings</u> | |
| Central Policy Developments | |
| Increase in ceiling arising from changed composition of consolidation | 400 |
| Increase in ceilings arising from expenditure decisions | 45 |
| Cyclical Adjustments | |
| Live Register | -164 |
| Central Policy Developments | |
| Pay Policy Measures | -675 |
| Savings measures to be allocated | -25 |
| Technical Adjustments | |
| Allocation of Contingency to Departmental ceilings | -70 |
| Allocation of previously unallocated savings measures | 830 |
| Other adjustments mainly arising from increased receipts | 6 |
| Other | |
| Activation | 14 |
| Expenditure neutral transfer of Capital to Current expenditure | 12 |
| Reconciled Gross Voted Current Expenditure post Adjustments | 49,606 |
| Rounding affects total | |

Table 3 presents the revised current expenditure ceilings for each Department for 2014 on the basis of these aggregate adjustments. The following pages provide a reconciliation of the individual Departmental ceilings with the underlying *Expenditure Report 2013* expenditure ceilings.

| Table 3 Departmental Current Expenditure Ceilings 2014-2016 | | | |
|--|------------------|---------------|---------------|
| | <i>€ million</i> | | |
| Ministerial Vote Group | 2014 | 2015 | 2016 |
| Agriculture, Food & the Marine | 1,019 | 1,005 | 1,005 |
| Arts, Heritage & the Gaeltacht | 207 | 205 | 205 |
| Children & Youth Affairs | 416 | 410 | 410 |
| Communications, Energy and Natural Resources Group | 321 | 315 | 315 |
| Defence Group | 890 | 885 | 885 |
| Education & Skills Group* | 8,219 | 8,180 | 8,180 |
| Environment, Community & Local Government | 455 | 445 | 445 |
| Finance | 426 | 425 | 425 |
| Foreign Affairs & Trade | 687 | 675 | 675 |
| Health | 13,263 | 13,050 | 13,050 |
| Jobs, Enterprise & Innovation | 339 | 335 | 335 |
| Justice & Equality | 2,097 | 2,060 | 2,060 |
| Public Expenditure & Reform | 833 | 830 | 830 |
| Social Protection** | 19,631 | 19,365 | 19,365 |
| Taoiseach | 144 | 145 | 145 |
| Transport, Tourism & Sport | 684 | 670 | 670 |
| <i>Unallocated Savings Requirement</i> | -25 | -750 | -400 |
| Gross Current Expenditure | 49,606 | 48,250 | 48,600 |

* includes expenditure from the National Training Fund

** includes expenditure from the Social Insurance Fund

The final determination of the 2015 and 2016 ceilings will be made by Government following a Comprehensive Review of Expenditure to begin in the coming months. Part III of this Report discusses the CRE process and how it feeds into final decisions underpinning the Medium-Term Expenditure Framework.

3 Capital Investment Allocations

A Government-wide review of the Public Capital Programme in 2011 set a re-focused capital envelope for the period 2012 -2016. In the context of tight fiscal constraints, the review sought to reprioritise public capital expenditure and as a result, expenditure was focused on Health, Education and Jobs.

While there have been some adjustments to the capital envelope since publication, the revised envelope remains firmly in line with Government priorities as identified in the capital review. Table 4 reconciles the changes in the revised capital envelope for 2014. It also now incorporates the

additional monies provided for stimulus related expenditure and the further investment package for 2014 which will be funded from part of the proceeds of the National Lottery licence transaction.

| Table 4 Reconciliation of Gross Capital Voted Expenditure 2014 | |
|--|------------------|
| | 2014 |
| | <i>€ million</i> |
| Gross Capital Voted Expenditure as per <i>Expenditure Report 2013</i> | 3,230 |
| <u>Adjustments to the Ceilings</u> | |
| Central policy Developments | |
| Provision for Stimulus | 110 |
| Additional Investment package (Lottery transaction) | 200 |
| Other | 20 |
| Technical | |
| Water investment to be provided from non-voted sources | -240 |
| Exchequer neutral adjustments to expenditure arising from changed receipts | 18 |
| Expenditure neutral transfer between Capital and Current expenditure | -12 |
| Reprofiling of projects | 9 |
| Reconciled Gross Voted Capital Expenditure post Adjustments | 3,335 |

Table 5 sets out the revised capital envelope out to 2016.

| Table 5 Vote Group Capital Expenditure Ceilings 2014-2016 | | | | |
|--|------------------|--------------|--------------|----------------------------|
| | 2014 | 2015 | 2016 | Total 2014-2016 |
| | <i>€ million</i> | | | |
| Agriculture, Food & the Marine | 184 | 168 | 168 | 520 |
| Arts, Heritage & the Gaeltacht | 38 | 36 | 36 | 110 |
| Children & Youth Affairs* | 35 | 8 | 8 | 52 |
| Communications, Energy & Natural Resources | 80 | 79 | 77 | 236 |
| Defence | 8 | 8 | 8 | 24 |
| Education and Skills | 540 | 475 | 415 | 1,430 |
| Environment, Community & Local Government | 311 | 331 | 334 | 976 |
| Finance Group | 5 | 5 | 5 | 15 |
| Foreign Affairs and Trade Group | 7 | 2 | 2 | 11 |
| Health Group | 397 | 390 | 390 | 1,177 |
| Jobs, Enterprise, & Innovation | 442 | 454 | 451 | 1,347 |
| Justice Group* | 62 | 62 | 62 | 185 |
| Public Expenditure & Reform [Less OPW]* | 10 | 1 | 1 | 11 |
| OPW | 100 | 100 | 100 | 300 |
| Social Protection* | 19 | 9 | 7 | 35 |
| Transport, Tourism, & Sport | 899 | 818 | 818 | 2,535 |
| Investment funded by National Lottery Licence | 200 | | | 200 |
| <i>Unallocated Reserve</i> | | 307 | 374 | 680 |
| <i>Gross Capital Expenditure</i> | 3,335 | 3,252 | 3,255 | 9,842 |

*Rounding affects totals

The details of the expenditure allocations for each Department are set out in the following sections. Part A of each section discusses the broad policies being pursued in 2014 by each Department using their allocated resources. Part B reconciles the previously published Ministerial expenditure ceilings for 2014 with the new ceilings set out in this Report. Part C details the expenditure policy measures being undertaken by Departments to remain with the agreed ceilings.

Department of Social Protection

A. Overview of Departmental Expenditure in 2014

Total Voted Expenditure 2014

Expenditure under the Department of Social Protection will be €19,650 million in 2014. This will consist of €19,631 million in current expenditure and €18.5 million in capital expenditure.

Key Public Service Activities

This level of funding will provide for social transfers and income supports in 2014. The Department of Social Protection will continue to carry out its key public service activities in 2014. These are to:

- Promote active participation in society through the provision of income supports, employment services and other services
- Ensure speedy access to decisions, payments and reviews for all schemes and services
- Focus on maximising employability by providing targeted income support, training referral, development and employment services, based on individual needs and circumstances
- Develop and implement a programme of reform to underpin the sustainability of the welfare system into the future and co-ordinating implementation of Government strategies for social inclusion.
- Improve cost-effectiveness in all areas of expenditure, including the minimisation of fraud and error in the welfare system. Exchange information with other agencies to minimise duplication and delay and to enhance control measures.
- Develop the appropriate capacity to deliver on the Department's mandate from Government. Engage staff in the transformation programme, developing a shared corporate culture.
- Fully implement the Haddington Road Agreement and the Department's Integrated Reform Delivery Plan to secure maximum service improvements and efficiencies. Enhance corporate governance and maintain robust financial management and reporting systems.

New Policy Measures

Current expenditure - The weekly primary rates of payment are being maintained in Budget 2014 along with the rate and seasonal duration of fuel allowance payments and the standard monthly rate of Child Benefit. There are a range of policy measures due to be implemented in 2014, which are listed in section C below. In addition to these measures, an additional €14 million has been allocated towards delivery of labour market initiatives for young people in 2014.

Capital expenditure - An increased capital allocation of €18.5 million in 2014 will facilitate the completion of the roll-out of the "one-stop shop" Intreo offices which provide enhanced services to jobseekers.

Changes to Expenditure Ceiling 2014

The expenditure ceiling as set out in the Expenditure Report 2013 was €19.6 billion. The ceiling has been adjusted, owing to anticipated reduced Live Register expenditure, additional funding to help reduce the burden of the expenditure adjustment on the Department of Social Protection and some technical issues.

