2017

MID-YEAR EXPENDITURE REPORT 2017

#Budget18
www.budget.gov.ie

An Roinn Caiteachais Phoiblí agus Athchóirithe
Department of Public Expenditure and Reform

An Roinn Airgeadais
Department of Finance

Mid-Year Expenditure Report

July 2017

Foreword

The Government's economic strategy for Ireland was set out in the *Summer Economic Statement 2017*. This strategy prioritises sustainable economic growth, spreading the fruits of the recovery more widely, ensuring that work pays and addressing bottlenecks in the country. It provides a solid basis for continued economic growth and labour market recovery over the medium term. However, the high level of international uncertainty regarding Brexit and the global trading environment to which Ireland is particularly exposed demonstrate that continued economic growth cannot be assured. To face these challenges will require a resilient economy and public finances to minimise the impact of adverse shocks.

The choices to be made for the coming budgets about where and how we spend our money must be carefully considered. Balancing the requirements to maintaining an appropriate fiscal stance to preserve economic and fiscal resilience while investing for the future is the crux of the challenge facing Government. This is a task that will take more than one budget. It will also involve reconsidering the manner by which funding is allocated by examining the totality of resources while adopting a longer term approach to planning. The 2017 Spending Review and review of the Capital Plan reflect this more medium term view of fiscal and expenditure management to make best use of the €254 billion available over the period 2018 to 2021.

The Spending Review for 2017 has been designed to better address the challenges now facing Ireland in the improved fiscal and economic environment. The focus has changed to ensuring the best use is made of all current resources – with a focus on value-for-money and policy effectiveness – within the moderate and sustainable increases in expenditure over the medium term. This Report is accompanied by a range of analyses focussed on assessing how we can strengthen the way existing policy delivers for the public.

In relation to public capital investment, the allocation of additional funding will respond to the infrastructural pressures identified in the report of the review of the Capital Plan to ensure that our strong economic performance is sustained in the years ahead. The Government will then publish a new longer term 10 year Capital Plan before the end of the year. These decisions will also be closely aligned with, and support the objectives of, the new National Planning Framework - *Ireland 2040 Plan* to be published by the Department of Housing, Planning & Local Government. This integration of the new Capital Plan with the new National Planning Framework will set out the Government's vision for the future development of the country and the associated infrastructural investment plan to deliver that vision.

Paschal Donohoe T.D.
Minister for Public Expenditure and Reform
Minister for Finance

Contents

Chapter 1
Public Expenditure Strategy and Current Year Update

The Government's medium term budgetary strategy was set out in the Summer Economic Statement (SES), published on 12 July. The SES also set out the high-level parameters for *Budget 2018,* and the estimated gross voted expenditure amounts for the medium-term.

This chapter provides further detail in relation to the pre-Budget position with the overall gross voted expenditure amounts split out at Ministerial Vote Group level for the period 2018 to 2020.

1.1 Overview of Budgetary Strategy for Expenditure

The aim of public expenditure policy is to balance the requirement for fiscal and economic sustainability with wider social, redistributive and growth-enhancing considerations. As set out in Chapter 2 of this Report, in the three year period 2015 to 2017 moderate increases in public expenditure have been implemented in order to facilitate targeted investment in key public services and infrastructure.

The SES provides for ongoing sustainable increases in expenditure for the delivery of public services. A key consideration is that the level of resources allocated is affordable, both now and in the future, in order to guard against the risk of a return to the type of severe consolidation that was required as a result of the economic and fiscal crisis. Chapter 2 of this Report provides a summary of the significant consolidation implemented to return stability to the public finances over the period 2008 to 2014.

Spending Review

In this context, overall expenditure policy must be delivered by a responsive system of public expenditure management with a focus on the effectiveness and efficiency of public spending and on the impact of expenditure programmes. In this regard, this year's Spending Review demonstrates the ongoing commitment to deliver well targeted and effective services for citizens through efficient and sustainable policies.

The 2017 Spending Review is the first of a rolling three-year cycle of reviews that will assess all day-to-day spending by 2019. Chapter 3 of this Report provides a report on the Spending Review setting out a broad overview of the process, key findings and the key messages. Also published alongside this Report are papers analysing input / output trends and drivers of expenditure in key sectors, as well as a series of analytical papers evaluating programmes across Departments.

Capital Investment

Investment in public infrastructure is essential to increase the long-run productive capacity of the economy. It is also essential to support sustainable and balanced growth across all regions of the economy. The Capital Plan, which was published in 2015, set out a six year framework for substantial infrastructural investment in Ireland out to 2021. The Plan allowed for €42 billion in investment across all sectors with €27 billion in Exchequer funding. Given the substantial progress made in securing sustained economic growth and the further strengthening of the public finances, the Programme for a Partnership Government committed to additional capital investment over the period of the Capital Plan, to be allocated in such areas as housing, transport, communications, education and health services. The 2016 Summer Economic Statement provided for an additional €5.14 billion in Exchequer capital investment over the period of the Plan, to be allocated on the basis of the outcome of the mid-term review of the Plan this year.

Following the decision to commit €2.2 billion of this amount in support of the Government's Action Plan on Housing and Homelessness, and other commitments made in Estimates 2017, approximately €2.65 billion in uncommitted additional capital funding remained to be allocated over the period 2018 to 2021, following completion of the review of the Capital Plan.

As set out in the SES, the Government has decided, given the key role of investment in infrastructure in supporting economic and social progress, to direct further additional resources towards capital expenditure. It is therefore planned to provide for an additional €0.5 billion per annum over the period 2019 to 2021. This is a prudent approach that does not put at risk the Government's key fiscal target of achieving a balanced budget, while providing scope to address infrastructure priorities, particularly those arising from emerging infrastructural bottlenecks that threaten the sustainability of the economy's strong growth performance.

Table 1.1 below sets out the resources available for the Government's public capital plan in the period to 2021, and highlights both the high level and strong increase in planned public capital spending over that period.

Table 1.1 Capital Investment 2018 – 2021

€ billion	2018	2019	2020	2021
Ceilings Based on Public Capital Plan	4.8	5.1	5.3	5.7
Action plan for Housing	0.3	0.4	0.5	0.5
Increase in capital announced but not yet unallocated	0.2	0.5	0.9	1.1
Total Capital Expenditure	**5.3**	**6.1**	**6.7**	**7.3**
year-on-year change (€ billions)	*0.8*	*0.8*	*0.6*	*0.6*
year-on-year change, per cent	*16.6%*	*14.6%*	*10.0%*	*9.1%*
Proposed reallocation of resources from rainy day fund	***0***	***0.5***	***0.5***	***0.5***
Gross capital expenditure incl. additional from RDF	**5.3**	**6.6**	**7.2**	**7.8**
year-on-year change (€ billions)	*0.8*	*1.3*	*0.6*	*0.6*
year-on-year change, per cent	*16.6%*	*24.1%*	*9.2%*	*8.5%*
change vs position as set out in SPU 2017, per cent	-	*8.2%*	*7.5%*	*6.9%*
change Vs 2014 Baseline of €3.6bn (€ billions)	*1.7*	*3.0*	*3.6*	*4.2*
change Vs 2014 Baseline of €3.6bn (per cent)	*47.2%*	*82.7%*	*99.5%*	*116.4%*

Increases in Spending

In overall terms, as set out in the SES and as illustrated Table 1.2 below, it is planned that total gross voted expenditure grows by an annual average of over 3½ per cent over the next three years, with day-to-day expenditure (gross voted current expenditure) growing by an annual average of 2½ per cent and capital by an average of 16½ per cent.

Table 1.2 Indicative Government Expenditure Ceilings, 2018 – 2021

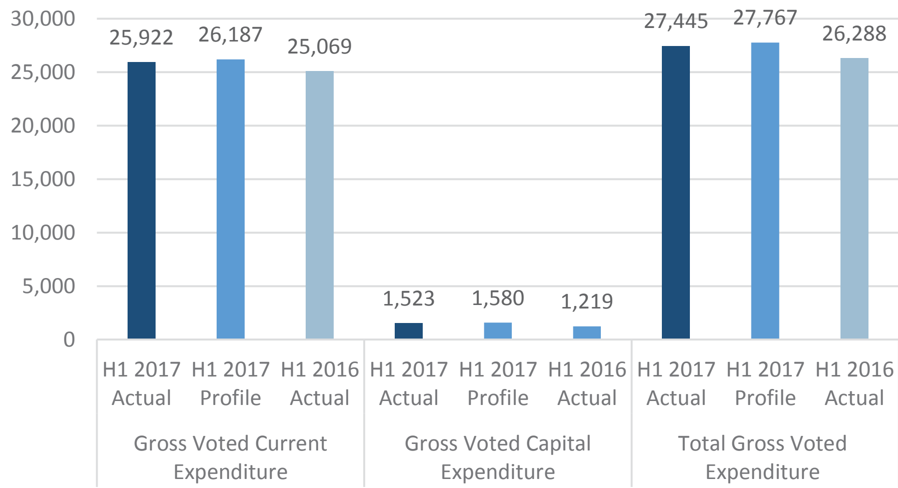
€ billions	2017	2018	2019	2020	2021
Gross Voted Current Expenditure	53.5	54.8	56.1	57.6	59.0
year on year % change		*2.3%*	*2.5%*	*2.6%*	*2.5%*
Gross Voted Capital Expenditure	4.5	5.3	6.6	7.2	7.8
year on year % change		*16.6%*	*24.1%*	*9.2%*	*8.5%*
Total Gross Voted Expenditure	58.1	60.1	62.7	64.7	66.8
year on year % change		*3.4%*	*4.4%*	*3.3%*	*3.2%*

1.2 Expenditure in 2017

Total Year to Date Voted Expenditure in 2017

As outlined in Figure 1.1 below, and as set out in the June Exchequer Statement, overall voted expenditure is €0.3 billion, or 1.2 per cent, below profile. Total gross voted expenditure to end-June 2017 amounted to €27.4 billion. This is 4.4 per cent, or almost €1.2 billion, higher than the same period in 2016. Gross current expenditure is up 3.4 per cent, or €853 million, year on year and is 1 per cent, or €265 million, below profile. Gross capital is almost 25 per cent, or €304 million, ahead of the end-June 2016 position and is 3.6 per cent, or €57 million, behind profile.

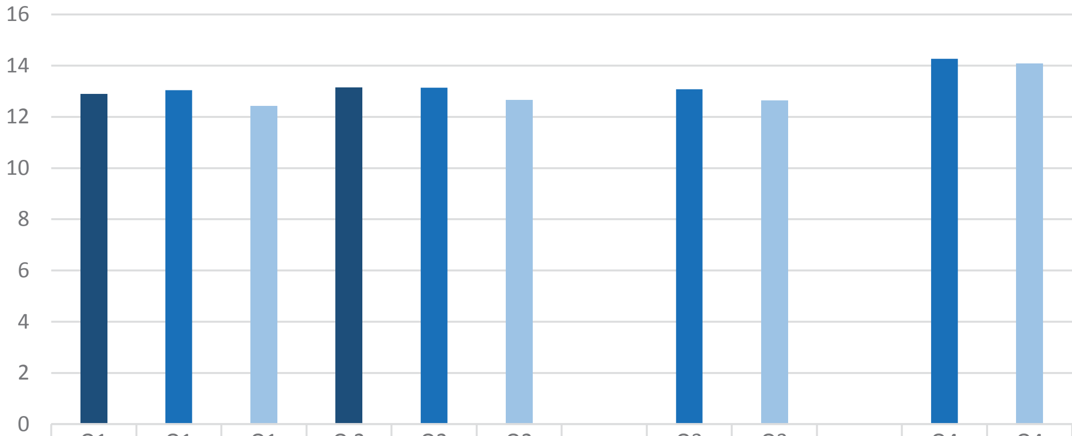
Figure 1.1 Gross Voted Expenditure performance to end-June 2017 (€m)



Source: End-June 2017 and 2016 Exchequer Returns and 2017 expenditure profiles.

Gross voted current expenditure for the first half of the year amounts to 48.4 per cent of the overall gross current expenditure allocation of €53.5 billion. In 2016, gross current expenditure of €25.1 billion also represented 48.4 per of the outturn for the year.

Figure 1.2 Gross Voted Current Expenditure by Quarter (€ bn)

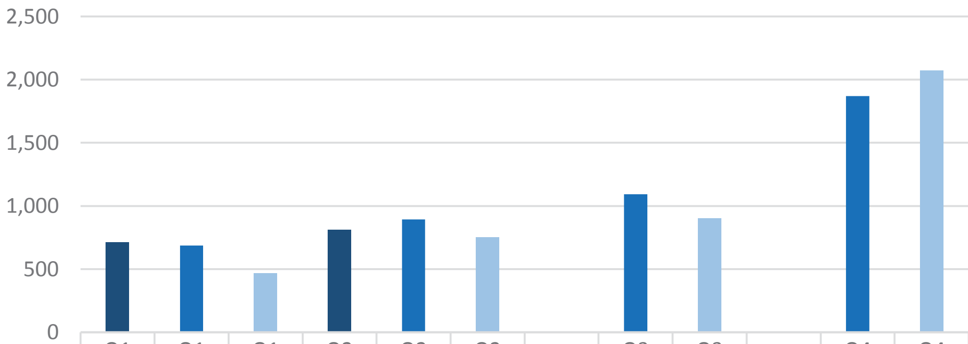


	Q1 Actual 2017	Q1 Profile 2017	Q1 Actual 2016	Q 2 Actual 2017	Q2 Profile 2017	Q2 Actual 2016		Q3 Profile 2017	Q3 Actual 2016		Q4 Profile 2017	Q4 Actual 2016
Total	12.89	13.04	12.42	13.15	13.15	12.65		13.08	12.65		14.26	14.07

Source: End-June 2017 and 2016 Exchequer Returns and 2017 expenditure profiles.