B. Reconciliation of 2014 Expenditure Ceiling

| Department of Social Protection | 2014 |
|---|---------------|
| Current Expenditure | € million |
| Ministerial Expenditure Ceilings as per <i>Expenditure Report 2013</i> | 19,633 |
| <u>Adjustments to the Ceilings</u> | |
| Technical Adjustments | |
| Transfer to Vote 31 (Transport, Tourism & Sport) in respect of the Rural Transport Scheme | -1.0 |
| Transfer to Vote 13 (OPW) in respect of services provided | -2.7 |
| Transfer to Vote 39 (HSE) in respect of Exceptional Needs Payments | -0.2 |
| Transfer of funding for JobsPlus from the Exchequer and the Social Insurance Fund. | 9.0 |
| Transfer from Vote 26 (Education & Skills) in respect of ending double payments on certain training/education schemes | 1.2 |
| Cyclical Adjustments | |
| Live Register Fluctuations | -164.0 |
| Sectoral Policy Developments | |
| Adjustment to reduce the burden of the expenditure reductions on the Department of Social Protection | 150.0 |
| Central Policy Developments | |
| Pay policy measures | -8.3 |
| Other | |
| Additional funding for Youth Guarantee - labour market initiatives for young people | 14.0 |
| <i>Reconciled Expenditure Ceilings post Adjustments</i> | 19,631 |
| Savings measures introduced in 2014 to adhere to the ceiling | 290 |
| Capital Expenditure | €million |
| Capital Envelope as set out in the Expenditure Report 2013 | 9.5 |
| Adjustments | 9 |
| Capital Ceilings | 18.5 |

C. Estimates 2014: Summary of Measures

The following table outlines the summary of measures, excluding central pay policy developments, to be taken by the Department in order to adhere to the 2014 Expenditure Ceiling post adjustments.

| Measure | Savings in 2014 |
|--|-----------------|
| | € million |
| <i>Recovery of social welfare payments</i> - Recover the value of certain social welfare payments from compensation awards made to persons in relation to loss of earnings. To be introduced in 2014. | 21 |
| <i>Illness Benefit</i> - Increase the number of waiting days for entitlement to Illness Benefit from 3 days to 6 days, from January 2014. | 22 |
| <i>Invalidity Pension</i> - In line with the abolition of the State Pension Transition from January 2014, discontinue the weekly rate of €230.30 for Invalidity Pension at age 65 and align with the weekly rate of €193.50 currently payable to Invalidity Pension recipients aged under 65. Analogous adjustments will also take place in the Invalidity Pension Qualified Adult weekly rate of payment. These measures will apply to Invalidity Pensioners reaching their 65 th birthday and to qualified adults reaching their 66 th birthday, both with effect from January 2014. | 5 |
| <i>Jobseeker's Allowance</i> – Extend the application of the €100 rate of Jobseeker's Allowance and SWA to persons without children who reach the age of 22, 23 and 24 and extend the application of the €144 rate of Jobseeker's Allowance and SWA to persons without children who reach the age of 25, from January 2014. (The Back to Education maximum rate for 25 year olds will be reduced to €160 per week for relevant new entrants). | 32 |
| <i>Maternity and Adoptive Benefit</i> - Standardise the minimum and maximum weekly rates (currently €217.80 and €262 respectively) of Maternity & Adoptive Benefit at €230 per week. Applies to new claimants only from January 2014. | 30 |
| <i>Mortgage Interest Supplement</i> - Discontinue the scheme for new applicants and allow a winding down of the current MIS recipient base over a four year period, from January 2014. | 12 |
| <i>Rent and Mortgage Interest Supplement</i> - Increase the minimum contribution for couples by €5 per week, from €35 to €40, thereby further aligning Rent and Mortgage Interest Supplement contributions with the Local Authority rents structure, for new and existing recipients, from January 2014. | 6 |
| <i>Household Benefits Package</i> - Reduce the annual payment to RTÉ for the Free TV Licence by €5 million from €59.17 million to €54.17 million. | 5 |
| <i>Household Benefits Package</i> - Discontinue the Telephone Allowance for all recipients, from January 2014. | 44 |
| <i>Bereavement Grant</i> - Discontinue payment of the €850 grant in respect of deaths on or after 1 January 2014. | 17 |
| <i>Supplementary Payments</i> - Reductions in expenditure on certain supplementary welfare payments. | 5 |

| | |
|--|------------|
| Savings from increased Employment support efficiencies | 12 |
| Savings from increased labour market activation | 10 |
| Fraud and Control Measures – additional fraud and control initiatives. | 30 |
| Administrative Savings | 5 |
| Expenditure reductions arising from lower than anticipated estimate of expenditure for 2014. | 34 |
| Total | 290 |

ANNEX - Social Protection Rates of Payment 2014

Table 1

Maximum Weekly Rates of Social Insurance from January 2014

| | Present Rate | New Rate |
|--|-------------------------|---------------------|
| Personal and Qualified Adult Rates | € | € |
| <u>State Pension (Contributory)</u> | | |
| (i) Under 80: | | |
| Personal rate | 230.30 | 230.30 |
| Person with qualified adult under 66 | 383.80 | 383.80 |
| Person with qualified adult 66 or over | 436.60 | 436.60 |
| (ii) 80 or over: | | |
| Personal rate | 240.30 | 240.30 |
| Person with qualified adult under 66 | 393.80 | 393.80 |
| Person with qualified adult 66 or over | 446.60 | 446.60 |
| <u>State Pension (Transition)*</u> | | |
| Personal rate | 230.30 | 230.30 |
| Person with qualified adult under 66 | 383.80 | 383.80 |
| Person with qualified adult 66 or over | 436.60 | 436.60 |
| <u>Widow's/Widower's Contributory Pension</u> | | |
| (i) Under 66: | 193.50 | 193.50 |
| (ii) 66 and under 80: | 230.30 | 230.30 |
| (iii) 80 or over: | 240.30 | 240.30 |
| <i>Note (ii) and (iii) are the same as State Pension (Contributory) Rates.</i> | | |
| <u>Invalidity Pension**</u> | | |
| (i) Under 65: | | |
| Personal rate | 193.50 | 193.50 |
| Person with qualified adult under 66 | 331.60 | 331.60 |
| Person with qualified adult 66 or over | 399.80 | 331.60 |
| (i) Age 65: | | |
| Personal rate | 230.30 | 193.50 |
| Person with qualified adult under 66 | 368.40 | 331.60 |
| Person with qualified adult 66 or over | 436.60 | 331.60 |
| <u>Carer's Benefit</u> | | |
| Personal rate | 205.00 | 205.00 |
| <u>Maternity Benefit</u> | | |
| Maximum payment | 262.00 | 230.00 |
| Minimum payment | 217.80 | 230.00 |
| <u>Occupational Injuries Benefit - Death Benefit Pension</u> | | |
| (i) Personal rate under 66 | 218.50 | 218.50 |
| (ii) Personal rate 66 and under 80 | 234.70 | 234.70 |
| (iii) Personal rate 80 or over | 244.70 | 244.70 |
| <u>Occupational Injuries Benefit - Disablement Pension</u> | | |
| Personal rate | 219.00 | 219.00 |
| <u>Illness/Jobseeker's Benefit</u> | | |
| Personal rate | 188.00 | 188.00 |
| Person with qualified adult | 312.80 | 312.80 |
| <u>Injury Benefit/Health and Safety Benefit</u> | | |
| Personal rate | 188.00 | 188.00 |
| Person with qualified adult | 312.80 | 312.80 |
| <u>Guardian's Payment (Contributory)</u> | | |
| Personal rate | 161.00 | 161.00 |
| <u>Increases for a qualified child</u> | | |
| All schemes in respect of all children | 29.80 | 29.80 |
| * The State Pension (Transition) Scheme will be discontinued from 1st January 2014 | | |
| **The personal rate change applies to those who turn 65 on or after 1st January 2014. The qualified adult change applies to those who turn 66 on or after 1st January 2014 | | |

Table 2**Maximum Weekly Rates of Social Assistance from January 2014**

| | Present Rate | New Rate |
|--|-------------------------|---------------------|
| | € | € |
| Personal and Qualified Adult Rates | | |
| <u>State Pension (Non-Contributory)</u> | | |
| (i) Under 80: | | |
| Personal rate | 219.00 | 219.00 |
| Person with qualified adult under 66 | 363.70 | 363.70 |
| (ii) 80 or over: | | |
| Personal rate | 229.00 | 229.00 |
| Person with qualified adult under 66 | 373.70 | 373.70 |
| <u>Blind Person's Pension</u> | | |
| Personal rate | 188.00 | 188.00 |
| Person with qualified adult under 66 | 312.80 | 312.80 |
| <u>Widow's/Widower's Non-Contributory Pension</u> | | |
| Personal rate | 188.00 | 188.00 |
| <u>One-Parent Family Payment</u> | | |
| Personal rate with one qualified child (child not aged 18) | 217.80 | 217.80 |
| <u>Carer's Allowance</u> | | |
| (i) Under 66 | 204.00 | 204.00 |
| (ii) 66 or over | 239.00 | 239.00 |
| <u>Disability Allowance</u> | | |
| Personal rate | 188.00 | 188.00 |
| Person with qualified adult | 312.80 | 312.80 |
| <u>Pre-Retirement Allowance/Farm Assist</u> | | |
| Personal rate | 188.00 | 188.00 |
| Person with qualified adult | 312.80 | 312.80 |
| <u>Guardian's Payment (Non-Contributory)</u> | | |
| Personal rate | 161.00 | 161.00 |
| <u>Increases for a qualified child</u> | | |
| All schemes in respect of all children | 29.80 | 29.80 |

Table 3**Maximum Weekly Rates of Jobseeker's Allowance January 2014**

| | Present Rate | New Rate |
|---|-------------------------|---------------------|
| | € | € |
| <u>18 to 21 years of age</u> | | |
| Personal rate | 100.00 | 100.00 |
| Person with qualified adult | 200.00 | 200.00 |
| <u>22 to 24 years of age*</u> | | |
| Personal rate | 144.00 | 100.00 |
| Person with qualified adult | 268.80 | 200.00 |
| <u>25 years of age**</u> | | |
| Basic Personal rate | 188.00 | 144.00 |
| Person with qualified adult | 312.80 | 268.80 |
| <u>Over 25 years of age</u> | | |
| Basic Personal rate | 188.00 | 188.00 |
| Person with qualified adult | 312.80 | 312.80 |
| <p>Where a person has a dependent child and in certain other circumstances the basic rate (€188.00) applies to 18-25 year olds. * The reduced rate applies to existing recipients who reach age 22 and for new entrants aged between 22 and 24 on or after 1st January 2014 ** The reduced rate applies to existing recipients who reach age 25 and for new entrants aged 25 on or after 1st January 2014</p> | | |

Table 4

Maximum Weekly Rates of Supplementary Welfare Allowance January 2014

| | Present Rate | New Rate |
|--|---------------------|-----------------|
| | € | € |
| <u>18 to 21 years of age</u> | | |
| Personal rate | 100.00 | 100.00 |
| Person with qualified adult | 200.00 | 200.00 |
| <u>22 to 24 years of age*</u> | | |
| Personal rate | 144.00 | 100.00 |
| Person with qualified adult | 268.80 | 200.00 |
| <u>25 years of age**</u> | | |
| Basic Personal rate | 186.00 | 144.00 |
| Person with qualified adult | 310.80 | 268.80 |
| <u>Over 25 years of age</u> | | |
| Basic Personal rate | 186.00 | 186.00 |
| Person with qualified adult | 310.80 | 310.80 |
| Where a person has a dependent child and in certain other circumstances the basic rate (€188.00) applies to 18-25 year olds. | | |
| * The reduced rate applies to existing recipients who reach age 22 and for new entrants aged between 22 and 24 on or after 1st January 2014 | | |
| ** The reduced rate applies to existing recipients who reach age 25 and for new entrants aged 25 on or after 1st January 2014 | | |

Table 5

Changes in Monthly Rates of Child Benefit from January 2014

| | Present Rate | New Rate |
|--------------------------------------|---------------------|-----------------|
| | € | € |
| <u>Child Benefit</u> | | |
| (i) First and Second Children | 130.00 | 130.00 |
| (ii) Third Child | 130.00 | 130.00 |
| (iii) Fourth and Subsequent Children | 140.00 | 130.00 |

Department of Health

A. Overview of Departmental Expenditure in 2014

Total Voted Expenditure 2014

Gross Expenditure under the Health Group of Votes will be €13,660 million in 2014. This will consist of €13,263 million in current expenditure and €397 million in capital expenditure.