As set out in Figure 1.3 below, while capital expenditure for the first two quarters is well ahead of expenditure in the same periods last year, this increase in expenditure was planned and is profiled on that basis. Over 80 per cent of the year on year increase in capital expenditure arises in the Department of Housing, Planning Community and Local Government which had a higher proportion of capital expenditure profiled for the first half of the year when compared to the actual expenditure in 2016.

Figure 1.3 Capital Expenditure by Quarter (€ million)



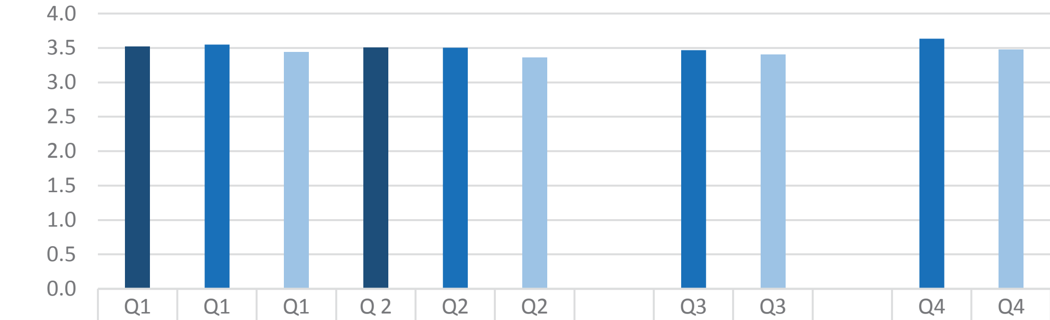
	Q1 Actual 2017	Q1 Profile 2017	Q1 Actual 2016	Q2 Actual 2017	Q2 Profile 2017	Q2 Actual 2016		Q3 Profile 2017	Q3 Actual 2016		Q4 Profile 2017	Q4 Actual 2016
Gross Voted Capital	712	686	468	811	893	752		1,092	903		1,869	2,072

Source: End-June 2017 and 2016 Exchequer Returns and 2017 expenditure profiles.

Year to Date Current Expenditure by Department in 2017

Health gross current expenditure of €7 billion for the first 6 months of the year is €21 million or 0.3 per cent below profile and €224 million or 3.3 per cent ahead of the same period last year. This rate of increase is in line with the increase of 3.4 per cent in the Health allocation provided in the 2017 Estimates. Given the significant level of additional funding (€1.3billion current and capital combined) allocated to Health over the period 2016-2017, it is critical that the Department continues to manage within its allocation over the second half of the year.

Figure 1.4 Health Current Expenditure by Quarter (€ bn)

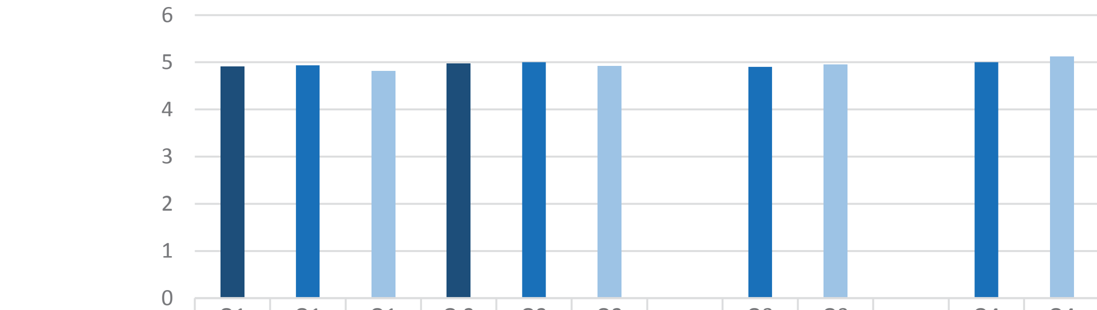


	Q1 Actual 2017	Q1 Profile 2017	Q1 Actual 2016	Q 2 Actual 2017	Q2 Profile 2017	Q2 Actual 2016		Q3 Profile 2017	Q3 Actual 2016		Q4 Profile 2017	Q4 Actual 2016
Health	3.52	3.55	3.44	3.51	3.50	3.36		3.47	3.41		3.63	3.48

Source: End-June 2017 and 2016 Exchequer Returns and 2017 expenditure profiles.

Social Protection expenditure of €9.9 billion accounts for 38 per cent of total gross voted current expenditure and is €56 million below profile. While not reflected in the voted expenditure figures, the surplus on the Social Insurance Fund (SIF) is €132 million ahead of profile. This reflects healthy income from PRSI which at the end of June was €115 million, 2½ per cent, above profile.

Figure 1.5 Social Protection Current Expenditure by Quarter (€ bn)

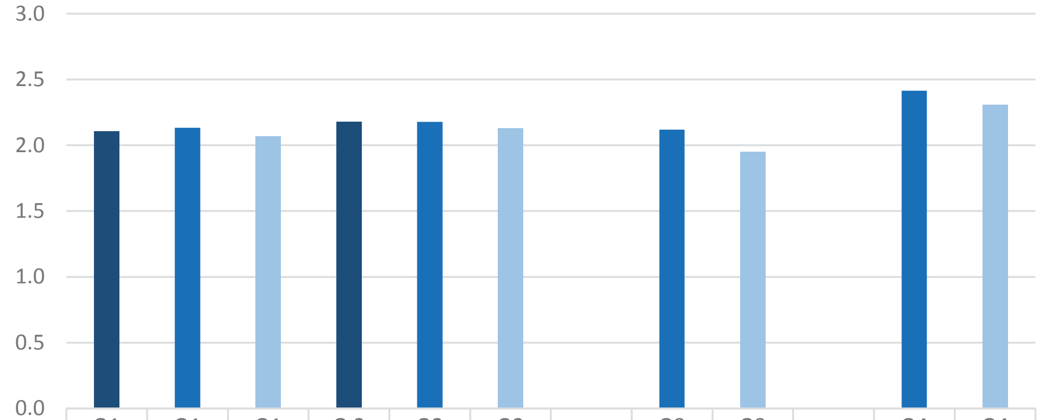


	Q1 Actual 2017	Q1 Profile 2017	Q1 Actual 2016	Q 2 Actual 2017	Q2 Profile 2017	Q2 Actual 2016		Q3 Profile 2017	Q3 Actual 2016		Q4 Profile 2017	Q4 Actual 2016
Social Protection	4.91	4.93	4.81	4.97	5.00	4.92		4.90	4.95		5.01	5.12

Source: End-June 2017 and 2016 Exchequer Returns and 2017 expenditure profiles.

Education gross voted current expenditure for the first half of the year of €4.3 billion represents just over 16 per cent of total gross voted current expenditure. At the end of June gross voted current expenditure is €29 million or 0.7 per cent below profile.

Figure 1.6 Education Current Expenditure by Quarter (€ bn)



	Q1 Actual 2017	Q1 Profile 2017	Q1 Actual 2016	Q 2 Actual 2017	Q2 Profile 2017	Q2 Actual 2016		Q3 Profile 2017	Q3 Actual 2016		Q4 Profile 2017	Q4 Actual 2016
Education	2.11	2.13	2.07	2.18	2.18	2.13		2.12	1.95		2.42	2.31

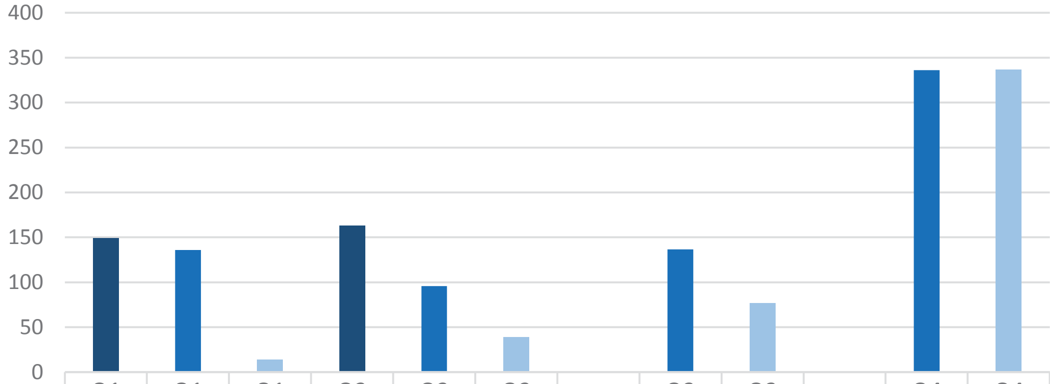
Source: End-June 2017 and 2016 Exchequer Returns and 2017 expenditure profiles.

Gross current expenditure in Social Protection, Education and Health represents over 80 per cent of total gross current expenditure and is in total €106 million below profile for the first six months of the year. In aggregate, gross current expenditure across the other 13 Vote Groups is €159 million below profile. In total, 15 out of 16 Vote Groups are below profile at the end of June. The Department of Justice and Equality, with gross current expenditure of €1.2 billion, is €19 million or 1.6 per cent ahead of profile. This variance is driven by expenditure on Garda overtime.

Year to Date Capital Expenditure by Department in 2017

Capital expenditure of €1.5 billion for the first six months of the year is €57 million below profile and €304 million ahead of the same period last year. The year-on-year increase is driven by expenditure in the Department of Housing, Planning, Community and Local Government. Expenditure in the Department of Housing of €312 million is €81 million, or 34.8 per cent, ahead of profile and €259 million ahead of the same period last year. This is driven by increased expenditure on the Housing programme.

Figure 1.7 Housing Capital Expenditure by Quarter (€ million)



	Q1 Actual 2017	Q1 Profile 2017	Q1 Actual 2016	Q2 Actual 2017	Q2 Profile 2017	Q2 Actual 2016		Q3 Profile 2017	Q3 Actual 2016		Q4 Profile 2017	Q4 Actual 2016
Housing	149	136	14	163	96	39		137	77		336	337

Source: End-June 2017 and 2016 Exchequer Returns and 2017 expenditure profiles.

Capital expenditure in the Department of Transport of €330 million is €31 million ahead of profile due in the main to better than anticipated progress with the Luas Cross City Project.
All other Departments are at or below profile.

Outlook for the Full Year Expenditure Position

Given the scale of gross voted expenditure, €58 billion in aggregate for 2017, the need for Supplementary Estimates or the surrender of funds to the Exchequer at end-year can arise for a number of reasons. Additional funding requirements in one area may be offset by underspends in another area. The current expenditure outturn for 2016 illustrates how this can arise. In 2016, additional expenditure requirements in respect of gross current expenditure of just over €0.2 billion in aggregate were accommodated by way of Supplementary Estimate. This amount primarily related to a Social Welfare Christmas Bonus of €0.2 billion. The actual outturn for 2016 gross current expenditure was €0.1 billion below the profile based on the original Revised Estimates agreed by the Dáil. While the Department of Social Protection had an underspend of c. €45 million relative to the gross current allocation including the Supplementary Estimate, the remaining part of the €0.3 billion underspent was spread across a range of Departments.

Given the cash basis of Government accounting, and the funding implications that unexpected events can have on expenditure requirements such underspends can arise for a number of reasons. These reasons can be timing related, can arise from re-estimations of demand for particular programmes, from cost savings in the delivery of programmes, and can only be assessed with certainty at a later stage in the year. Likewise, expenditure pressures can arise for similar reasons. Taking account of these uncertainties, it is encouraging that half way through the year 15 out of 16 Vote Groups are managing within their current expenditure allocations with gross current expenditure 1 per cent below profile. In addition, in line with the strong employment situation, PRSI receipts are 2½ per cent ahead of profile.

Turning to policy decisions with a potential impact on the year-end outturn. As outlined in the Stability Programme Update published in April, there is an additional cost of €0.12 billion arising this year from the decision to bring forward by five months to April, from September, a pay increase due under the Lansdowne Road Agreement. At this stage, 3 months of this additional cost is reflected in the end-June Exchequer returns. This cost is to be met from available public resources taking into account the scope for reallocation of expenditure arising from the emerging expenditure position later in the year. This position will be monitored closely in order to assess how to meet any additional funding requirements where the need arises.

As outlined in the SES, the impact of abolishing water charges has not been included in projected general government revenue in the SES. Decisions in this policy area will be taken later in the year.

Based on the current budgetary policy position, and taking account of the expenditure position at the end of June and the 2016 expenditure outturn, the aggregate expenditure for 2017 of €58 billion gross and €46 billion net, set out in REV 2017, represents, on the basis of current information, a reasonable approximation for the potential outcome for the year.

1.3 Pre-Budget Departmental Expenditure Ceilings 2018 to 2020

Amounts included in aggregate Pre-Budget Position

In arriving at estimates of fiscal resources available for allocation as expenditure increases or tax reductions in Budget 2018 (i.e. net fiscal space), the SES adjusts for pre-committed expenditure. This expenditure relates to certain expenditure pressures in Health, Education and Social Protection arising from demographics, after adjusting for Live Register related savings. Capital expenditure increases built into the Public Capital Plan are also included in the pre-Budget position. In 2018, additional costs impacting on the pre-Budget position include the carryover of costs arising from the Lansdowne Road Agreement and from Budget 2017 measures.

The 2016 SES provided for increases in capital expenditure of €5.14 billion over the period 2017 to 2021. After taking account of the significant policy commitments in the Action Plan for Housing and Homelessness and the increases allocated in 2017, there remains €2.65 billion to be allocated over the period 2018 to 2021, with €1.6 billion of this amount to be allocated over the period 2018 to 2020. As discussed in section 1.1, the 2017 SES identified increased capital resources of €0.5 billion per annum in each of the three years 2019-2021, previously allocated on an indicative basis to the Rainy Day Fund.

The Government approved the terms of the Public Service Stability Agreement 2018 to 2020. The agreement is now subject to ratification by the membership of the Public Service Unions and Staff Associations. If the agreement is ratified, there is a cost of €0.9 billion to be met over the next three years, with a cost of €180 million arising in 2018.

Table 1.3 Pre-Budget Expenditure Increases

€ billion	2017	2018	2019	2020
Gross Voted Current Expenditure – Baseline [1]	*53.5*	*53.5*	*54.8*	*56.1*
Demographics net of Live Register Savings [2,3]		*0.3*	*0.4*	*0.4*
Carryover of Budget 2016 Measure - Lansdowne Road		*0.3*		
Budget 2017 Measures - carryover impact [4]		*0.5*		
Gross Current Expenditure - Pre-Budget Position		***54.6***	***55.2***	***56.5***
Unallocated Resources		0.14	*1.0*	*1.0*
Gross Current Expenditure Ceiling	***53.5***	***54.8***	***56.1***	***57.6***
year on year change		*1.2*	*1.4*	*1.5*
year on year % change		*2.3%*	*2.5%*	*2.6%*
Gross Voted Capital Expenditure - Prior Year		*4.5*	*4.8*	*5.1*
Increase in capital plan and Budget 2017 adjustments[5]		*0.3*	*0.3*	*0.2*
Gross Capital Expenditure - Pre-Budget Position		***4.8***	***5.1***	***5.3***
Action Plan for Housing		*0.3*	*0.4*	*0.5*
Unallocated Resources[6]		*0.2*	*0.5*	*0.9*
Additional Capital from the Rainy Day Fund		---	0.5	0.5
Gross Capital Expenditure Ceiling	***4.5***	***5.3***	***6.6***	***7.2***
year on year change		*0.8*	*1.3*	*0.6*
year on year % change		*16.6%*	*24.1%*	*9.2%*
Total Gross Voted Expenditure	***58.1***	***60.1***	***62.7***	***64.7***
year on year change		*2.0*	*2.6*	*2.1*
year on year % change		*3.4%*	*4.4%*	*3.3%*
Cost of Public Service Stability Agreement 2018-2020		***0.2***	***0.4***	***0.3***

[1] The baseline for each year in the period 2018 to 2020 is the prior year's expenditure.

[2] Includes amounts in respect of RDP.

[3] Live Register savings fall to be reassessed each year.

[4] Estimated carryover impact of Budget 2017 expenditure measures that would fall to be met from available fiscal space in the absence of reprioritisation.

[5] Additional capital funding was allocated in 2016 and 2017 in excess of the amount in the capital plan and is reflected in the Ministerial Expenditure Ceilings for 2017 to 2019 set out in Expenditure Report 2017. Post 2019 the pre-Budget position reflects the Public Capital Plan amounts.

[6] Total funding of €2.65 billion over the period 2018-2021 to be allocated following the mid-term review of the Public Capital Plan.

Current Expenditure

Expenditure Report 2017, published on Budget day last year, set out current expenditure ceilings for the period 2017 to 2019. As outlined above, these expenditure ceilings reflect certain expenditure pressures in Health, Education and Social Protection arising from demographics. In addition, the commitment to provide additional funding for the Rural Development Programme is recognised with an increase in the Department of Agriculture ceiling. Subsequent to Expenditure Report 2017, the Revised Estimates Volume (REV) 2017, published in December, included some technical adjustments and also additional expenditure amounts of approximately €40m in 2017 including in relation to Garda pay. The ceilings for subsequent years reflect these REV 2017 adjustments. On a technical basis ceilings for 2020 are also included.

Expenditure Report 2017 outlines the significant carryover impact of measures introduced in 2017 of almost €0.5 billion as estimated at that time. Given that this carryover cost relates to measures being implemented in 2017, it will be impacted by the actual cost and timing of implementation of the measures. These costs will be re-estimated during the Budget Estimates process.

Table 1.4 below sets out the pre-Budget Ministerial Gross Current Expenditure Ceilings. The carryover impact of Budget 2017 measures has not been allocated on a Departmental basis given, as noted above, that these costs will be reassessed during the Estimates process and will then be allocated taking into account the implementation of the measures and any reprioritisation opportunities identified from the Spending Review discussed in Chapter 3.

Taking into account that the 2018 cost of €180 million in relation to the Public Service Stability Agreement, if ratified, will need to be accommodated within the overall expenditure ceiling for 2018, and based on the Expenditure Report 2017 estimations of carryover costs, there are currently limited resources available for new Budget measures in 2018. Within these parameters, in the absence of revenue raising measures, provision for further new expenditure measures in 2018 would require that Departments identify funding for such measures by reprioritisation within the overall current expenditure ceiling of almost €55 billion.

The ceilings in Table 1.4 are set out on a technical pre-Budget basis, with the budgetary decisions for 2018 to be incorporated into Ministerial Expenditure Ceilings to be published on Budget day. The Ministerial Expenditure Ceilings will also need to be revised to reflect the impact of transfers to the Department of Rural and Community Development.

Table 1.4: Pre-Budget Ministerial Gross Current Expenditure Ceilings 2018-2020

	2018 € million	2019 € million	2020 € million
Agriculture, Food & the Marine	1,270	1,310	1,310
Arts, Heritage, Regional, Rural and Gaeltacht Affairs	250	250	250
Children & Youth Affairs	1,285	1,285	1,285
Communications, Climate Action & Environment	357	357	357
Defence	847	847	847
Education & Skills	8,901	8,950	9,008
Finance	439	439	439
Foreign Affairs & Trade	704	704	704
Health	14,270	14,393	14,517
Housing, Planning and Local Government	1,075	1,075	1,075
Jobs, Enterprise & Innovation	303	303	303
Justice & Equality	2,392	2,392	2,392
Public Expenditure & Reform	943	943	943
Social Protection	19,927	20,060	20,263
Taoiseach	182	182	182
Transport, Tourism & Sport	680	704	704
Lansdowne Road Agreement	317	317	317
Carryover of Budget 2017 Measures	473	473	473
Resources to be allocated[1]	140	1,123	2,183
Total Gross Current Expenditure	**54,757**	**56,111**	**57,556**

Note: Figures are subject to rounding

Capital Expenditure

The Departmental capital ceilings published in the Expenditure Report 2017, and below, reflect the allocations set out in the Public Capital Plan taking account of additional resources allocated in Budget 2017 in the years 2018 and 2019. The 2020 ceilings reflect the allocations published in the Public Capital Plan.

[1] Resources to be allocated reflect the nominal resources for available for Budget 2018 as set out in Table 2 on Page 21 of the SES and the indicative allocation of fiscal space for 2019 and 2020 in Table 3 on Page23 of the SES.

The allocation of additional resources following the review of the Capital Plan will be considered as part of the Budget Estimates process. Such decisions will then be reflected in the post-Budget Ministerial Expenditure Ceilings set out at Budget time.

Table 1.5: Pre-Budget Ministerial Gross Capital Expenditure Ceilings 2018-2020

	2018	**2019**	**2020**
	€ million	*€ million*	*€ million*
Agriculture, Food & the Marine	238	238	208
Arts, Heritage, Regional, Rural and Gaeltacht Affairs	116	118	97
Children & Youth Affairs	27	27	24
Communications, Climate Action & Environment	201	256	211
Defence	74	85	78
Education & Skills	717	750	752
Finance	25	25	22
Foreign Affairs & Trade	11	11	2
Health [1]	473	550	570
Housing, Planning & Local Government[2]	788	764	629
Jobs, Enterprise & Innovation	520	530	500
Justice & Equality	141	173	183
Public Expenditure & Reform	176	178	174
Social Protection	9	9	8
Transport, Tourism & Sport	1,281	1,328	1,645
Action Plan for Housing	325	400	525
Resources to be allocated	175	533	855
PCP Reserve		96	193
Additional Capital from the Rainy Day Fund[3]	---	*500*	*500*
Total Gross Capital Expenditure	**5,296**	**6,570**	**7,175**

Note: Figures are subject to rounding

[1] National Children's Hospital funding not reflected. To be allocated as part of mid-term review of the Capital Plan.

[2] Under the Rebuilding Ireland Action Plan for Housing and Homelessness, the Government has committed to Capital ceilings of €1,113m for 2018, €1,164m for 2019 and €1,154m for 2020.

[3] Funding used for additional capital spending rather than for investment in the Rainy Day Fund.

1.4 Summary Expenditure 2018-2020

Expenditure policy over the last three years has focussed on prudent and sustainable increases in expenditure averaging 3 per cent per annum. The moderate and sustainable increases planned over the medium-term will see expenditure return to above peak 2009 levels by 2020.

Table 1.6: Expenditure 2015 - 2020

€ billions	2015[1]	2016[2]	2017	2018	2019	2020
Gross Voted Current Expenditure	*50.9*	*51.8*	*53.5*	*54.8*	*56.1*	*57.6*
year on year % change	*2.7%*	*1.8%*	*3.4%*	*2.3%*	*2.5%*	*2.6%*
Gross Voted Capital Expenditure	*3.7*	*4.2*	*4.5*	*5.3*	*6.6*	*7.2*
year on year % change	*3.7%*	*13.0%*	*7.7%*	*16.6%*	*24.1%*	*9.2%*
Total Gross Voted Expenditure	*54.6*	*56.0*	*58.1*	*60.1*	*62.7*	*64.7*
year on year % change	*2.8%*	*2.5%*	*3.7%*	*3.4%*	*4.4%*	*3.3%*

[1] *Adjusted to reflect the disestablishment of the HSE Vote.*

[2] *Includes capital carryover of €0.1 billion into 2016.*

The scope for future increases above this level is limited and as such the focus must turn to the totality of expenditure rather than the marginal increases associated with the annual Estimates process. Given the existing pre-commitments in relation to 2018 expenditure and the carryover costs of Budget 2017 measures, there is a particular requirement to identify the scope for reprioritising within existing expenditure envelopes in order to fund new measures in 2018. In this regard, the ongoing Spending Review will facilitate in identifying the most pressing policy imperatives to ensure resource allocation decisions are as informed as possible.

Chapter 3 of this Report provides detail of the Spending Review taking place this year and its place within the overall budgetary process on an ongoing basis.

Chapter 2
Public Expenditure Trends

After a period of sustained growth, the Irish economy suffered a severe economic and financial crash in 2008. This crash had a profound impact on the public finances. The underlying General Government deficit excluding the direct cost of banking support measures stood at 11.5% of GDP in 2009, with the deficit including banking related costs peaking at over 32% of GDP in 2010.

In order to return stability to the public finances, it was necessary to implement significant fiscal consolidation. This chapter outlines the key elements of the fiscal consolidation in the period 2008 to 2014 drawing on the analysis in the recently published IGEES Staff Paper. [2]

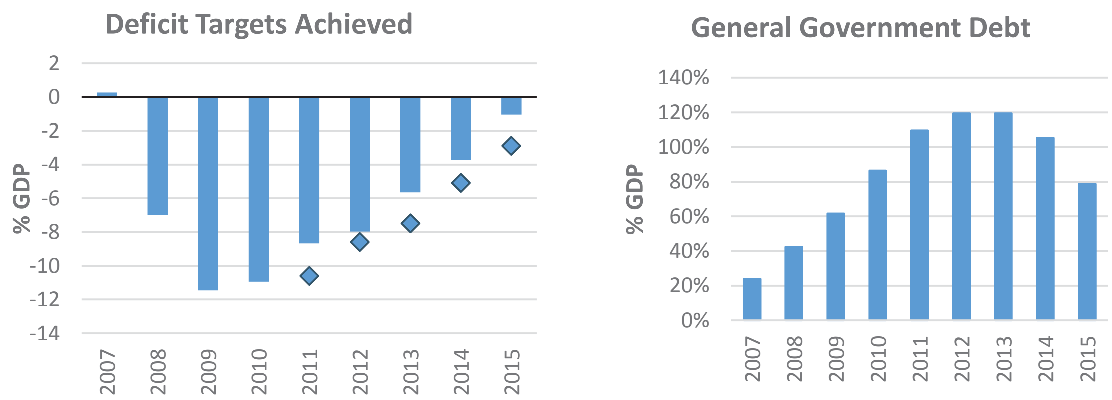
Budget 2015 marked the turning point where expenditure reductions were no longer required to meet our key fiscal targets. The period 2015 to 2017 has seen an annual average increase in gross voted expenditure of 3 per cent. An analysis of this increase in expenditure and the economic and fiscal context is provided below.

The sectoral expenditure trend paper published alongside this Report examines trends across sectors and examines not only resourcing but also the key outputs and outcomes. It focuses on the main spending sectors, complementing the detailed analysis of specific spending programmes carried out as part of the Spending Review for 2017.

2.1 Fiscal Consolidation 2008-2014

From 2008 onwards Ireland had a negative General Government Balance for the first time in many years as tax performance weakened and expenditure continued to increase. By 2009 the underlying[3] deficit had peaked at c. 12% of GDP and additional borrowing translated into a substantial increase in gross debt levels as illustrated in Figure 2.1 below.