Public Services to be Delivered

The level of health services to be delivered within the available funding will be set out in the Health Service Executive's 2014 National Service Plan. The Plan will also set out the measures required to fund unavoidable pressures and commitments made under the Programme for Government.

New Policy Measures

In line with Programme for Government commitments, funding of €57 million has been allocated to fund the further development of community mental health services (€20 million) and to provide free GP care to those under 5 years of age (€37 million).

Changes to Expenditure Ceiling

An additional €187 million of Exchequer funding has been added to the Health ceiling to meet Programme for Government Commitments and health service pressures.

A total of €666 million of health savings measures are required to meet the overall health expenditure ceiling reduction of €361 million for 2014, Programme for Government Commitments of €57 million and health service pressures of €248 million.

Further detail is provided in Section B.

B. Reconciliation of 2014 Expenditure Ceiling

| Department of Health | 2014 |
|--|---------------|
| Current Expenditure | €million |
| Ministerial Expenditure Ceilings as per <i>Expenditure Report 2013</i> | 13,420 |
| <u>Adjustments to the Ceilings</u> | |
| Technical Adjustments | |
| Transfer to Vote 13 (OPW) in respect of services provided | -0.2 |
| Transfer from Vote 37 (Social Protection) in respect of Exceptional Needs Payments | 0.2 |
| Transfer from Vote 22 (Courts Service) in respect of medical treatment for Prisoners | 0.4 |
| Sectoral Policy Developments | |
| Adjustment to meet Programme for Government Commitments and Health Service Pressures | 187 |
| Central Policy Developments | |
| Pay related and other measures | -344 |
| <i>Reconciled Expenditure Ceilings post Adjustments</i> | 13,263 |
| Savings measures introduced in 2014 to adhere to the ceiling | 666 |
| Capital Expenditure | €million |
| Capital Envelope as set out in the Expenditure Report 2013 | 390 |
| Adjustments | 7 |
| Capital Ceilings | 397 |

C. Estimates 2014: Summary of Measures

The table below outlines the summary of measures to be taken by the Department in order to adhere to the 2014 Expenditure Ceiling post adjustments.

| Measure | Savings in 2014 |
|---|------------------|
| | <i>€ million</i> |
| <i>Primary Care Schemes</i> | |
| Generic Substitution and Reference Pricing | 50 |
| IPHA/APMI Agreement | 28 |
| Full year impact of FEMPI fee reductions | 37 |
| Full year impact of increase in prescription charges | 4 |
| Full year effect of income thresholds and probity | 20 |
| Reduce Income Thresholds for the over 70s Medical Card (€900 p.w. couple and €500 p.w. single) | 25 |
| Additional Delisting of Drugs from the GMS reimbursable drugs | 10 |
| Increase Prescription Charges to €2.50 per item with €25 cap | 43 |
| Medical Card Probity | 113 |
| Instead of retention of full medical card on return to work give GP Visit Card | 11 |
| | |
| <i>Other Areas</i> | |
| Charge all Private Patients in Public Hospitals | 30 |
| Fair Deal – Full year effect of enactment of the Health Amendment Act 2013 adjusting asset contribution | 10 |
| Increase in Charge for Licensing of Tobacco Retailers | 5 |
| Nurse Bank | 12 |
| | |
| <i>Pay Related Savings</i> | 268 |
| | |
| Total Net Savings | 666 |

Department of Education and Skills

A. Overview of Departmental Expenditure in 2014

Total Voted Expenditure 2014

Expenditure in the Department of Education and Skills will be €8,759m in 2014. This will consist of €8,219m in current expenditure (including €362m from the National Training Fund) and €540m in capital expenditure.

The 2014 current allocation incorporates the application of the Haddington Road Agreement.

Public Services to be Delivered

The Department of Education & Skills has sought to balance the requirement to remain within tight budgetary ceilings at a time of significant and continuing increases in student numbers, while at the same time progressing a reform agenda to provide and develop education at all levels. The Department will also ensure that the optimum focus is placed on further education and training investment, a task that will be assisted by the establishment of 16 new local Education and Training Boards and the transfer of FAS training centres to the ETBs. The soon to be established SOLAS will provide strategic governance and policy direction for the ETBs, in relation to further education and training.

While resources continue to be directed as effectively and efficiently as possible, it has nevertheless been necessary to implement a small number of further savings measures to take effect in 2014. These decisions are summarised in Section C below. The approach taken endeavours to spread the adjustment burden equitably across different parts of the education system and in such a way as to ensure that education and training priorities continue to be the focus of policy and allocations. Key features include:

- The pupil teacher ratio in all schools remains unchanged.
- Sufficient funding is provided to accommodate increases in student numbers.
- DEIS schools in disadvantaged areas will continue to be provided with targeted supports over and above other schools.
- Liaising closely with Intreo, a comprehensive programme of training and further education will continue to be provided through the new further education and training authority, SOLAS, the new Education and Training Boards and other educational bodies; the long-term unemployed will be a particular priority.

- The National Training Fund will be maintained at the level provided for in 2013 of €362 million.
- There will be continuing provision of a comprehensive school transport service.
- A capital allocation which will be principally deployed in the provision of schools to meet demographic demands and commence work on the Grangegorman project, a key part of the 2012 Economic Stimulus package announced in July 2012.

Overall, the Government has sought as far as possible to ensure that the education allocation for 2014 will support continued provision of a quality primary and second level education system, continued provision of comprehensive further education and training and a high quality higher education sector that continues to make a full contribution to Ireland's development and recovery.

B. Reconciliation of 2014 Expenditure Ceiling

| Department of Education | 2014 |
|--|---------------|
| Current Expenditure | € million |
| Ministerial Expenditure Ceilings as per <i>Expenditure Report 2013</i> | 8,453 |
| <u>Adjustments to the Ceilings</u> | |
| Technical Adjustments | |
| Transfer of funds to Vote 13 (OPW) in respect of provision of services by OPW | -0.6 |
| Transfer of funds to Vote 37 (Social Protection) in respect of the arrangements for the ending of concurrent payments to certain Further Education and Training recipients | -1.2 |
| Transfer of funds to Vote 33 (Arts, Heritage & the Gaeltacht) in respect of Screen Training staff | -0.6 |
| Transfer of funds to Vote 24 (Justice & Equality) in respect of probation workshops | -0.3 |
| Reduction to gross current ceiling to offset reduction in A-in-As | -6.0 |
| Central Policy Developments | |
| Pay policy measures | -226.0 |
| <i>Reconciled Expenditure Ceilings post Adjustments</i> | 8,219 |
| Net Savings measures introduced in 2014 to adhere to the ceiling | 44 |
| Capital Expenditure | €million |
| Capital Envelope as set out in the Expenditure Report 2013 | 475 |
| Adjustments | 65 |
| Capital Ceilings | 540 |

C. Estimates 2014: Summary of Measures

The table below outlines the summary of measures, excluding central pay policy developments, to be taken by the Department in order to adhere to the 2014 Expenditure Ceiling post adjustments.

| Measure | Savings in 2014 |
|--|----------------------------|
| | <i>€ million</i> |
| Reduction in 2014 provision for third level education, taking account of cash balances held by higher education institutions | 25 |
| End concurrent payments to certain DSP recipients who take up FAS courses | 5 |
| Abolish long term unemployment bonus paid to FAS/VTOS/Youthreach recipients | 2 |
| Require FAS apprentices to pay pro rata student contribution | 1 |
| Net reductions and rectifications across the Vote | 11 |
| Total | 44 |

Department of Justice Vote Group

A. Overview of Departmental Expenditure in 2014

Total Voted Expenditure 2013

Expenditure under the Justice Vote Group will be €2,158 million in 2014. This will consist of €2,097 million in current expenditure and €62 million in capital expenditure.

Public Services to be Delivered

Funding is being allocated within these expenditure ceilings to ensure continued delivery in 2014 across the range of Justice functions:

- €1,344 million under the Garda Síochána Vote will facilitate ongoing maintenance of national security, detection and prevention of crime, ensuring safe communities and effective delivery of the roads policing programme.
- €325 million will be spent to ensure the effective administration of the Prison Service and the provision of safe, secure, humane and rehabilitative custody for the Prison population.
- €103 million will be allocated to manage the Courts and support the Judiciary.
- €31 million will be spent by the Property Registration Authority to manage the Land Registry and Registry of Deeds.
- €357 million will be expended by the Department of Justice and Equality to deliver measures to support a range of programmes including the financing of organisations such as the Criminal Assets Bureau and the Forensic Science and State Pathology Laboratories involved in supporting An Garda Síochána, in particular in combating and detecting serious crime. The allocation will also be utilised for measures contributing to economic recovery, including the costs associated with Insolvency Service Ireland.