Figure 2.1 Deficit and Debt Developments, 2007-2015



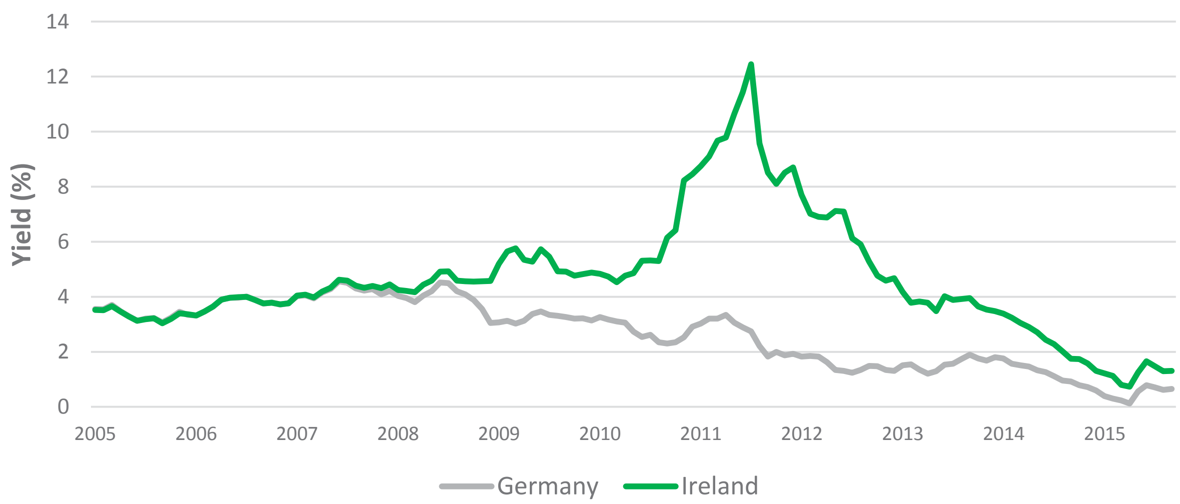
[2] Scott, R and J. Bedogni; *The Irish Experience: Fiscal Consolidation 2008-2014*; (IGEES 2017); http://igees.gov.ie/the-irish-experience-fiscal-consolidation-2008-2014/

[3] The General Government Balance net of Banking Related Costs.

In the first instance, significant fiscal consolidation was required to address this widening gap between government expenditure and receipts. However, maintaining access to financial markets was a further potent impetus for consolidation.

The difference or ‘spread’ between Irish yields and their German equivalent began to widen from 2008 onwards (Figure 2.2). Despite this, the NTMA successfully conducted regular bond auctions until September 2010 when rising yields forced a suspension of regular sales and the EU/IMF programme began shortly afterwards. Extensive bank recapitalisations undoubtedly played a major role in the spread of yields as the solvency of the State was questioned by international markets. However, borrowing to fund government expenditure on public services was a greater contributor to increasing deficits than the direct cost of bank supports. Exchequer borrowing (minus bank transactions) over the period 2008-2014 amounted to over €100bn compared to the approx. €64bn gross banking costs, of which €21bn was supplied from the National Pension Reserve Fund (NPRF).

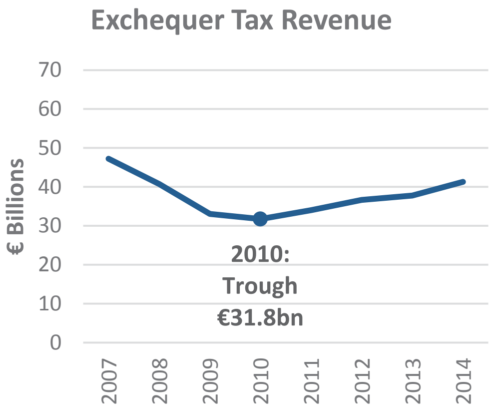
Figure 2.2 Irish 10-Year Bond Yields (vs Germany), 2005-2015

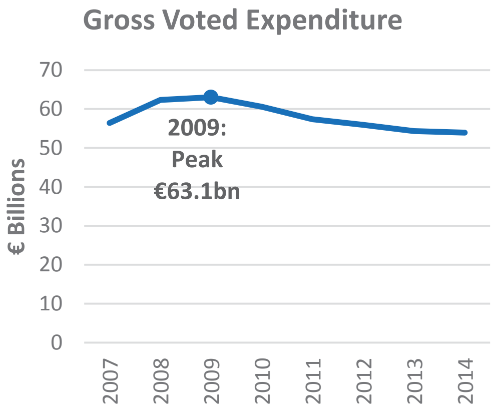


Ireland, as was the case for other European Union countries, was subject to an external institutional fiscal framework by way of the Stability and Growth Pact (SGP) which necessitated corrective action in order to reduce deficits which had gone beyond 3% of GDP. Under the European Commission’s Excessive Deficit Procedure (EDP) Ireland had to comply with this by adhering to a strict deficit path, with specific annual targets, which would ultimately bring the deficit below 3% by 2013, but this was extended twice to 2014 and 2015 as economic and fiscal conditions worsened (Council of the European Union, 2009). Achievement of these targets is illustrated in Figure 2.1 above.

The impact of the deteriorating economic climate on the fiscal position from 2008 onwards is illustrated in Figure 2.3 below with the widening gap between tax revenues and expenditure which underscored the requirement for a sizeable adjustment programme.

Figure 2.3 Evolution of the Public Finances in Ireland, 2007-2015





Between 2008 and 2014 there was a total of nine 'budgetary events' announcing approximately €30bn of consolidation measures (Table 2.1). Because of the dramatic collapse in taxes outlined in Figure 2.3 above (-32 per cent), from €47 billion in 2007 to €32 billion by 2010, the early stages of the consolidation were characterised by a greater emphasis on revenue measures with a particular focus on income tax. However, Budget 2010 brought about an explicit shift in policy with expenditure measures representing almost the entirety of the adjustment. The publication of the National Recovery Plan in November 2010 set out the planned fiscal consolidation over the period 2011-2014 with expenditure measures accounting for two-thirds of the planned adjustment. The aim was to bring the deficit down to below 3% over the life of the Plan. The National Recovery Plan then became the basis for the consolidation implemented under the EU-IMF Programme of Assistance.

Table 2.1 Consolidation, 2008-2014

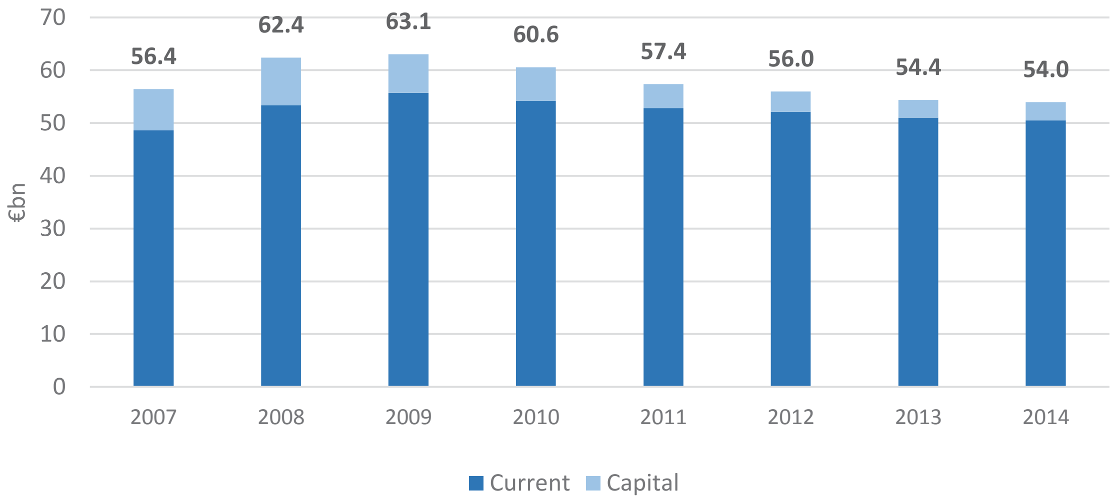
€bn	Total	Revenue	Expenditure	*Of which*	
				Current	*Capital*
July 2008	**1**	0	1	*1*	*0*
Budget 2009	**2**	2	0	*0*	*0*
February 2009	**2.1**	0	2.1	*1.8*	*0.3*
Supplementary Budget 2009 (April)	**5.4**	3.6	1.8	*1.2*	*0.6*
Budget 2010	**4.4**	0.1	4.3	*3.2*	*1*
Budget 2011	**6.1**	2.2	3.9	*2.1*	*1.9*
Budget 2012	**3.2**	1	2.2	*1.4*	*0.8*
Budget 2013	**3.1**	1.2	1.9	*1.4*	*0.5*
Budget 2014	**2.5**	0.9	1.6	*1.5*	*0.1*
Total	**29.8**	11	18.8	*13.6*	*5.2*

2.2 Expenditure Consolidation 2008-2014

In the context of a poorly performing economy and a weak labour market the priority, when implementing expenditure reductions, was to adopt a targeted approach in order to support economic growth and protect key public services and social supports to the greatest extent possible at a time of increasing demand.

In this context, and given the significant levels of funding that were directed towards addressing long-standing infrastructural deficits and bottlenecks in areas such as the roads network in the period leading up to 2008, approximately €5 billion of the expenditure consolidation measures introduced related to capital expenditure. Furthermore, this approach was supported by an estimated 30% reduction in construction tender costs over the 2007-2010 period.

Figure 2.4 Evolution of Gross Voted Expenditure, 2007-2014



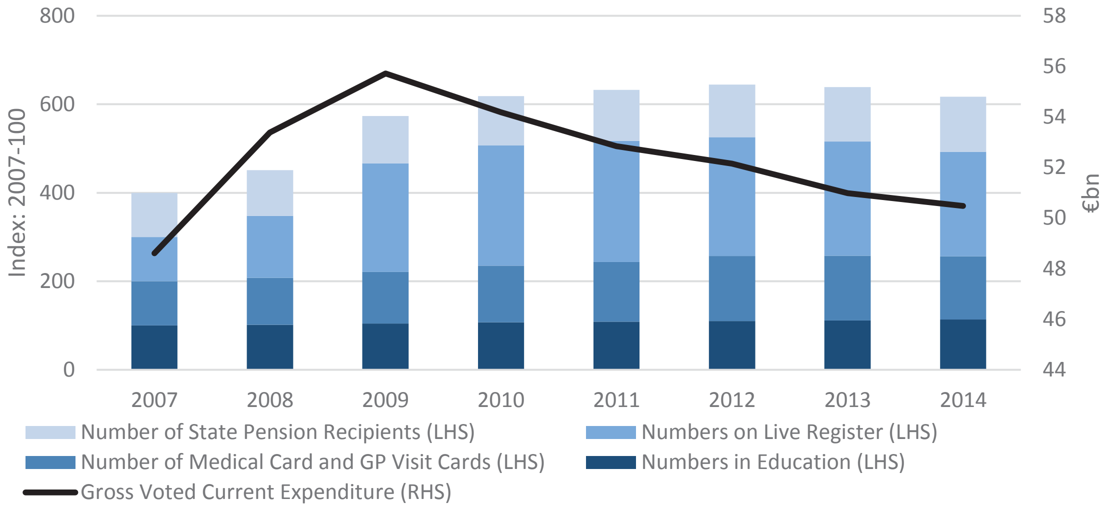
Pressure on essential services meant that the scale of the expenditure consolidation measures implemented exceeded the reductions in gross voted expenditure as in effect certain expenditure pressures were essentially ring-fenced. This reflected the increasing demands on public services driven by the downturn in the labour market, demographic trends and the priority given to protecting social supports and key services. These increased demands on public services were evident in a number of sectors with significantly increased numbers of people needing unemployment payments, more medical card holders and additional students in the education sector.

The number of people in employment decreased by 302,000 (15%) between Q4 2007 and Q1 2012. In total, almost 283,000 (174%) more claimants were on the Live Register in 2011 compared to the annual average of 2007. Expenditure on Jobseekers Allowance and Jobseeker's Benefit increased from €1.4 billion in 2007 to a peak of €4.1 billion in 2010.

Growing unemployment also necessitated an increase in many demand-led employment support schemes as well as the introduction of a number of new measures to improve labour market training and activation. The State Pension rate was increased in Budget 2009 and subsequently protected from any rate reductions over the period to 2014 despite significant demographic pressures. Expenditure by the Department of Social Protection on pension related expenditure increased from €5 billion in 2007 to €6.6 billion in 2014 (+32%).

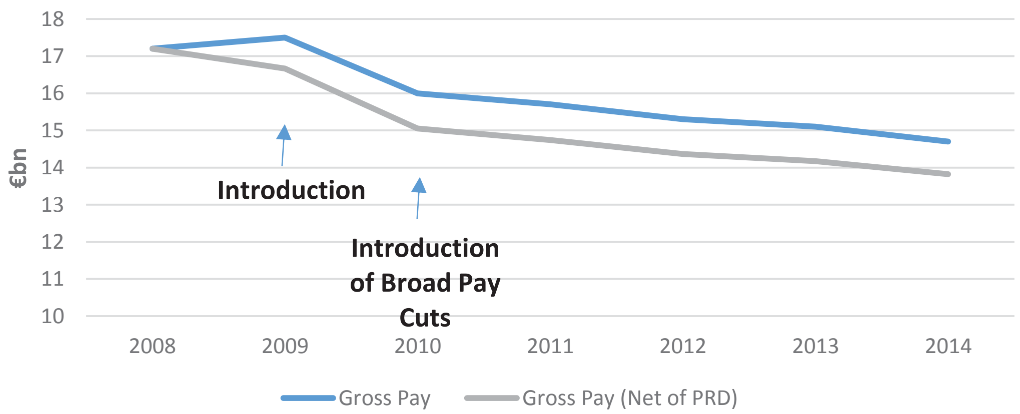
Figure 2.5 below illustrates the increased demands for public services arising in the education, health and social protection sectors despite reductions in expenditure allocations.

Figure 2.5 Evolution of Gross Voted Expenditure, 2007-2014



Pay related measures proved effective in reducing expenditure. Of the €3.7 billion reduction in the Exchequer pay bill between 2008 and 2014, €2.1 billion related to direct reductions in the pay bill via gross pay cuts and the introduction of the Pension-Related Deduction. The balance of the savings were attributable to reductions in numbers, and to productivity measures underpinned by Public Service Agreements. Given the reduced staff levels, a more efficient and productive Public Service was a necessity to support the maintenance of essential front-line public services.

Figure 2.6 Change in Exchequer Pay Bill



Source: Department of Public Expenditure and Reform.

2.3 Assessment of Consolidation

Sustainable public finances are essential in order to provide the infrastructure of public services and public capital to underpin economic growth and job creation. An analysis of the underlying exchequer balance over the period shows that, despite the negative effect on economic growth arising from consolidation measures, the consolidation was certainly very effective in terms of restoring stability to the public finances and supporting a return to economic growth and employment creation.

The unemployment rate which had peaked at over 15% in early 2012 had fallen to just over 10% by the end of 2014 and at the end of February this year was just over 6½%. The underlying general government deficit that peaked at 11.5% of GDP in 2011 was reduced to 3.7% in 2014 and as set out in the SES there is a projected deficit of 0.4% of GDP in 2017. This improvement in the public finances has seen Ireland successfully leave the Troika Programme and exit the Excessive Deficit Procedure. Furthermore, the debt-to-GDP ratio was stabilised and put on a downward trajectory since 2014.

Fiscal consolidation was accompanied by a programme of public service reform. Given the reductions in public service numbers in the period to 2014 a more efficient and productive Public Service was necessary to respond to the increased demands on public services. The ongoing focus on reform will ensure that the public service continues to be responsive to the needs of service users and more focussed on longer-term outcomes.

The implementation of fiscal consolidation was supported by a number of reforms to the domestic budgetary architecture. These reforms included regular comprehensive reviews of expenditure as well as supporting the effectiveness and efficiency of specific programme and agency evaluations through the utilisation of the Public Spending Code and the Irish Government Economic and Evaluation Service (IGEES).

The establishment on a statutory footing of an independent Fiscal Advisory Council in 2012, responsible for assessing macroeconomic forecasts and the Government's overall fiscal stance, strengthened the credibility of the assumptions underpinning fiscal projections and provided more scrutiny of fiscal policy objectives.

2.4 Expenditure trends 2015 to 2017 – Overall Fiscal Context

Prior to the crisis Ireland's Gross Government Debt-to-GDP ratio stood at 24%. Having peaked at almost 120% it is projected to reduce to under 73% in 2017[4]. This increase in debt compared to the pre-crisis period highlights the need for continued prudent management of the public finances given the more limited capacity to absorb further negative economic shocks. Increases in public expenditure will need to be sustainable to ensure that in the future we are not required

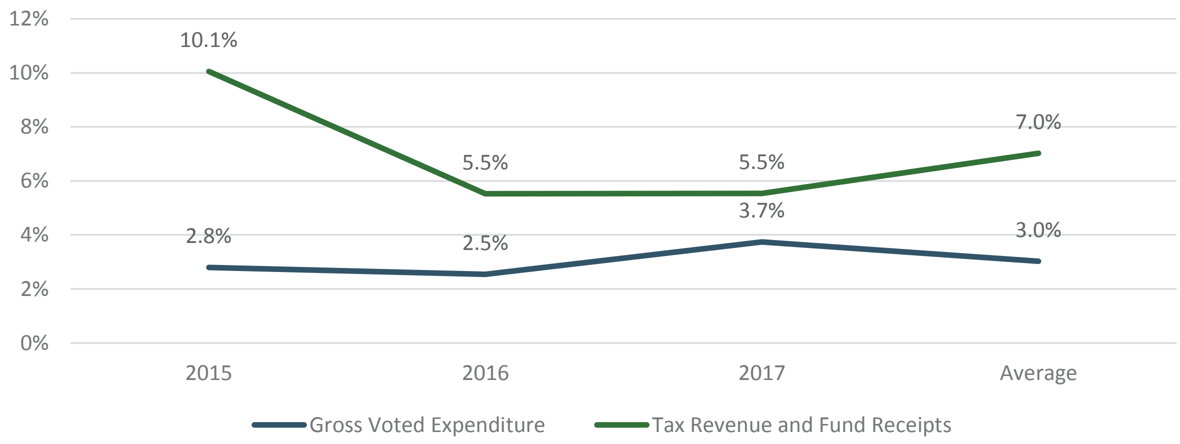
[4] This reduction was supported by the base level shift in Ireland's GDP in 2015.

to implement a consolidation programme such as that undertaken in the period from 2008 to 2014.

Since 2016, Ireland has been subject to the Preventive Arm of the Stability and Growth Path. The Preventive Arm is made of two pillars: the Medium-term Budgetary Objective (MTO) and the Expenditure Benchmark. The MTO is a country specific target set in structural balance terms. The Expenditure Benchmark is a rule that limits the amount of resources available for budgetary measures by reference to the potential economic growth rate. Accordingly, real annual growth of a government expenditure aggregate is constrained to increase at a rate that is consistent with the 10-year average of potential GDP growth. The application of this rule effectively decouples growth in expenditure from cyclical growth in revenues that do not reflect discretionary revenue raising measures.

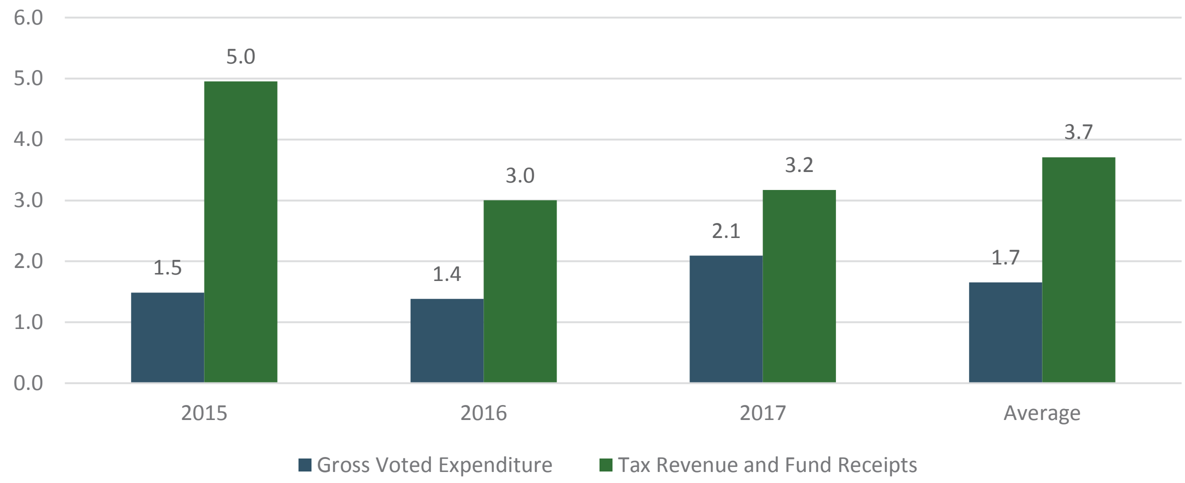
It is against this backdrop that the Government has allocated targeted increases to public services and investment priorities in in the last three Budgets. Nonetheless, and in recognition of the need to avoid repeating the mistakes of the past, expenditure increases have been prudent and sustainable averaging just 3 per cent annum over the 2015-2017 period, a rate of increase well below the rate of growth in tax revenue.

Figure 2.7 Expenditure Growth v Growth in Tax and PRSI



In 2014 the general government deficit was €7.2 billion or 3.7 per cent of GDP. In 2017, the deficit is projected to be €1.2 billion or 0.4 per cent of GDP. A significant driver of this reduction has been that the rate of growth in receipts, from Exchequer tax revenue and revenue of the Social Insurance Fund (PRSI) and National Training Fund (Employment Levy), in the period 2015 to 2017 is over twice the growth rate of voted expenditure in both nominal and percentage terms. The average yearly increase in expenditure over the 3 year period is under €1.7 billion with the average increase in tax and PRSI being €3.7 billion, with €1 billion of this amount arising from Corporation Tax.

Figure 2.8 Expenditure Growth v Growth in Tax and PRSI (€ billion)



2.5 Expenditure Growth 2015 to 2017

As illustrated in Table 2.2 below, gross voted expenditure has grown from €53 billion in 2014 to €58 billion in 2017. Gross voted current expenditure has grown by an annual average of over 2½ per cent with annual average growth in capital expenditure of 8 per cent.

Table 2.2 Evolution of Voted Expenditure Since 2014

€ billion	**2014[5]**	**2015**	**2016**	**2017**
Gross Voted Current Expenditure	49.5	50.9	51.8	53.5
increase year on year		*1.4*	*0.9*	*1.8*
increase year on year %		*2.7%*	*1.8%*	*3.4%*
Gross Voted Capital Expenditure	3.6	3.7	4.2	4.5
increase year on year		*0.1*	*0.5*	*0.3*
increase year on year %		*3.7%*	*12.9%*	*7.7%*
Total Gross Voted Expenditure	**53.1**	**54.6**	**56.0**	**58.1**
increase year on year		***1.5***	***1.4***	***2.1***
increase year on year %		***2.8%***	***2.5%***	***3.7%***

The evolution of the composition of expenditure is shown in Table 2.3 below. Gross Exchequer pay grows by an annual average of 4.6 per cent. The key driver of this growth in the Exchequer pay bill over the period 2015 to 2017 is the increase in public service numbers. Excluding the

[5] For comparison purposes 2014 expenditure is adjusted to reflect disestablishment of the HSE Vote.

impact of the pay increases under the Lansdowne Road Agreement, the Exchequer pay bill grows by just over 3½ per cent, broadly in line with the growth in numbers. Over 80 per cent of the increase in numbers has been targeted at the key areas of Health and Education. Other non-pay expenditure has grown by an annual average of over 7 per cent, with a significant part of the increase in this category of expenditure being spread across three Departments, Housing, Children and Agriculture.

The significant improvements in employment and consequent reduction in expenditure on Live Register related expenditure in the Department of Social Protection have made resources of €0.8 billion available to meet other expenditure priorities.

Table 2.3 Composition of Voted Expenditure 2014 - 2017

€ billion	2014[6]	2015	2016	2017	2014 v 2017	
					Cumulative Increase	Compound Annual Growth %
Pay	**14.4**	**15.1**	**15.6**	**16.5**	**2.1**	**4.6%**
Health Pay	*5.7*	*6.1*	*6.6*	*6.8*	*1.1*	*6.3%*
Education Pay	*5.1*	*5.3*	*5.3*	*5.7*	*0.6*	*3.5%*
Other Pay	*3.6*	*3.7*	*3.7*	*4*	*0.4*	*3.5%*
Pensions	2.8	2.9	3	3	0.2	2.6%
Social Welfare - Live Register	3.3	3.1	2.8	2.5	-0.8	-9.2%
Social Welfare - Other	16.1	16.4	16.7	17	0.9	1.9%
Health Non-Pay	6.2	6.3	6.5	6.7	0.5	2.8%
Education Non-Pay	2	2	2	2	0	-0.2%
Other Non-Pay	4.7	5	5.2	5.8	1.1	7.3%
Gross Voted Current Expenditure	**49.5**	**50.9**	**51.8**	**53.5**	**4.0**	**2.6%**
Capital Expenditure	3.6	3.7	4.2	4.5	0.9	8.1%
Total Gross Voted Expenditure	**53.1**	**54.6**	**56**	**58.1**	**5.0**	**3.0%**

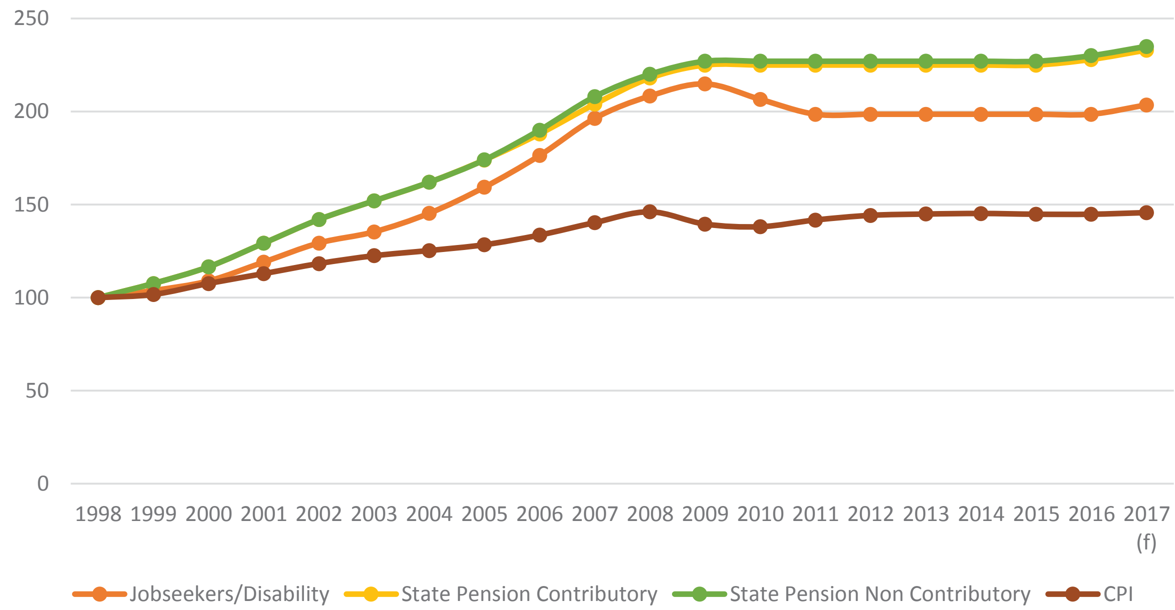
Social Protection Expenditure

Social Protection expenditure in 2017 at €19.8 billion represents 37 per cent of gross voted current expenditure. Looking at the period 2014 to 2017, current expenditure grew by 0.1 per cent. Live Register related expenditure reduced by €0.8 billion over the same period due to growth in employment. Excluding Live Register related expenditure the annual growth rate is 1.9 per cent. This increase has supported a number of rate increases in areas such as Child Benefit, State Pension schemes and Working Age Payments.

[6] For comparison purposes the 2014 amounts are adjusted to reflect disestablishment of the HSE Vote.