New Policy Measures

It is expected that the Legal Services Regulatory Authority will be established during 2014. This is a Troika commitment and will lead to modernisation of the existing structures and increased competition in the legal services area.

It is expected that the Court of Appeal will be established in autumn 2014. This will significantly reduce the backlog of appeals currently heard by the Supreme Court.

Work is progressing on the merger of the Property Registration Authority, Valuation Office and Ordnance Survey Ireland under the Government's Agency Rationalisation Programme. It is expected that the Transfer of Functions Orders will be put in place to transfer responsibility for the Valuation Office and Ordnance Survey Ireland to the Justice Vote Group as soon as possible.

The allocation for ex gratia payments to women who were admitted to and worked in the Magdalen Laundries will be finalised in the Revised Estimates later this year.

Haddington Road Agreement

Under the Haddington Road Agreement, sectoral agreements are in place for An Garda Síochána and the Prison Service. The Agreement provides that a review of An Garda Síochána will be undertaken. The review will encompass all aspects of the operation and administration of An Garda Síochána.

Other Changes to Expenditure Ceiling

The total expenditure ceiling for the Justice Group has been revised to take account of a number of factors, the key change being the reductions to the paybill associated with the Haddington Road Agreement. A number of technical adjustments have also taken place.

B. Reconciliation of 2014 Expenditure Ceiling

| Department of Justice Vote Group | 2014 |
|--|--------------|
| Current Expenditure | € million |
| Ministerial Expenditure Ceilings as per <i>Expenditure Report 2013</i> | 2,065 |
| <u>Adjustments to the Ceiling</u> | |
| Technical Adjustments | |
| Transfer to Vote 13 (OPW) in respect of maintenance | -7.0 |
| Transfer to Vote 39 (HSE) for treatment of prisoners | -0.4 |
| Transfer from Vote 9 (Revenue Commissioners) in respect of payroll staff | 1.1 |
| Transfer from Vote 26 (Education & Skills) in respect of Probation Workshops | 0.3 |
| Sectoral Policy Developments | |
| Increase staffing for Garda Vetting Service | 2.0 |
| Adjustment to reduce the extent of expenditure reductions on the Department of Justice & Equality | 77.5 |
| Central Policy Developments | |
| Pay policy measures | -42.2 |
| <i>Reconciled Expenditure Ceilings post Adjustments</i> | 2,097 |
| Savings measures introduced in 2014 to adhere to the ceiling | 56.5 |
| Capital Expenditure | € million |
| Capital Envelope as set out in the Expenditure Report 2013 | 61.6 |
| Adjustments | - |
| Capital Ceiling | 61.6 |

C. Estimates 2014: Summary of Measures

The table below outlines the summary of measures, excluding central pay policy developments, to be taken by the Department in order to adhere to the 2014 Expenditure Ceiling post adjustments.

| Measure | Savings in 2014 |
|---|------------------------|
| | <i>€ million</i> |
| Reductions in staff numbers The budgetary adjustment reflects anticipated staffing reductions across all areas of the sector. | 31 |
| Office of the Minister for Justice and Equality The reductions arise across a range of programme and administrative subheads including Direct Accommodation (€5.2m), Irish Naturalisation and Immigration Service (€1.3m), administrative subheads including ICT and Postal and Telecommunications (€1 million), Commissions and Special Inquiries (€1 million). | 11 |
| Prisons Service The savings are across operational and administrative subheads and arise due to efficiencies derived from central procurement initiatives and other administrative measures. They encompass measures such as reductions in office administrative costs arising from an outsourced print service, savings in fleet management expenses and savings in the healthcare area from the use of generic drugs. | 1 |
| Courts Service The savings are across a range of areas including efficiencies gained directly from initiatives taken under the Courts Services Reform Programme including greater use of technology and other resources. | 1 |
| Property Registration Authority The savings arise across administrative subhead and include savings arising from reduced reliance on external service providers. | 0.5 |
| Non-recurring costs 2014 There were a number of non-recurring events for which provisions needed to be made in 2013, which will not impact on expenditure in 2014. | 12 |
| Total | 56.5 |

Department of Agriculture, Food & the Marine

A. Overview of Departmental Expenditure in 2014

Total Voted Expenditure 2014

Expenditure under the Department of Agriculture, Food & the Marine will be €1,203 million in 2014. This will consist of €1,019 million in current expenditure and €184 million in capital expenditure.

Public Services to be Delivered

This level of funding will enable a significant level of public services to be delivered in 2014. The funding provided reflects the Exchequer commitment in support of the agri-food sector and is in recognition of the contribution which the sector can make to economic recovery and future growth in the Irish economy.

In addition to the 2013 Exchequer allocation for Irish agriculture, the Department will be administering over €1.2 billion of EU funding, the bulk of which will be for the Single Farm Payments to farmers.

New Policy Measures

Improving profitability at farm level is a key challenge for agricultural policy. A financial stimulus to encourage farmers to meet this challenge is a key focus for 2014 and will be provided for through the introduction of a new scheme to support the development of genomics in the beef sector. A programme of this nature will promote breed improvement and increase fertility, animal health and the level of technology transfer to primary producers. It would also increase overall efficiency and environmental sustainability, and improve profitability in the sector. In addition, the proposal would help to position Ireland as the global leader in genomics and genetic traceability in the beef sector, would be a flagship for Ireland's beef sector, underpin employment in the economy, and enhance the reputation of Ireland as a global leader in high quality food production.

The new measures will dovetail with other Food Harvest 2020 initiatives on competitiveness, sustainability, quality and marketing.

B. Reconciliation of 2014 Expenditure Ceiling

| Department of Agriculture, Food and the Marine | 2014 |
|---|--------------|
| Current Expenditure | € million |
| Ministerial Expenditure Ceilings as per <i>Expenditure Report 2013</i> | 1,029 |
| <u>Adjustments to the Ceilings</u> | |
| Technical Adjustments | |
| Transfer to Vote 13 (OPW) in respect of services provided | -1.0 |
| Central Policy Developments | |
| Pay Policy Measures | -8.8 |
| <i>Reconciled Expenditure Ceilings post Adjustments</i> | 1,019 |
| Savings measures introduced in 2014 to adhere to the ceiling | 29.5 |
| Capital Expenditure | € million |
| Capital Envelope as set out in the Expenditure Report 2013 | <i>168</i> |
| Adjustments Forestry planting and Haulbowline remediation | <i>15.7</i> |
| Capital Ceilings | 183.7 |

C. Estimates 2014: Summary of Measures

The table below outlines the summary of measures, excluding central pay policy developments, to be taken by the Department in order to adhere to the 2014 Expenditure Ceiling post adjustments.

| Measure | Savings in 2014 |
|--|----------------------------|
| | <i>€ million</i> |
| Scheme closures-REPS Early Retirement and Suckler Cow | 37.6 |
| Reduction in animal health and market support areas | 12.4 |
| Additional pay savings will be achieved over and above the pay savings achieved through the Haddington Road Agreement. | 2.9 |
| <i>Sub-total</i> | <i>52.9</i> |
| Increased funding for new measures | (23.4) |
| Total | 29.5 |

Department of Arts, Heritage and the Gaeltacht

A. Overview of Departmental Expenditure in 2014

Total Voted Expenditure 2014

Expenditure under the Department of Arts, Heritage and the Gaeltacht vote group will be €246 million in 2014. This will consist of €207 million in current expenditure and €38 million in capital expenditure.

Public Services to be Delivered

This level of funding will enable a significant level of public services to be delivered in 2014. The Department oversees and has policy responsibility for the conservation, preservation, protection, development and presentation of Ireland's heritage and culture. The Department also seeks to promote the Irish language, to support the Gaeltacht and to assist the sustainable development of island communities.

High Level Programme Activities include:

- Ongoing financial support of the National Cultural Institutions, including the National Museum of Ireland, the National Library of Ireland, the Irish Museum of Modern Art, the Chester Beatty Library, the National Concert Hall and Crawford Gallery.
- Ongoing operation of the National Archives of Ireland.
- Continuing support for a range of programmes that are operated by the Department, including the Culture Ireland programme and the Structures at Risk Fund.
- Fostering the development of art in all its forms, including through the provision of support to the Arts Council, which in turn funds a large number of schemes, individual artists, arts organisations and festivals, including RAISE philanthropy programme, the Abbey Theatre, events such as the Wexford Opera Festival and the Dublin Theatre Festival, and a wide range of local festivals.
- Fostering the continued development and growth of the film and audiovisual sector in Ireland through the Irish Film Board.
- Ongoing support for the Heritage Council.
- Ongoing management and operation of 6 National Parks and 78 Nature Reserves.
- Actions, including the funding of conservation-related scientific surveys and reporting, to meet obligations under the EU Habitats and Birds Directives.
- Compensatory measures for landowners' costs and losses resulting from restrictions in managing their land in areas designated under the EU Habitats and Birds Directives, including the Cessation of Turf Cutting Compensation Scheme.
- Supporting jobs in the Gaeltacht through Údarás na Gaeltachta.
- Promotion of the Irish language and provision of support to the Gaeltacht.

- Assisting the sustainable development of island communities.
- Development of inland waterways within the context of the implementation of the Good Friday and St. Andrews Agreements.
- Redevelopment of the National Gallery Historic Wings.

New Policy Measures

National Gallery

An additional €10m in funding is being provided to fund the redevelopment of the National Gallery Historic Wings. A provision of €1m is to be provided in 2014 with the remainder in 2015/16. This project will ensure that the Gallery's important collections can be shown and protected in an appropriate forum. It will also enable the Gallery to host international exhibitions and, in the longer term, to increase its contribution towards the country's cultural tourism offering.