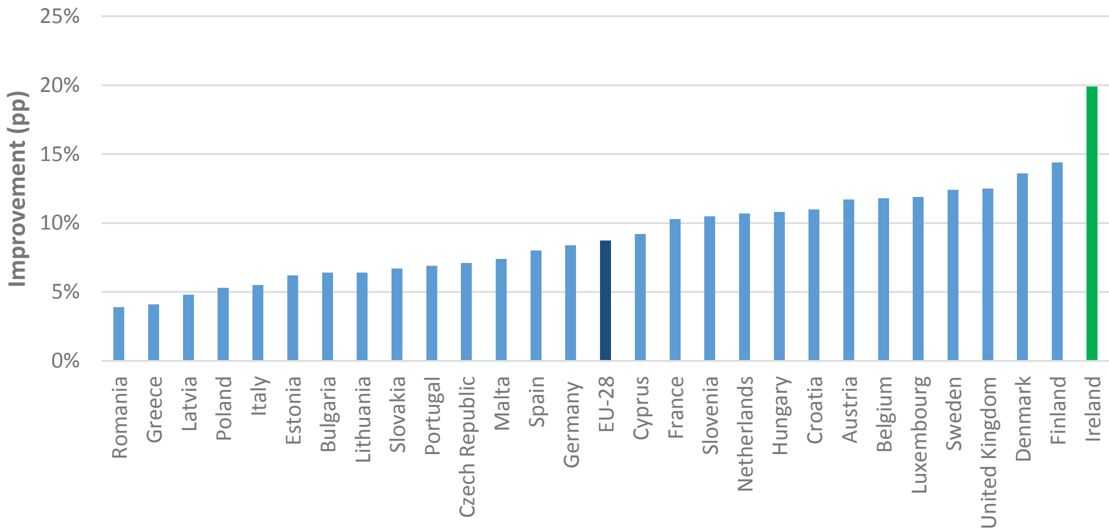
During the 10 year period leading up to the economic and fiscal crisis there were sustained real (i.e. adjusted for inflation) increases in the rates payable across the range of income supports. Figure 2.9 below highlights growth in weekly pension, disability and unemployment income supports well above changes on the Consumer Price Index (CPI). As outlined above, during the period of consolidation the State Pension rate was increased in Budget 2009 and subsequently protected from any rate reductions. During the period from 2011 to 2015 all core weekly rates, including jobseekers, disability and state pension, were maintained. The pension weekly rate increased by €3 in 2016 followed by a €5 increase in all weekly rates in 2017.

Figure 2.9 Index of weekly payment rates (Pensions, Disability & Jobseekers) versus CPI, 1998-2017



Ireland's welfare system performs well both in terms of (i) redistributing income and (ii) reducing the number of people at risk of poverty. In terms of redistributing income, Ireland is the most effective country in the OECD at reducing the level of inequality between pre and post transfer income. In relation to poverty reduction, Ireland has the largest improvement in at-risk-of-poverty rates in the EU after the effect of social transfers and pensions is taken into account (see Figure 2.10 below).

Figure 2.10 Improvement in At-Risk-of-Poverty Rates after Social Transfers, EU, 2015



Source: Eurostat

Health

The provision of quality healthcare is a key Government priority and this has been reflected in budgetary policy over the last three years. Health gross voted expenditure of €14.6 billion in 2017 shows an increase of €1.9 billion or over 14 per cent over the three year period 2015 to 2017. This is against 9 per cent growth in overall gross voted expenditure in the same period.

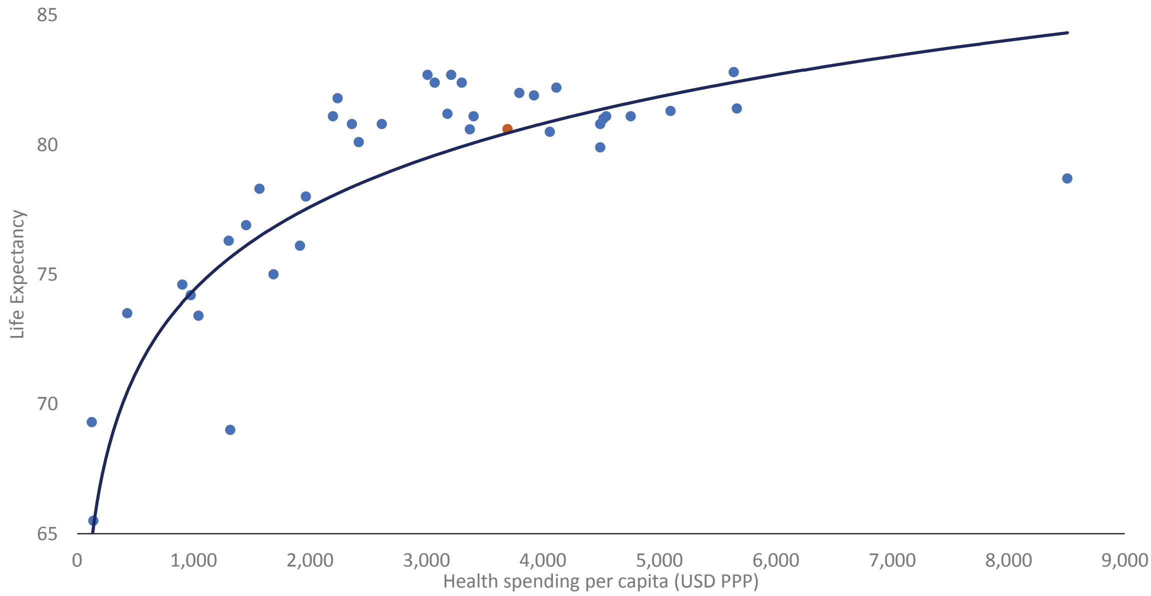
This level of increased investment has brought funding for the health service to the highest ever level. On a per capita basis, we are today spending around 5% more on healthcare than in 2009.[7] At the end of 2013 the number of whole-time equivalents (WTEs) employed by the HSE was 97,001. This number had increased by over 11,200 or 11 per cent to 108,224 by the end of quarter 1 2017. Of these new recruits, approximately 10,000 or 90 per cent, are additional frontline staff, including 1,426 doctors and 2,258 nurses.

Between 2000 and 2010 Irish life expectancy grew by 4.2 years and converged with the EU15 average having consistently trailed it in previous decades by approximately 12 to 18 months. This lengthening of life expectancy coincided with increases in real health expenditure. In particular, the rapid increase in life expectancy that occurred between 2000 and 2010 correlates with a doubling of health spending between 1999 and 2006.[8]

---

[7] IGEES Analytical Note Series – Health Spending Moving Back to Peak Funding November 2016.
[8] IGEES: Long-Term Trends in Irish Healthcare November 2016.

Figure 2.11: Life expectancy and health spending per capita for OECD countries, 2011



Source: OECD

Figure 2.11 above compares life expectancy with health spending per capita in 2011. Ireland, (highlighted in brown) occupies a space at the centre of a large group of nations that achieve broadly the same outcome in terms of life expectancy but widely vary in their spending.

The issue of health funding is a major policy challenge internationally, not just in Ireland, with additional resources required to reflect longer life expectancy, technological developments, and more expensive treatments and drugs. It is critical to strike a balance between meeting the health needs of the population and the sustainability of the public finances. In this context, given the significant additional resources allocated to Health over the last three years, a key issue is management and reconfiguration of resources to ensure the effective delivery of services within these resources.

Education Expenditure

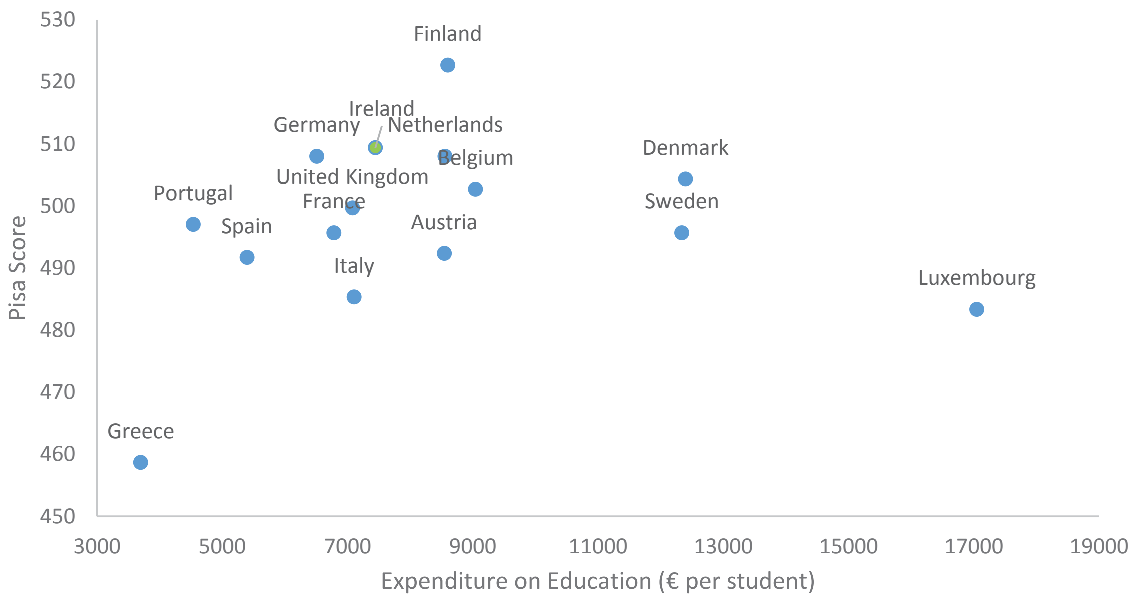
As outlined in section 2.2 above, Exchequer pay bill reductions were an important element of the fiscal consolidation over the period 2008 to 2014. At the end of 2008, public service numbers stood at 320k whole-time equivalents (WTEs). At the end of 2014 this number had reduced to 290k, a reduction of over 9 per cent. Over the same period the number of WTEs in the Education Sector reduced by 1 per cent, with numbers in the primary and secondary level sectors combined increasing by 3.5 per cent. This reflected the commitment to address demographic related pressures in primary and second level despite the severe fiscal constraints.

Over the period 2015 to 2017 total gross voted expenditure in Education has increased by an annual average of 2½ per cent to over €9.5 billion. In this period, there is a projected increase of over 10% in in primary and secondary teaching posts with significant growth in resource teaching and learning support posts. The projected number of special needs assistants will have increased by over 20%.

The third level sector plays a vital role in our society and economy. For this reason, Budget 2017 saw measures providing for an increase of €36.5 million in funding for the higher education sector in 2017. This represents the first significant investment of resources in Higher Education since our economic collapse.

The Nevin Research Institute (NERI) in its recent publication[9] provided a perspective on comparative public spending levels on a per-capita basis. Cross-country comparisons of expenditure as a percentage of GDP may not offer useful insight. This recent research by NERI has highlighted that public expenditure per student in Ireland is low when compared to other similar advanced economies. However, it should be noted that this analysis is based on 2013 data and expenditure on education has evolved considerably since then. Gross voted current expenditure on First, Second and Early Year's Education is projected to be approximately €6.6 billion in 2017, representing an increase of 10% over 2013. The analysis of comparative per capita spending is based on the inputs. By also looking at outcomes, the fundamental issue of spending efficiency can be addressed. If a country is able to achieve the same output as other countries but employs a lower amount of input, this country can be defined as more efficient in the use of its resources (from an input perspective). This is what appears to be the case for Ireland with regards to public expenditure on primary and secondary education.

Figure 2.12 Primary and Secondary Education Expenditure per Student v PISA



Source: Eurostat, OECD Education Statistics and Department of Public Expenditure and Reform calculations.

---

[9] Nevin Research Institute Quarterly Economic Observer – Summer 2017

Figure 2.12 would appear to indicate relatively high efficiency for public expenditure on education in Ireland. The figure plots on the X axis public expenditure on pre-primary, primary and secondary education scaled by the population of students and averaged over the period 2005-2014 (the input) for the EU 15 countries and on the Y axis its major output as measured by the latest 2015 PISA score (average across reading, science and maths). As can be observed, Ireland appears to be on the so-called efficiency frontier. While, public expenditure on education in Ireland is lower than in countries such as Denmark, Sweden and Netherlands the outcome that is achieved by Irish students is higher.

Childcare

The April Budget in 2009 introduced, from January 2010, a free pre-school year for children. This measure, implemented during the economic and fiscal crisis, demonstrated a commitment to children's social and educational development.

At the first National Economic Dialogue in July 2015, and indeed in a range of reports published in this area, there was broad agreement on the need to focus on the issues of affordability and quality in relation to childcare. Investment in childcare has both social and economic returns. It acts as a key labour activation measure, particularly for women – allowing those who wish to work to take up work. And it improves educational and social outcomes, by providing our children with the best possible start.

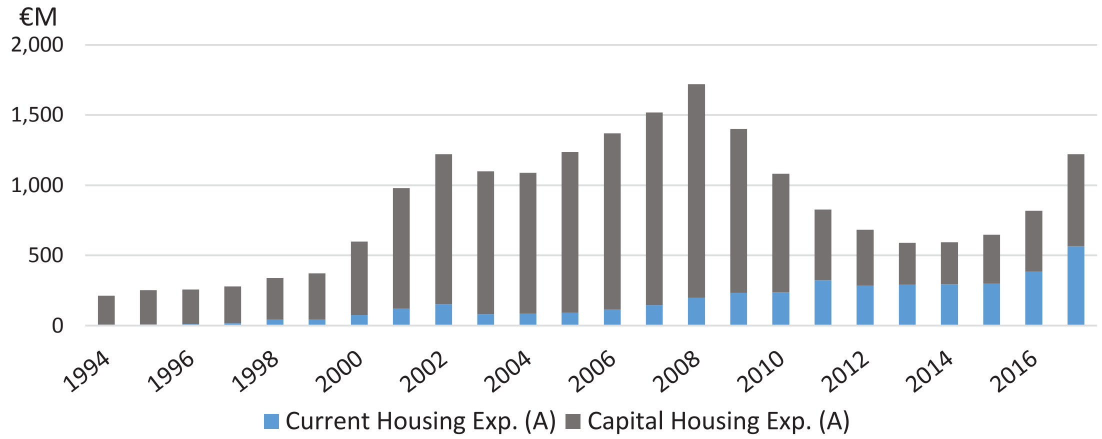
Budget 2016 subsequently provided for a number of measures in this area including: extending the Early Childhood Care and Education Scheme; and providing additional funding to facilitate the full participation of children with disabilities in the scheme. Budget 2017 provided further additional funding to support measures including the introduction of a Single Affordable Childcare Scheme.

To support the implementation of measures in this priority area, over the three year period 2015 to 2017 gross voted expenditure for the Department of Children and Youth Affairs has increased by over €0.3 billion or 31 per cent to €1.3 billion.

Housing

Budget 2017 saw a significant increase in expenditure on the Housing programme in the Department of Housing, Planning, Community and Local Government. The 2017 Estimates committed some €1.2 billion in funding for the Housing programme an increase of 50% on the previous year As outlined in Figure 2.13 below, following the economic crisis, expenditure on the Housing programme dropped to €589m in 2013 but has since increased to just over €1.2b in 2017 following the expenditure increases provided over the last three years.

Figure 2.13: DHPCLG Expenditure on Housing 1994 – 2017



Source: DPER Appropriation Accounts

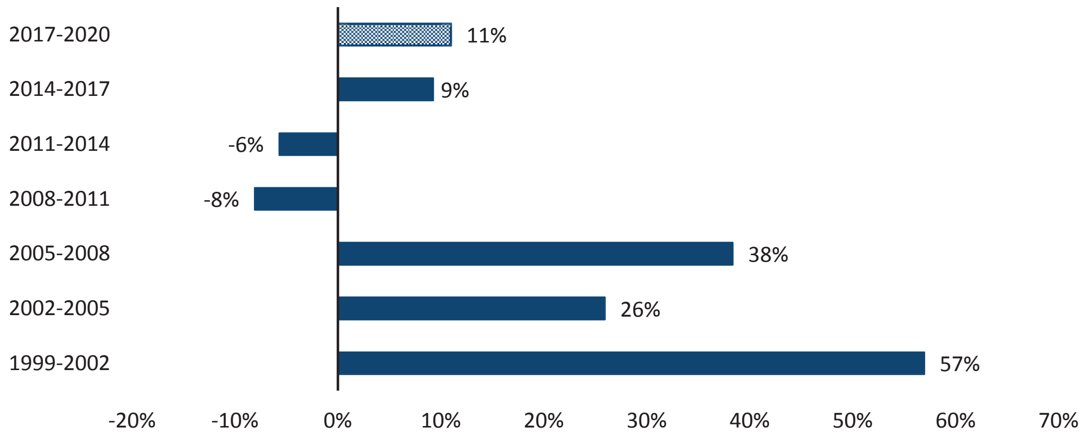
Rebuilding Ireland – An Action Plan for Housing and Homelessness was launched in July 2016 with the objective of ensuring that everyone can access a home either on their own or with appropriate State support. Supported by Exchequer funding of €5.35 billion over the period 2016-2021, the range of actions being progressed through Rebuilding Ireland will contribute to the increased supply of homes across all tenures and will create the conditions required for the restoration of a more sustainable and normally functioning housing market.

The Plan will deliver 47,000 social housing units over the period 2016 to 2021. It is estimated that over 26,000 units will be delivered via construction, while 11,000 will be acquired by local authorities and approved housing bodies directly from the market or the Housing Agency, with a portion of these being newly built units. The remaining 10,000 units will be leased by local authorities and approved housing bodies.

2.6 Future Growth in Expenditure

The pre-crisis period saw large increases in expenditure. These increases helped address key infrastructure deficits and provided the resources for significant improvements in public services and social supports. However, the increases were ultimately unsustainable and significant expenditure consolidation was required to repair the public finances.

Figure 2.14 Gross Voted Expenditure Growth: Three-Year Intervals



Source: *Department of Public Expenditure and Reform*

As outlined in Figure 2.14 above, the annual growth in expenditure projected over the coming three year period is broadly in line with the growth seen over the last three years. This level of growth will not satisfy demands to meet all new expenditure proposals. With a return to unsustainable growth levels not an option, the means of effectively addressing emerging needs is through an ongoing review of the relevance and effectiveness of the existing spend of €58 billion. This is the context for the Spending Review covered in Chapter 3.

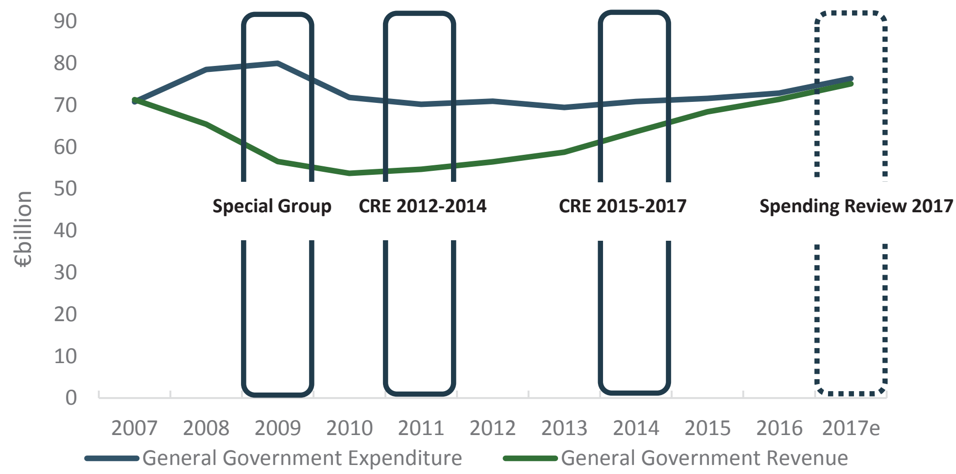
Chapter 3
Spending Review 2017

3.1 Context for Spending Review 2017

On Budget day last year, the Minister for Public Expenditure and Reform announced that a Spending Review of current expenditure would be carried out in advance of Budget 2018. Recent reviews of expenditure were conducted at a time when Ireland was about to enter, or already in an Excessive Deficit Procedure (EDP) under the corrective arm of the Stability and Growth Pact (SGP).[10] Consequently, their primary purpose was to achieve reductions in the level of public spending to support the restoration of the public finances. These Review processes played a key part in Ireland's exit of the EU/IMF Programme and the Excessive Deficit Procedure (EDP).

However, the economic and fiscal backdrop to these reviews no longer applies. The fiscal, economic and political landscape in Ireland has changed dramatically since the last Comprehensive Review of Expenditure in 2014 (see Figure 1). Ireland now operates within the 'preventive arm' of the Stability and Growth Pact, which puts in place binding constraints on deficits, underlying deficits, expenditure growth and debt levels.

Figure 1 **Recent Spending Reviews in Ireland**



Source: Central Statistics Office and Department of Finance estimates.
Note: General Government Revenue and Expenditure figures are adjusted to reflect Government interventions to support financial institutions.

Moderate expenditure growth is now planned and according to current forecasts can be sustainably delivered over the medium-term. However, there are increasing and competing public service demands. Ireland's strong economic performance over recent years has been reflected in robust revenue growth and consistent overachievement of key fiscal targets. In those

[10] The Special Group Report in 2009 and the Comprehensive Reviews of Expenditure in 2011 and 2014.

circumstances public and stakeholder expectations for increases in public spending across all dimensions of Government activity have intensified. In this context, a strong base of relevant evidence is of increased importance to enable in-depth consideration of policy priorities to help manage the public finances in a sustainable manner.

3.2 Objectives of the Spending Review

The overarching objective of the Spending Review process is the development of an evidence base to inform the prioritisation of current expenditure. It aims to analyse the totality of public expenditure to ensure it is allocated in a way which delivers efficient and effective policies in a sustainable manner possible within fiscal constraints. In this regard, the Review process has both a short and long term focus.

- Firstly the evidence will assist in preparations for *Budget 2018* both in the consideration of existing expenditure policy and the consideration of new policy proposals.
- Secondly, the current and future stock of papers can be leveraged to inform medium-term allocation decisions and longer-term improvements in the sustainability of expenditure and progress towards the achievement of better public policy outcomes.

The development of this evidence base is built on a Value-for-Money (VFM) evaluation framework which considers various criteria including policy rationale, efficiency, sustainability, effectiveness and impact/outcomes. Over the course of the Review, the various papers set out to answer some of the following questions:

- whether there is sufficient clarity on what the spending is expected and designed to achieve in terms of impact and outcomes;
- whether the relevance of objectives and the focus of policies has changed given the evolving nature of economic and social environment priorities;
- how sustainable certain areas of expenditure are given the emerging pressures and what policy options can help to address these pressures;
- how efficient is the area of expenditure and can it be improved (i.e. the relationship between the outputs and inputs); and
- how effective is the area of expenditure in terms of delivering on stated outcomes.

The answers to these questions will help inform the policy debate in the forthcoming Estimates for 2018, as well as in the context of medium-term expenditure strategy, on how best to allocate resources given the scale of competing demands. They will also help identify incremental changes which can be introduced to deliver better policy outcomes within the fiscal constraints.

3.3 Key Components of the Spending Review

The design of the 2017 Spending Review reflects both the changed economic and fiscal context and the lessons from previous reviews.[11] It is intended to be the first year of a three-year cycle of reviews that will examine all annual Departmental current expenditure – with the exception of pay rates - by 2019. The Review commenced in early 2017 and has been led by the Department of Public Expenditure and Reform but other Departments and bodies have also contributed to developing the analytical base in this first year of the cycle. Departments supplied detailed data and information in the development of the Review papers and also provided comments on papers. In some instances a joint Steering Committee was established and some Departments and bodies also produced separate papers. It is intended to build on the initial progress made in 2017 over the remaining two years of this Review cycle to widen the involvement of Departments and other public service bodies and offices.

The Spending Review process operates within the reformed expenditure framework that has been developed since the crisis. This new system is designed to replace periodic, sharp fiscal retrenchments with an ongoing emphasis on prudent and sustainable growth in public expenditure. It was introduced to better manage the efficient and effective allocation of expenditure, while respecting the necessary parameters set by overall budgetary targets. The Spending Review complements the operation of the MTEF in better reconciling these 'top-down' and 'bottom-up' objectives over the medium term.

In terms of the output from the 2017 Spending Review, there are two main elements:

(i) key sectoral trend analyses; and

(ii) individual topic papers.

Key Sectoral Trend Analyses

The first part of the Review involved an analysis of broad trends in Government expenditure over the past twenty years. This demonstrated the significant increase in investment over the period with expenditure tripling from €18 billion in 1996 to over €56 billion in 2016. This investment has resulted in an expansion of frontline services, increased provision of social welfare supports and significant developments in infrastructure.

Following on from this overview, a more in-depth analysis was undertaken at a sectoral level. This included a review of the long-run expenditure trend in each sector, exploration of changes in key performance indicators, a brief discussion of the outcomes achieved and an overview of emerging expenditure pressures/demands.

---

[11] Kennedy, F. and Howlin, J. (2017), *Spending Reviews in Ireland – Learning from Experience*, OECD Journal on Budgeting, Vol. 16/2.

Overall, this type of analysis highlights the significant developments in expenditure levels and policy over the medium to long term. It also attempts, at a high-level, to link the level of resourcing to the outcomes achieved. For example, the expansion of the social protection system has resulted in Ireland being the top performer in the OECD at reducing poverty levels through social transfers. In the health sector, significant increases in funding have yielded increased rate of life expectancy. The analysis also seeks to outline the potential impact of future developments such as demographic change, including an ageing population, and improving cyclical conditions leading to increased employment and economic activity placing both upward and downward pressure on a range of public services. This discussion sets the scene for the examination of specific areas of government spending selected for in-depth analysis in the individual topic papers.

Topic Papers

Following on from the high-level trend analysis, the individual topic papers were selected to reflect key strategic/priority areas of expenditure, both in terms of the quantum of expenditure and the significance of the emerging policy challenges.

Given the diversity of policy areas analysed in the Review, the papers differ reflecting the data available, the stock of relevant analysis already developed on the topic and the type of questions posed in the analysis. In addition, papers also differed by adopting varying analytical approaches including baselining and trend analysis, investigation of cost drivers, forecasting of future expenditure pressures, process checks and consideration of policy reform options and their potential impact on the future evolution of the given policy area.

The Spending Review extended across a significant number of individual spending programmes examining a wide range of diverse policy areas and yielding specific findings and recommendations in every instance. Each Spending Review paper needs, therefore, to be assessed on its own merits against the backdrop of the specific expenditure issues arising under each Department's area of responsibilities.

It was, however, possible to identify a number of emerging themes and these are summarised in the graphic below.

Objectives/Rationale	• Consideration of greater clarity of objectives and underpinning rationale for schemes and programmes
Data Gaps	• Identification of data gaps leading to specific proposals for data collection required for performance metrics/indicators going forward
Sustainability	• Assessment of the sustainability of areas of expenditure going forward in particular by condsidering how the efficiency and effectiveness can be improved
Flexibility	• Need to ensure policy is flexible to respond to changing economic and social context
Departmental Coordination	• Need to ensure cross-cutting policies are effectively coordinated

Objectives

In evaluating the effectiveness of a particular programme or scheme it is vital to have clear objectives and outcome targets to ensure progress can be measured in a quantifiable way. There are a number of areas where spending is seen to be efficient but, due to unclear objectives when establishing the programme, the effectiveness cannot be established. This is a significant obstacle to assessing whether the best use is being made of scarce public resources. A lack of clear and precise and objectives can also lead to a drift in policy, or mission creep, where initial services are expended to maintain budget allocations.