Specifically, the following major upgrades will be completed:

- The refurbishment of the historic core of the National Gallery, the Dargan and Milltown wings.
- The installation of 21st century climate, heating, fire suppression, electrical, lighting and security systems, including an energy centre.
- The reopening of Victorian features and spaces within the building previously unseen by the public.
- The conversion of spaces between the wings for public use as a sculpture court.
- The improvement of disabled access to bring the Gallery up to modern standards.
- The delivery of a world class visitor experience.

20-Year Strategy for Irish

In addition, a new dedicated fund of €0.5m – the first ever such fund - will be used to kick-start the implementation of the 20-Year Strategy for Irish with a range of concrete measures, including supportive actions to roll out the language planning process on the ground, in line with the Gaeltacht Act 2012. These actions will include direct support to community organisations to enable them to prepare and implement practical and deliverable Irish language plans – not only in the Gaeltacht itself but also in selected towns and areas in other parts of the country.

B. Reconciliation of 2014 Expenditure Ceiling

| Department of Arts, Heritage & Gaeltacht | 2014 |
|---|-------------|
| Current Expenditure | € million |
| Ministerial Expenditure Ceilings as per <i>Expenditure Report 2013</i> | 207 |
| <u>Adjustments to the Ceilings</u> | |
| Technical Adjustments | |
| Transfer of funds to Vote 13 (OPW) in respect of services provided | -0.2 |
| Transfer of funds from Vote 26 (Education & Skills) in respect of Screen Training Ireland | 0.6 |
| Transfer of funds from Vote 25 (Environment, Community & Local Government) in respect of Heritage IT requirements | 0.7 |
| Transfer of funds from Vote 25 (Environment, Community & Local Government) in respect of Gaeltacht CDPs | 0.3 |
| Central Policy Developments | |
| Pay policy measures | -1.5 |
| Sectoral Policy Developments | |
| Increased funding for 20 Year Strategy for the Irish Language | 0.5 |
| <i>Reconciled Expenditure Ceilings post Adjustments</i> | 207 |
| Savings measures introduced in 2014 to adhere to the ceiling | 15.0 |
| Capital Expenditure | € million |
| Capital Envelope as set out in the Expenditure Report 2013 | 36 |
| Adjustments | 2.3 |
| Capital Ceilings | 38.3 |

C. Estimates 2014: Summary of Measures

The table below outlines the summary of measures, excluding central pay policy developments, to be taken by the Department in order to adhere to the 2014 Expenditure Ceiling post adjustments.

| Measure | Savings in 2014 |
|---|------------------------|
| | <i>€ million</i> |
| Arts, Culture and Film | |
| More efficient working, shared services, prioritisation of public and front of house services, deferral of projects, curtailment of some schemes, staffing economies and administrative costs reductions | 9.2 |
| Heritage | |
| Prioritise meeting the legal requirements of the EU Habitats and Birds Directives, maintenance of key archaeological and built heritage services and maintaining the visitor service attractions provided by National Parks and Reserves. | 0.7 |
| Gaeltacht | |
| Review of Irish language and Gaeltacht structures, schemes and organisations by the Department will result in savings. | 1.3 |
| North-South Co-operation | |
| Savings, in excess of the agreed 3% per annum efficiency savings, for the North-South Implementation Bodies will require the approval of the North-South Ministerial Council. | 2.1 |
| Administration | |
| The Department will examine the scope for achieving further efficiencies and savings in administration costs over the period to 2014. | 1.7 |
| Total | 15.0 |

Department of Children and Youth Affairs

A. Overview of Departmental Expenditure in 2014

Total Voted Expenditure 2014

Expenditure under the Department of Children & Youth Affairs will be €451 million in 2014. This will consist of €416 million in current expenditure and €35 million in capital expenditure.

Public Services to be delivered

This level of funding will enable a significant level of public services to be delivered in 2014:

- Continued preschool year for 68,000 children
- Continued subvention of some 35,000 other childcare places together with the implementation of the School Age Childcare Initiative that will target low-income families and support parents availing of an employment opportunity.
- Roll-out of the Area Based Child Poverty Initiative which aims to support better outcomes for disadvantaged children through more innovation, effective planning, integration and delivery of services.
- Delivery of Quality Agenda for Pre-School Services which will include strengthening the Pre-School Inspection system, supporting the implementation of the early education frameworks *Síolta* and *Aistear*, and assisting staff to meet new qualification requirements.
- A range of youth programmes and services will be provided to 400,000 young people.

New Policy Measures

Construction work on new Children Detention School facilities in Oberstown, Lusk, Co Dublin will continue in 2014. This development provides for the assignment of responsibility for all young people under the age of 18 years to the Oberstown campus by the third quarter of 2014, in line with the Programme for Government. At present, males aged 17 years on admission are detained by the Courts in St Patrick's Institution.

Changes to Expenditure Ceiling

The original 2014 current expenditure ceiling in the Expenditure Report was €409 million.

An extra €1m has been allocated to support youth programmes and services.

An extra €6.7 million has been allocated to support the reform of child welfare and protection services upon the establishment of the new Child and Family Agency.

An extra €4.6 million in capital is being allocated in 2014 to facilitate the ongoing construction project for expanded Children Detention School facilities in Oberstown, Lusk, Co. Dublin.

Further detail is provided in Section B.

B. Reconciliation of 2014 Expenditure Ceiling

| Department of Children and Youth Affairs | 2014 |
|---|-------------|
| Current Expenditure | €million |
| Ministerial Expenditure Ceilings as per <i>Expenditure Report 2013</i> | 409 |
| <u>Adjustments to the Ceilings</u> | |
| Central Policy Developments | |
| Pay policy measures | -0.4 |
| Sectoral Policy Developments | |
| Increased funding to support the reform of child and welfare services | 6.7 |
| Increased funding to support youth programmes and services | 1.0 |
| <i>Reconciled Expenditure Ceilings post Adjustments</i> | 416 |
| Savings measures introduced in 2014 to adhere to the ceiling | 8 |
| Capital Expenditure | €million |
| Capital Envelope as set out in the Expenditure Report 2013 | 30.3 |
| Adjustments | 4.6 |
| Capital Ceilings | 34.9 |

C. Estimates 2014: Summary of Measures

The table below outlines the summary of measures, excluding central pay policy developments, to be taken by the Department in order to adhere to the 2014 Expenditure Ceiling post adjustments.

| Measure | Savings in 2014 |
|--|--------------------|
| | <i>€ million</i> |
| Youth Programmes | |
| Reductions in funding of the various youth programmes | 2.0 |
| School Completion Programme | |
| 6.5% savings per annum on previous year's level of funding | 1.7 |
| National Longitudinal Study | |
| Reduction in commitments under existing contracts | 1.0 |
| National Children's Strategy | |
| Reduction in commitments under existing contracts | 0.4 |
| Early Intervention Programme | |
| Reduction in commitments under existing contracts | 0.8 |
| Family Support Agency | |
| Savings in administration and programme costs | 2.1 |
| Total | 8 |

Department of Communications, Energy and Natural Resources

A. Overview of Departmental Expenditure in 2014

Total Voted Expenditure 2013

Expenditure by the Department of Communications, Energy and Natural Resources will be €401 million in 2013. This will consist of €321 million in current expenditure and €80 million in capital expenditure.

Public Services to be Delivered

This level of funding will enable a significant level of important public services to be delivered in 2014.

- In the communications programme, this will ensure the roll out of 100 Mbps Broadband in 260 schools throughout 2014 and support for the on-going operations of the Digital Hub where there are over 70 digital enterprises employing some 900 high value jobs.
- Under the Broadcasting programme, expenditure will fund RTÉ with €181 million forecast licence fee receipts, allow TG4 to deliver 4.69 hours of Irish language programming per day and enable the Broadcasting Authority to provide grants for eligible Irish culture and heritage programmes - €10.5m supporting 260 projects.
- Under the Better Energy Programme, it is expected that 550GWh of energy savings (140kt CO₂) with an estimated monetary value of €37m will be achieved in conjunction with private sector measures under the Energy Efficiency Directive. Estimated energy savings of 24GWh (5.4kt CO₂) with a monetary value of €2m should be realised in low-income households.
- In natural resources, important regulation of licensing and leasing activities will be progressed along with rehabilitation works at the Avoca site and the INFOMAR mapping programme.
- Regarding inland fisheries, 3,150 environmental inspections will be completed and 125,339 man hours of patrol time funded.

New Policy Measures

In 2014, a number of important new policy initiatives will be initiated. The design, planning and procurement of the State-led intervention to deliver high speed broadband in areas where it is not commercial for the market to invest will be progressed with a view to launching the procurement process in 2014. The development of the proposed Public Service Broadcasting (PSB) Charge will continue in line with the Programme for Government commitment. The Department will also advance

the National Postcode project with a view to signing an agreement in 2014 and commencing the initial phases of roll-out. The Department will continue work on progressing the Pay-As-You-Save (PAYS) energy efficiency model. The Department will also proceed with the implementation of the National Energy Efficiency Action Plan (NEEAP) and the Affordable Energy Strategy (AES), and will deliver a new national Energy Performance Contracting (EPC) policy framework underpinned by the Energy Efficiency Fund which should address one of the predominant barriers to economic activity in the energy efficiency sector – the availability of credit that is structured properly and of appropriate term.

Changes to Expenditure Ceilings

The total expenditure ceiling has been revised to take account of central/sectoral policy measures and a technical transfer to Vote 13 (OPW) in respect of office premises.

B. Reconciliation of 2014 Expenditure Ceiling

| Department of Communications, Energy and Natural Resources | 2014 |
|---|-------------|
| Current Expenditure | €million |
| Ministerial Expenditure Ceilings as per <i>Expenditure Report 2013</i> | 325 |
| <u>Adjustments to the Ceilings</u> | |
| Technical Adjustments | |
| Transfer to Vote 13 (OPW) in respect of services provided | -0.2 |
| Sectoral Policy Developments | |
| Adjustment to meet Programme for Government Commitments and pressures | 2.3 |
| RTE licence reduction | -4.7 |
| Broadcasting fund reduction | -0.4 |
| Central Policy Developments | |
| Pay policy measures | -0.7 |
| <i>Reconciled Expenditure Ceilings post Adjustments</i> | 321 |
| Savings measures introduced in 2014 to adhere to the ceiling | 5 |
| Capital Expenditure | €million |
| Capital Envelope as set out in the Expenditure Report 2013 | 80 |
| Adjustments | - |
| Capital Ceilings | 80 |

C. Estimates 2014: Summary of Measures

The table below outlines the summary of measures, excluding central pay policy developments, to be taken by the Department in order to adhere to the 2014 Expenditure Ceiling post adjustments.

| Measure | Savings in 2014 |
|---|------------------------|
| | <i>€ million</i> |
| The Department will achieve further efficiencies and savings in administration costs, Energy, Inland Fisheries and Communications Programme Areas | 5 |
| Total | 5 |

Department of Defence

A. Overview of Departmental Expenditure in 2014

Total Voted Expenditure 2014

Expenditure by the Department of Defence will be €898 million in 2014. This is made up of €890 million in current expenditure and €8 million in capital expenditure.

The 2014 current expenditure ceiling was reduced by €10.3 million from the allocation outlined in the 2013 Expenditure Report mainly as a consequence of the Haddington Road Agreement. The Army Pensions provision requires an increased allocation of €10 million for 2014 due to the increasing number of pensioners.

Public Services to be Delivered

This level of funding will enable a significant level of public services to be delivered in 2014:

- Defence policy will continue to be responsive to emerging changes in the domestic and international peace and security environment.
- In 2014 a new White Paper on Defence will be completed and published.
- The Permanent Defence Force will be maintained at a strength of 9,500 personnel. The Army Reserve and Naval Service Reserve will be maintained at a combined strength of 4,069.
- The Permanent Defence Force will continue to meet Government requirements for overseas peace support operations.
- The Permanent Defence Force will continue to deliver required operational outputs for all approved aid to the Civil Power and approved aid to the Civil Authority requests.
- Two new Naval Service vessels will be procured from within the Defence Allocation, without recourse to additional funding.

Further detail is provided in Section B

B. Reconciliation of 2014 Expenditure Ceiling

| Department of Defence | 2014 |
|---|--------------|
| Current Expenditure | €million |
| Ministerial Expenditure Ceilings as per <i>Expenditure Report 2013</i> | 890 |
| <u>Adjustments to the Ceilings</u> | |
| Technical Adjustments | |
| Transfers to Vote 13 (OPW) in respect of services provided | -0.2 |
| Sectoral Policy Developments | |
| Increased provision for Army Pensions Vote | 10.0 |
| Central Policy Developments | |
| Pay policy measures | -10.3 |
| <i>Reconciled Expenditure Ceilings post Adjustments</i> | 890 |
| Savings measures introduced in 2014 to adhere to the ceiling | 2 |
| Capital Expenditure | €million |
| Capital Envelope as set out in the Expenditure Report 2013 | 8 |
| Adjustments | - |
| Capital Ceilings | 8 |

C. Estimates 2014: Summary of Measures

The table below outlines the summary of measures, excluding central pay policy developments, to be taken by the Department in order to adhere to the 2014 Expenditure Ceiling post adjustments.

| Measure | Savings in 2014 |
|---|----------------------------|
| | <i>€ million</i> |
| Cost containment and control measures across the Vote Group | 2 |
| | |
| Total | 2 |

Department of Environment, Community and Local Government

A. Overview of Departmental Expenditure in 2014

Total Voted Expenditure 2014

Expenditure by the Department of Environment, Community and Local Government will be €766 million in 2014. This is made up of €455 million in current expenditure and €311 million in capital expenditure. In addition, the Government is to invest €240 million (by direct equity) in Irish Water, an independent state owned company within the Bord Gáis Group.

Public Services to be delivered

This level of funding will enable a significant level of public services to be delivered in 2014 in the key areas of housing and water, environmental protection, local government services, and the development of strong and vibrant local communities. Key outputs will include:

Housing

- In the housing sector, momentum will continue on the major regeneration programmes with significant commitment to Limerick Regeneration, and the Ballymun Regeneration Scheme to reach substantial completion in 2014.
- 185 new units will be delivered over the 2013/2014 period under the social housing investment programme. Up to 2,500 new transfers will take place under the Rental Accommodation Scheme and approximately 1,200 additional new leased housing units will come on line in 2014 bringing the overall operational number to 5,700 in 2014.
- 14,100 social houses will achieve improved energy efficiency through a retrofitting programme, of which 12,500 will be upgraded as part of the Government's capital stimulus package. This will result in warmer homes and lower energy costs for thousands of families.
- There will be a continuing focus on meeting the needs of the most vulnerable in society. 175 new housing units for people with special needs will be developed and up to 150 new leased units will be delivered to cater specifically for people with disabilities leaving institutional care. Some 5,700 housing adaptation grants will assist older people and people with disabilities to remain at home for longer.

Water

- Capital funding of Irish Water will be by way of direct Exchequer equity investment of €240 million. It will support projects set out in the Irish Water Capital investment Plan (including some 80 projects currently in progress) and will ensure that the new utility will be in a

position to take on the water services investment programmes of the current 34 water services authorities.

- The Rural Water Programme, which oversees the Private Group Water sector, will continue to be managed by the Department.
- At least 1,000 septic tank inspections will occur by July 2014.

Community

- Some 14,000 people who are distanced from the labour market will receive direct one-to-one labour market training and supports through the Local and Community Development Programme (LCDP). A revised LCDP, due to be implemented from July 2014, will take account of the new aligned local authority/local development structures.

New Policy Measures

Local Government Reform / Financing

- The *Action Programme for Effective Local Government* sets out a wide-ranging reform agenda across the key areas of local government to address weaknesses, enhance effectiveness and accountability, and improve performance across the entire local government system. Key features of the programme, to come into effect following the local elections in 2014, include the restructuring of local government at regional, county and sub-county levels and the strengthening and widening of the scope and role of local government.
- It is proposed to make a proportion of the proceeds of the local property tax available as a source of local funding from 2015 onwards, so as to ensure greater discretion in decision making and increased accountability at local level.

Irish Water

- The statutory responsibility for public water supply and waste water services, currently with local authorities, will pass to Irish Water from 1 January 2014. Irish Water will have a general duty to provide safe and efficient water services and infrastructure in a manner which takes full account of public policy in relation to proper planning and sustainable development.
- Economic regulation of water and wastewater services will commence following enactment of the Water Services (No. 2) Bill 2013, to be published in autumn 2013. The Commission for Energy Regulation (CER) will scrutinise and regulate Irish Water's operational and capital expenditure. CER will also ensure consumer interests are protected in the sector. Public consultation will form part of the Regulator's decision-making processes.
- Domestic water charging will be introduced in Quarter 4 2014 with first bills due in Quarter 1 2015. A free allowance will be allocated to each household, with supports provided to those with affordability issues and those with high water usage necessitated by medical needs.

Change to Expenditure Ceiling / Savings

The total expenditure ceilings under the Department's Vote have been revised to take account of a number of factors.

On the current side, savings have arisen as a result of rescheduling the recoupment of local authority loan charges. Savings have been generated on legal and administrative costs. There is also a transfer of expenditure between the capital and current budgets as well as other technical adjustments to the ceilings.

The key change to the Department's capital ceiling is a reduction of €240 million, in view of the funding of Irish Water by way of direct equity investment. Other changes include an increase of €25 million to the ceiling, as part of the Government's capital stimulus initiative to improve energy efficiency in local authority housing stock and an additional €16 million to support the Peace programme in the border counties and Northern Ireland.

Further detail is provided in Sections B and C.

B. Reconciliation of 2014 Expenditure Ceiling

| Department of Environment, Community and Local Government | 2014 |
|--|--------------|
| Current Expenditure | €million |
| Ministerial Expenditure Ceilings as per <i>Expenditure Report 2013</i> | 428 |
| <u>Adjustments to the Ceilings</u> | |
| Technical Adjustments | |
| Transfer to Vote 13 (OPW) in respect of services provided | -0.3 |
| Transfer to Vote 33 (Arts, Heritage & the Gaeltacht) in respect of IT requirements | -0.7 |
| Transfer to Vote 33 (Arts, Heritage & the Gaeltacht) in respect of Gaeltacht CDPs | -0.3 |
| Transfer from Vote 38 (Health) in respect of deinstitutionalisation (People with disabilities) | 1.0 |
| Increased spending (matched by Peace Programme A-in-As) | 2.0 |
| Sectoral Policy Developments | |
| Increased provision for Housing leasing | 10.0 |
| Central Policy Developments | |
| Pay policy measures | -2.2 |
| Other | |
| Transfer from capital envelope | 18 |
| Transfer to Children & Youth Affairs | -1 |
| <i>Reconciled Expenditure Ceilings post Adjustments</i> | 455 |
| Savings measures introduced in 2014 to adhere to the ceiling | 21 |
| Capital Expenditure | €million |
| Capital Envelope as set out in the Expenditure Report 2013 | 528 |
| Adjustments | -218 |
| Capital Ceilings | 310.5 |

C. Estimates 2014: Summary of Measures

The table below outlines the summary of measures, excluding central pay policy developments, to be taken by the Department in order to adhere to the 2014 Expenditure Ceiling post adjustments.

| Measure | Savings in 2014 |
|---|------------------------|
| | <i>€ million</i> |
| Housing Rescheduling of recoupment of local authority loan charges (Capital Loan and Subsidy Scheme) | 15 |
| Legal Costs Savings on Legal costs | 4 |
| Administrative Efficiencies The Department will achieve further efficiencies and savings in administration costs in 2014. | 2 |
| Total | 21 |

Department of Finance Group of Votes

A. Overview of Departmental Expenditure in 2014

The Vote Group gross ceiling for 2014 was set at €429m (Current) and €5m (Capital). This ceiling was adjusted to reflect ongoing IT development costs for Revenue and full-year HRA downward adjustment on paybill to give an adjusted ceiling of €428m (Current) and €5m (Capital).