Data Gaps

One of the more common themes across the area examined in this year's Review relates to the lack of availability of relevant data to measure both the effectiveness and efficiency of spending. The absence of appropriate, relevant data is not, of course, a unique issue to this Spending Review, it is an issue that has been identified both internationally and as part of previous evaluation exercise in Ireland. In the context of developing National Data Infrastructure, the Spending Review process has a role in creating demand for relevant evaluation data and also in identifying the precise data that is required. It does, however, highlight the importance in establishing any new spending programme of putting in place an infrastructure to collect relevant data on performance.

The rolling Spending Review process can act as a systematic review of the data requirements needed to underpin more precise evaluation. A number of papers have already output and outcome indicators to be used in later rounds. Other papers developed the base of available data through better use of administrative data and, facilitated by Departments and the CSO, connecting existing databases.

Sustainability
A number of the papers, including the trend analysis, highlight the issue of ensuring expenditure is on sustainable trajectory over the medium term horizon. Spending Review papers also identify areas where there are programme-specific concerns surrounding the efficiency, effectiveness or sustainability of the relevant areas of spending or other sector specific issues. It is intended that these issues will be addressed as part of the regular engagement on both existing and new areas of spending between the Department of Public Expenditure and Reform and the relevant Departments over the forthcoming and subsequent Estimates campaigns. A number papers also identify where efficiency gains have been identified in recent years and the focus in these areas should be on maintaining those gains - and expanding them into other areas where possible - to improve outcomes if additional funding is provided.

Flexibility
The changing economic and fiscal context are one the motivating factors in examining policies and, as such, an overall evaluation culture is important to ensure that policies are implemented as designed and continue to be relevant and effective over time. The research identified areas where the policy context has shifted and, as such, the particular orientation of a programme or income support may no longer be as effective in meeting current policy objectives. There may be scope of reallocate funding within these overall programme to affect equally efficient outcomes with more targeting funding.

Departmental coordination
Many policy issues span a number of departments and the Review emphasises the importance of ensuring a joined up approach to tackling these key policy questions. Coordination at both policy design and implementation stage is essential to ensure the system as a whole responds to the needs of the public and duplication is minimised. This is also an area of research which can be further developed in future reviews.

In addition to these themes, the rolling Spending Review process has and will continue in future rounds to identify areas that are need of improvement in service delivery, either by better targeting or more cost efficient delivery. In some instances, these improvements will require additional supports to address the issues identified. Public Service Reform was a key element of the response to the challenges of recent years and continues to be a central part of building for the future. Actions presented in the forthcoming Public Service Reform Plan will play a part in supporting other Departments and public service bodies in improve service delivery and outcomes for users of public services while ensuring efficient and effective use of public funds.

A list of the individual Spending Review papers published alongside this report are set out in the Annex to this Chapter. The individual papers are available at www.per.gov.ie.

3.4 Results of Spending Review

The Spending Review was undertaken over the first half of the year in order to enable the output of the review in each areas to feed into the consideration of expenditure proposals for Estimates 2018. The published output of the Spending Review 2017 provides a robust evidence base to inform discussions between different stakeholders ahead of Estimates 2018 and improve the options for decision by the Government in *Budget 2018* over the medium term. These two processes are complementary; while the Spending Review analysis informs the Estimates, budgetary decisions will reflect the need to improve the infrastructure for future evaluation.

The Spending Review also represents a crucial next step in broadening and deepening the knowledge of a range of complex policy areas to facilitate future discussions regarding the evolution of Government expenditure. It will also add a more multi-annual perspective on expenditure trends and the sustainability of spending.

There are a number of advantages to the approach taken in the Spending Review:

- The process is designed to systematically examine the totality of expenditure using a long-term perspective using available evidence and data, which counters the increasing tendency to focus only on incremental changes in expenditure.
- The analysis from the Spending Review supports the operation of both the annual Estimates process and multi-annual planning. This improves multi-annual sectoral planning and resource allocation while respecting overall fiscal targets.
- The integration of different data and information sources has broadened the available evidence base and sought to incorporate previously undertaken research.
- This process is a next step in supporting an evaluation culture across the public service by setting out to answer questions which can help support expenditure sustainability and policy effectiveness.
- The publication of papers provides an opportunity to encourage a wider debate regarding how public money is allocated and the inherent trade-offs encountered in this process.
- The Spending Review framework reinforces the range of reform measures undertaken to improve the quality and quantity of evaluation across the public services including, but not limited to, the establishment of the Irish Government Economic and Evaluation Service (IGEES), the development of the Public Spending Code and the performance budgeting initiative.

3.5 Next Steps

The Spending Review for 2017 has been designed to better address the challenges now facing Ireland in the improved fiscal and economic environment. The focus has changed to ensuring the best use is made of all resources while allowing for moderate and sustainable increases in expenditure. Ongoing reviews of the totality of government expenditure is one mechanism that can deliver improved evidence to support resource allocation and prioritisation. The results of this first year of analysis will support better policy options for Government as part of the forthcoming, and subsequent, budgets. This will continue on the basis of the analysis and results generated in the further two years of the current three year spending review cycle.

Building on the output of the 2017 Spending Review, the intention for the future rounds is to further reinforce the more structured and systematic means of analysing spending focusing on an assessment of efficiency, effectiveness and sustainability. Future rounds will broaden the scope of analysis in some sectors and in other areas seek to deepen the initial analysis undertaken in this round.

Chapter 4
Quality of Public Expenditure

While a continued focus on the quantum of public expenditure is important, is it also crucial to maintain focus on the results being achieved across the public service and the extent to which public spending is delivering on key policy objectives. Such systematic information about the efficiency and effectiveness of public expenditure is one of the most fundamental tools of expenditure management. This information serves an improves transparency and accountability objective by providing more information to the legislature and the public in order to assist them in better assessing how well public funds are being utilised in terms of the key public policy objectives.

There are a number of ongoing initiatives across the public service focused on the quality, composition and measureable results achieved by public spending. This Chapter presents an overview of recent developments in public service reform, equality budgeting and performance based budgeting.

4.1 Public Service Reform

Our public services continue to improve and deliver quality services. A recent report by the Institute of Public Administration (Public Sector Trends 2016) had many positive findings including: Ireland's Public Administration comes first in the EU28 for being the most professional and least politicised[12]; and Irish Public Services are 5th in the EU28 for the quality of its public administration (a relatively consistent score over the last three years).

It is important to recognise progress in public service reform and the hard work and commitment of public servants, while at the same time acknowledging that significant challenges exist. The Programme for Partnership Government recognised these challenges and the need for ambitious policy agendas in priority areas. It is necessary to have a robust and agile public service which contributes to our economic development, ensures delivery of quality services to the public and allows Ireland to compete and thrive in a time of accelerating change, as the Programme for a Partnership Government envisages.

Public Service Reform is a key element of Government policy. The first Public Service Reform Plan published in 2011, a time of severe fiscal adjustment, was focused necessarily on cost reduction and efficiency measures. As the public finances moved to a more sustainable footing, the second Plan published in 2014, had the goal of a Public Service that would deliver more positive outcomes for all stakeholders, including citizens and businesses.

---

[12] Professionalism Index, pg35, IPA Public Sector Trends 2016

In 2016, the Government commissioned the OECD to assess key elements of the Public Service Reform Plan 2014-16, with a view to informing the next phase of public service reform. This assessment focuses on whether the plan met its objectives; how this compares with other OECD States, and provides clear recommendations for the future direction of public service reform in Ireland. The OECD report will be published in July 2017. The findings of the OECD report will be taken on board in future reform efforts, in particular, in the forthcoming Our Public Service 2020. The Review notes that the Public Service Reform Plan 2014-16 was by-and-large successful in terms of completing the majority of the activities it set out. It identifies key learnings for the future including:

- focusing more on evaluation of the impact of the reforms on citizens and organisational efficiencies;
- strengthening governance arrangements and focusing on what the respective responsibilities of the centre and the sectors are;
- spelling out more clearly the respective roles of key public service actors in achieving results for citizens;
- seizing the opportunity now to move from a process-oriented reform plan to one anchored in outcomes and to drive innovation; and
- strengthening the link between expenditure and reform as part of this.

Ireland now faces different circumstances and opportunities in an improving economy but also challenges in the rapidly changing and uncertain external environment. The next phase of public service reform, Our Public Service 2020, is being shaped with this vision in mind and is built around three pillars –

- Delivering for our public;
- Innovating for our future; and
- Developing our people and organisations.

This next phase of reform will focus, first and foremost, on our customers – the Irish public. We want a public service where the customer's needs are at the core of every decision from policy formulation to service design through to service delivery. Our Public Service 2020 will provide a Framework for public service innovation and development. It will set out a 20 point Action Plan which will build on the achievements of the last six years, respond to new challenges and continue to deliver improvements across the public service. To achieve this, it will focus on enabling better delivery to the public using new tools such as increased digitisation and better data-sharing. We will ensure that our organisations are fit for purpose and that our organisational culture enables us to take advantage of new opportunities. It is intended to publish Our Public Service 2020 and accompanying Actions in November 2017.

Preparation of Our Public Service 2020 has involved a wide-ranging process of engagement with representatives from across the civil and public service. This included the Reform and Innovation Network, the Senior Officials Group on Social Policy and Public Service Reform, external experts and academics on public administration, and the OECD. An upcoming period of consultation with the general public and the wider public service is an important part of the engagement process.

The consultation will run for 6 weeks from 13th July, 2017 with submissions invited via an online portal, dedicated email address and also accepted in writing.

Additionally, the Civil Service Renewal Plan was published in late 2014. The Plan is a key part of the Government's wider public service reform programme. It outlines 25 practical actions that will create a more unified, professional, responsive, open and accountable Civil Service that can provide a world-class service to the State and the people of Ireland. The Plan is being implemented over 4 phases and will run to end December 2017. The third Progress Report detailing the progress on implementation was published on 30 June 2017 by the Minister for Public Expenditure and Reform. This report shows significant progress has been made in implementing the priorities during phase 3 and also captures the progress made across the full programme.

4.2 Equality Budgeting and Social Impact Assessment

The Programme for Partnership Government contains a commitment to develop the process of budget and policy proofing as a means of advancing equality, reducing poverty and strengthening economic and social rights. It also includes a commitment to ensure the institutional arrangements are in place to support equality and gender proofing within key government departments.

Equality budgeting is a process in which the budget is considered as something more than a neutral process of resource allocation, but as a process with specific values that embodies – and potentially informs and influences – long standing societal choices about how resources are deployed. Equality Budgeting works through providing greater information on the likely impacts of proposed and/or ongoing budgetary measures, which, in turn, enhances the potential to better facilitate the integration of equality concerns into the budgetary process and enhance the Government's decision making framework. While inequality is traditionally viewed through the prism of economic inequality alone (i.e. income and wealth), equality budgeting goes further in identifying contrasting outcomes in areas such as health and education, and how these outcomes differ across gender, age, ethnicity and those other characteristics which distinguish our society's cohorts. Work is currently underway to develop the approach for the pilot equality budgeting initiative and a policy paper outlining the next steps in this process will be published with Estimates 2018.

One of the key elements in responding to the Programme for Government commitment regarding equality budgeting has been the development of a new Social Impact Assessment (SIA) Framework, which is being designed[13] to focus on policy areas that cannot easily be incorporated into the existing SWITCH model, specifically the impacts of public expenditure on recipient households. It is envisaged that the new SIA framework will broaden the scope of the analysis

[13] Lawless J. and D. Reilly; *Social Impact Assessment Framework*; IGEES, 2016.

and incorporate factors other than direct tax measures and social welfare policies. It focuses on schemes and spending programmes that have explicit socio-economic objectives.

To date, social impact assessments have been carried out in relation to targeted childcare schemes[14] and the general medical services scheme[15]. SIA is a key tool in assessing the equality impacts of particular budgetary decisions with regard to certain group characteristics e.g. age, gender, regional spread. In the future, the aim will be to expand the assessment, in so far as is possible within the available data constraints, to encapsulate the impact of a particular policy measure on other identified groups.

4.3 Performance Budgeting

A key objective of the performance budgeting initiative is to maximise the reporting of relevant quantitative metrics capable of being used to assess trends over time in order to underpin the scrutiny and appraisal of expenditure programmes.

The performance budgeting initiative has been subject to ongoing review and refinement since its introduction in 2011, and has evolved considerably over the last number of years. One of the most significant developments has been the reformatting of the Revised Estimates Volume (REV), published each December, to include performance information. More recently, the publication of a guidance document and detailed feedback to the main Government Departments resulted in a significant improvement in the quality and volume of quantitative information provided for REV 2017.

A new innovation in 2017 has been the publication of the first annual Public Service Performance Report. The Report outline the key outputs that have been delivered in 2016 across the diverse range of public service bodies. The intention that the report can facilitate timely, meaningful and constructive dialogue on expenditure between Government and the Oireachtas, which will ensure that there is greater focus on what is being delivered with public funds. This information will, over time, feed into policy decisions that are being made and allow available resources to be allocated in the way that has the biggest impact on our citizens' lives

[14] Ivory, K. Targeted, Childcare Schemes, (2016)
[15] Connors, J., General Medical Services Scheme, (2016)

Tithe an Rialtais
Sráid Mhuirfean Uacht
Baile Átha Cliath 2
D02 R583
Éire

Government Buildings
Upper Merrion Street
Dublin 2
D02 R583
Ireland

T: +353 1 676 7571
@IRLDeptPER
@IRLDeptFinance
www.finance.gov.ie
www.per.gov.ie