The actual allocation sought by the Vote Group this year is €431m, which is spread across the Vote Group as follows:

| | €m |
|---|---------------|
| Vote 7 – Office of the Minister for Finance | €32.7 |
| Vote 8 – Office of the C&AG | €11.8 |
| Vote 9 – Revenue | €385.7 |
| Vote 10 – Appeals Commissioner | €0.5 |
| | €430.7 |

The Department of Finance's budget and staffing allocation reflects ongoing ambitious objectives and goals, across a broad spectrum of economic, fiscal, financial and international policies, set out in our Statement of Strategy. It is vitally important that we continue to build on the significant progress, made during 2013, in the areas of banking union and economic governance, the continued restructuring of the banking sector, and the exercise of budgetary discipline demonstrated in the delivery of commitments under the EU/IMF programme of support. Allied to the above, the focus throughout 2014 and beyond will be centered on the implementation of sound macroeconomic, fiscal and structural policy choices, through the framework of a Medium Term Economic Strategy, and through enhanced representation on systemically important EU Commission working groups, with a view to representing Ireland's interests in European and international decision making processes.

Expenditure pressures for the Department in 2014 are linked largely to:

- the Government's National Payments Plan (including SEPA compliance, Standard Bank Account, etc) in which the Department plays a lead role and is a co-sponsor. On completion, this plan is targeted, among other things, with improving the efficiency of Ireland's payment system, with significant consequent savings for the economy; and
- Legal fees associated with the ongoing restructuring of the banking system and legal actions connected to this programme of work.

Revenue's sole focus is to serve the community by fairly and efficiently administering and collecting taxes and duties, and by implementing Customs controls. As part of its 2014 strategy the office will:

- continue the implementation of systems related to the Local Property Tax
- increase the availability and usage of electronic channels of customer service to make it easier and less costly for taxpayers to comply
- maintain a strong focus on deterring smuggling and the shadow economy
- provide high quality advice and legislation, and advance Irelands tax and customs agenda in international fora

The role of the Office of the Comptroller and Auditor General is to provide independent assurance that public money is properly managed, and spent to good effect, and to contribute to improvements in public administration.

B. Reconciliation of 2014 Expenditure Ceiling

| Finance Group of Votes | 2014 |
|---|--------------|
| Current Expenditure | €million |
| Ministerial Expenditure Ceilings as per <i>Expenditure Report 2013</i> | 429.5 |
| <u>Adjustments to the Ceilings</u> | |
| Technical Adjustments | |
| Transfer to Vote 13 (OPW) in respect of services provided | -2.8 |
| Transfer to Vote 24 (Justice & Equality) in respect of payroll staff | -1.1 |
| Sectoral Policy Developments | |
| Increased provision for Vote 9 (Revenue Commissioners) to address general pressures | 8.0 |
| Central Policy Developments | |
| Pay policy measures | -8.1 |
| <i>Reconciled Expenditure Ceilings post Adjustments</i> | 426 |
| Capital Expenditure | €million |
| Capital Envelope as set out in the Expenditure Report 2013 | 5.0 |
| Adjustments | - |
| Capital Ceilings | 5.0 |

Department of Foreign Affairs and Trade

A. Overview of Departmental Expenditure in 2014

Total Voted Expenditure 2014

This Department is responsible for two Votes – International cooperation (V27) and Foreign Affairs and Trade (V28).

Gross total expenditure for the Department in 2014 is €693 million. This will consist of €687 million in current expenditure and €6.5 million in capital expenditure. Receipts classed as Appropriations in Aid will be €45 million.

Public Services to be Delivered

As part of its Strategy for 2011-14, the Department of Foreign Affairs and Trade has the following High-level goals:

- Promote Ireland's economic interests in Europe and internationally
- Deliver on Ireland's global development commitments, focusing on poverty and hunger
- Advance reconciliation and co-operation on this island
- Contribute to international peace, security and human rights
- Provide consular and passport services for Irish citizens and engage with Irish communities abroad

Recognising that trade and foreign investment are central to economic recovery, the Department will continue to prioritise these areas of its work, including by means of support for the relevant State agencies, with a view also to maximising employment at home.

This approach will see the Department and the diplomatic and consular missions abroad which are under its aegis continue to work to restore Ireland's standing as a respected member of the European Union and of the wider international community.

Ireland's membership of the UN Human Rights Council will continue as a major focus of activity in 2014. Ireland's election to the Council in the face of strong competition was a major achievement and has been availed of already to promote successfully a number of resolutions in the areas of child mortality and civil society.

Making Ireland's contribution to ending extreme poverty and hunger, and ensuring sustainable development, is at the core of the Irish Aid programme. The primary focus for 2014 will be to implement and deliver on the commitments in the new policy on International Development – 'One World One Future'.

The Department will continue to prioritise the full implementation of the Good Friday Agreement to support peace and reconciliation and North-South cooperation.

In 2014, the number of passport applications processed is expected to equal the 2013 figure of approximately 630,000. In addition to meeting the service level targets, significant developments in the service, including on-line renewal of adult passports will be completed.

Consular services to citizens will be maintained and relations with the diaspora will be strengthened, including through follow-up to the recent Global Irish Economic Forum in Dublin.

B. Reconciliation of 2014 Expenditure Ceiling

| Department of Foreign Affairs and Trade | 2014 |
|---|--------------|
| Current Expenditure | €million |
| Ministerial Expenditure Ceilings as per <i>Expenditure Report 2013</i> | 692.3 |
| <u>Adjustments to the Ceilings</u> | |
| Technical Adjustments | |
| Transfer to Vote 13 (OPW) in respect of services provided | -0.5 |
| Transfer to Vote 32 (Jobs, Enterprise & Innovation) in respect of subscription to World Trade Organisation | -1.9 |
| Central Policy Developments | |
| Pay policy measures | -3.3 |
| <i>Reconciled Expenditure Ceilings post Adjustments</i> | 686.6 |
| Savings measures introduced in 2014 to adhere to the ceiling | 14.1 |
| Capital Expenditure | €million |
| Capital Envelope as set out in the Expenditure Report 2013 | 2.0 |
| Adjustments | 4.5 |
| Capital Ceilings | 6.5 |

C. Estimates 2014: Summary of Measures

The table below outlines the summary of measures, excluding central pay policy developments, to be taken by the Department in order to adhere to the 2014 Expenditure Ceiling post adjustments.

| Measure | Savings in 2014 |
|---|----------------------------|
| | <i>€ million</i> |
| Overseas Development Assistance | 14.1 |
| Reduced funding for Irish Aid programme | 14.1 |
| Total | 14.1 |

Department of Jobs, Enterprise and Innovation

A. Overview of Departmental Expenditure in 2014

Total Voted Expenditure 2014

Expenditure under the Department of Jobs, Enterprise and Innovation will be €781 million in 2014. This will consist of €339 million in current expenditure and €442 million in capital expenditure.

Public Services to be Delivered

This level of funding will enable a significant level of public services to be delivered in 2014. The Department of Jobs, Enterprise and Innovation plays a key role in ensuring delivery on the Government's continued commitment to enterprise development and innovation and to the objective of growing our way out of our difficulties.

It does this via its two-fold remit of (i) stimulating the productive capacity of the economy and creating an environment which makes Ireland the best small country in which to do business by 2016 and (ii) ensuring fair competition, protecting consumers and safeguarding workers via its 3 Key Programme Budget areas of (A) Jobs and Enterprise, (B) Innovation and (C) Regulation.

The 2014 Current and Capital allocations, while very challenging, will be utilised to maximum effect to ensure the effective and efficient delivery of the Department's remit.

New Policy Measures

Establishment of Central Transfer Technology Office

Provision has been made under the Science and Technology Programme, for a new Central Technology Transfer Office (CTTO) to further enhance the commercialisation agenda. The CTTO has been established on a collaborative basis between Enterprise Ireland (EI) and the Irish Universities Association (IUA). The CTTO will play a key role in the Irish innovation system as it becomes fully operational in 2014. It will provide a responsive interface between companies and the wealth of technology, skills and "know how" available in Ireland's higher education system. One of the many functions of the new office will be the provision of a central hub that will enable companies to explore, through a web interface, the research resources available to them right across the country.

Changes to Expenditure Ceiling

The *Comprehensive Expenditure Report 2012-2014 ("CER")* set Current and Capital ceilings of €337m and €457m respectively for the Department of Jobs, Enterprise and Innovation for 2014. The Current ceiling for 2014 is now set at €339m to take account of technical adjustments and transfer of activities, including Ireland's annual subscription to the World Trade Organisation into the Department's Vote from the Department of Foreign Affairs and Trade in 2013. The Capital ceiling has been reduced by a further €15m by the Department of Public Expenditure and Reform to €442m. This is to take account of pressures on the overall Exchequer Capital Budget. Further detail is provided in **Section B** below.

B. Reconciliation of 2014 Expenditure Ceiling

| Department of Jobs, Enterprise and Innovation | 2014 |
|---|-------------|
| Current Expenditure | €million |
| Ministerial Expenditure Ceilings as per <i>Expenditure Report 2013</i> | 339 |
| <u>Adjustments to the Ceilings</u> | |
| Technical Adjustments | |
| Transfer to Vote 13 (OPW) in respect of services provided | -0.4 |
| Transfer from Vote 28 (Foreign Affairs & Trade) in respect of subscription to World Trade Organisation | 1.9 |
| Central Policy Developments | |
| Pay policy measures | -1.3 |
| | 339 |
| <i>Reconciled Expenditure Ceilings post Adjustments</i> | |
| Savings measures introduced in 2014 to adhere to the ceiling | 13.4 |
| Capital Expenditure | €million |
| Capital Envelope as set out in the Expenditure Report 2013 | <i>457</i> |
| Adjustments | <i>-15</i> |
| Capital Ceilings | 442 |

C. Estimates 2014: Summary of Measures

The table below outlines the summary of measures, excluding central pay policy developments, to be taken by the Department in order to adhere to the 2014 Expenditure Ceiling post adjustments.

| Measure | Savings in 2014 |
|---|----------------------------|
| | <i>€ million</i> |
| Non-pay savings will be delivered through administrative efficiency measures and changes to business processes across the Department's 3 Programmes. These include the implementation of more online processing and application tools and the continued implementation of the Workplace Relations Commission project. | 1.0 |
| Further Non-pay savings will be delivered through administrative and operational efficiencies, rationalisation measures and reprioritisation of spending in respect of a number of projects being supported through the Programme for Research in Third Level Institutions (PRTLII). | 6.4 |
| Additional pay savings will be achieved over and above the pay savings achieved through the Haddington Road Agreement. | 6.0 |
| Total | 13.4 |

Department of Public Expenditure and Reform Group of Votes

A. Overview of Departmental Expenditure in 2014

Total Voted Expenditure 2014

The Public Expenditure and Reform Group includes the Department of Public Expenditure and Reform, the Office of Public Works, the Superannuation Vote for civil service pensions, and a range of smaller votes. Expenditure for this Group will be €943 million in 2014. This will consist of €833 million in current expenditure and €110 million in capital expenditure.

Public Services to be Delivered

This level of funding will enable a significant level of public services to be delivered in 2014:

The *Department of Public Expenditure & Reform* will promote a stronger focus on Value-for-Money and performance information and will develop and implement policies to reduce public service numbers consistent with the delivery of Government objectives.

The *Shared Services* Vote has now been set up and considerable progress has been made to date in terms of consolidating a number of administrative functions across the Civil Service including areas such as finance, IT and Human Resources. This establishment of this new Vote reinforces the Government's commitment to the Public Service Reform Plan. The standardisation of processes allows for greater transparency and accessibility; reduced duplication; the elimination of waste and significant cost reductions in the medium term.

Considerable progress is being made with the delivery of procurement initiatives and the new *Office of Government Procurement* (OGP) has now been set up.

The *Office of Public Works* will continue to manage the development, upkeep and maintenance of State accommodation including the protection of cultural and heritage properties.

New Policy Measures

The new Office of Government Procurement will spearhead the reform of procurement in the public service. The reform of the public service procurement function will deliver sustainable savings for the tax payer and make a significant contribution to the deficit reduction programme. The new Vote will centralise the procurement of common goods and services, such as ICT, fleet, professional services, ICT, etc. This move is in line with best practice in the public and private sector and is part of the continuing reform programme being driven by the Department of Public Expenditure and Reform. Procurement has evolved into a professional business discipline over the last decade in particular and the move by the Government will concentrate, develop and leverage that expertise across the public service.

B. Expenditure Ceilings

| PER Group of Votes | 2014 |
|--|--------------|
| Current Expenditure | € million |
| Ministerial Expenditure Ceilings as per <i>Expenditure Report 2013</i> | 826 |
| <u>Adjustments to the Ceilings</u> | |
| Technical Adjustments | |
| Transfer to Vote 25 (Environment, Community and Local Government) capital allocation in respect of Peace programme funding | -5.8 |
| Transfer to Vote 41 (OGP) capital allocation | -1.25 |
| Transfers to Vote 13 (OPW) from all other Departments in respect of services provided | 16.9 |
| Sectoral Policy Developments | |
| Additional funding provided for reform initiatives | 1.1 |
| Additional funding provided to cover start-up costs of Shared Services | 8.0 |
| Central Policy Developments | |
| Pay policy measures | -12.3 |
| | 833 |
| <i>Reconciled Expenditure Ceilings post Adjustments</i> | |
| | |
| Capital Expenditure | € million |
| Capital Envelope as set out in the Expenditure Report 2013 | 100.5 |
| Adjustments | 9.5 |
| Capital Ceilings | 110 |

Department of the Taoiseach (including Law Offices)

A. Overview of Departmental Expenditure in 2014

Total Voted Expenditure 2014

In addition to the Department of the Taoiseach, this Group includes the Legal Offices, the Central Statistics Office (CSO) and the President's Establishment. Expenditure for this Group will be €144 million in 2014, all of which is current spending.

The *Department of the Taoiseach* continues to consolidate a range of major efficiencies and structural changes that will allow for a more focused leadership role in implementing the Government Programme. 2014 programme expenditure relates to NESDO, the Moriarty Tribunal of Inquiry, the Constitutional Convention and EU Engagement (which is as a result of transfer of functions from the Department of Foreign Affairs in 2012).

The main challenge being addressed by the State's legal offices – the *Office of the Attorney General* (which incorporates the *Chief State Solicitor's Office*) and *the Office of the Director of Public Prosecutions* – is to secure a reduction in legal fees payable by the State, against a background of significant demands in terms of legal advice, legislative drafting and prosecution activity arising from the Programme for Government and the EU/IMF programme. Additional resources will be allocated for the provision of legal services to the Office of Government Procurement.

The *CSO* maintains its commitment to the production of the core annual programme of statistical outputs required by national and EU policy and the demands of the EU/IMF support programme. Estimates reflect the cyclical nature of some statistical activities within the Vote. The 2014 allocation provides for preparatory work for the Household Budget Survey 2015/2016 and the 2016 Census of Population. The 2014 allocation also provides funding for a National Employment Survey (NES) and a European Health Information Survey (EHIS)

B. Reconciliation of 2014 Expenditure Ceiling

| Department of Taoiseach Vote Group | 2014 |
|--|-------------|
| Current Expenditure | € million |
| Ministerial Expenditure Ceilings as per <i>Expenditure Report 2013</i> | 142 |
| <u>Adjustments to the Ceilings</u> | |
| Technical Adjustments | |
| Transfer to Vote 13 (OPW) in respect of services provided | -0.6 |
| Sectoral Policy Developments | |
| Additional funding provided to address general pressures arising on the Vote Group | 6.5 |
| Central Policy Developments | |
| Pay policy measures | -4.1 |
| <i>Reconciled Expenditure Ceilings post Adjustments</i> | 144 |
| Savings measures introduced in 2014 to adhere to the ceiling | |
| Capital Expenditure | € million |
| Capital Envelope as set out in the Expenditure Report 2013 | - |
| Adjustments | - |
| Capital Ceilings | - |

Department of Transport, Tourism and Sport

A. Overview of Departmental Expenditure in 2014

Total Voted Expenditure 2014

The Gross expenditure under the Department of Transport, Tourism and Sport will be €1,583 million in 2014. This will consist of €684 million in current expenditure and €899 million in capital expenditure.

Public Services to be Delivered

This level of funding will enable a significant level of public services to be delivered in 2014.

Key areas of activity include

- Maintenance and, where possible, expansion of capacity of transport networks
- Delivery of efficient public transport services
- Promotion of sustainable transport patterns
- Continued promotion of road and rail safety
- Provision of an effective Coastguard service
- Facilitation of the development of high quality sports infrastructure
- Support tourism development, innovation and sustainability

B. Reconciliation of 2014 Expenditure Ceiling

| Department of Transport, Tourism and Sport | 2014 |
|--|--------------|
| Current Expenditure | €million |
| Ministerial Expenditure Ceilings as per <i>Expenditure Report 2013</i> | 702 |
| <u>Adjustments to the Ceilings</u> | |
| Technical Adjustments | |
| Transfer to Vote 13 (OPW) in respect of services provided | -0.3 |
| Reduced current ceiling (offset by reduction in A-in-As) | -17.0 |
| Transfer from Vote 37 (Social Protection) in respect of the Rural Transport Scheme | 1.0 |
| Central Policy Developments | |
| Pay policy measures | -1.5 |
| <i>Reconciled Expenditure Ceilings post Adjustments</i> | 684 |
| Savings measures introduced in 2014 to adhere to the ceiling | 75 |
| Capital Expenditure | €million |
| Capital Envelope as set out in the Expenditure Report 2013 | 879 |
| Adjustments | 20 |
| Capital Ceilings | 899 |

C. Estimates 2014: Summary of Measures

The table below outlines the summary of measures, excluding central pay policy developments, to be taken by the Department in order to adhere to the 2014 Expenditure Ceiling post adjustments. The table shows the amount of savings to be generated in 2014 following the implementation of each measure. This table shows an additional saving of €19m over and above the €56m identified in last year's Expenditure Report, resulting from a less than anticipated A-in-A contribution from the Local Government Fund towards Regional and Local Roads.

| Measure | Savings in 2014 |
|--|------------------------|
| | € million |
| Aviation Regional Airport Savings | 1.0 |
| Roads <ul style="list-style-type: none"> ▪ Reduce funding for surface dressing programme on regional and local roads ▪ NRA savings to be generated from efficiencies in the operational cost base ▪ PPP savings (savings based on contractual payments due to PPP operators in 2014) | 46.5 |
| Public Transport Bulk of savings from cuts to Public Transport Contracts (PSO subventions) | 18.0 |
| Sport Reduced funding for Irish Sports Council | 3.1 |
| Tourism Reduce allocation for tourism programmes | 12.9 |
| Others Rural Transport Programme – implement recommendations of VFM Review and restructure the programme to negate the impact of reduced funding. | 0.9 |
| Maritime SAR Helicopter Contract – increased cost Search & Rescue | (-7.4) |
| Total | 75 |