

FAST FACTS

2014 Revenue and Expenditure

Based on 2014 appropriation accounts and final tax outturn figures

Key Figures:

Deficit

- 2014 Exchequer Deficit of €8.2bn
- Exchequer Deficit fell by €3.3bn from its 2013 level
- Excluding once-off transactions (such as the sale of Irish Life in 2013), the underlying deficit fell by €4.7bn.
- A deficit of 4.1% was recorded which significantly overachieved the EDP General Government Deficit target of 5.1% and the Budget 2014 deficit target of 4.8%.

Tax

- Tax Revenues at €41.3bn, up €3.5bn (9.2%) year-on-year and €1.2bn (3.1%) ahead of target
- Income Tax increased by €1.4bn (8.9%) and amounted to €17.1bn in 2014
- VAT increased by €0.8bn (7.9%) and amounted to €11.2bn in 2014
- These tax heads demonstrate the strong recovery in the labour market and the domestic economy

Expenditure

- Gross Voted expenditure amounted to €54.1bn, €1.1bn ahead of profile (2.1%) and €0.3bn down (0.5%) on the 2013 figure
- Net Voted expenditure Issues amounted to €42.2bn, €1.1bn (2.6%) ahead of profile and down €0.5bn (1.3%) on the 2014 figure.

Deficit Reduction

- The public finances continue to perform ahead of previous expectations as the underlying Exchequer Deficit fell by €4.7bn in 2014. The underlying deficit excludes the impact of once-off income and expenditure – such as expenditure on the banking system – and so is a better measure of overall performance
- This has been driven by the €3.5bn (9%) increase in tax revenues (supported by strong employment growth and the improving domestic economy) and the sustained control over public expenditure.

Taxation

- All areas of taxation have performed strongly in 2014, and taxes have finished the year at €41.3bn, €3.5bn above 2013 levels and over €1.2bn (3.1%) ahead of profile. The strongest performing tax heads were Income Tax (which was €1.4bn higher than 2013 levels and €0.1bn ahead of profile) and VAT (which was €0.8bn higher than 2014 levels and €0.4bn ahead of profile).

Voted Expenditure

- Gross Voted expenditure amounted to €54.1bn in 2014 which is €1.1bn (2.1%) ahead of profile, and €0.3bn (0.5%) lower than in 2013.
- In net terms, Net Voted expenditure amounted to €42.2bn in 2014 and was €1.1bn (2.6%) ahead of profile.
- Capital expenditure was €0.2bn ahead of profile reflecting decisions to direct resources towards essential public transport infrastructure, storm damage repairs and a number of Stimulus measures.
- The main areas where current expenditure was ahead of profile were Health, Justice and Education.
- Net Voted expenditure recorded a €0.5bn (1.3%) fall from its 2013 level, demonstrating continued fiscal restraint on the part of the Government and continuing improvement in employment, resulting in increased PRSI receipts.
- 9 out of 16 Ministerial Vote Groups were at or below profile. Ministerial Vote Groups requiring Supplementary Estimates, were in most instances able to obtain savings to offset or partially offset the Supplementary Estimate from within their Vote Groups.

2014 Supplementary Estimates and Outturn v Profile

- Given the degree of fiscal space available Supplementary Estimates were provided to Departments facing increased demands, and also to bring forward a number of vital infrastructure and Capital investment projects.
- €0.2 billion was provided for capital investment by way of Supplementary Estimate. A further almost €0.2 billion was required to meet a shortfall in EU receipts to the Dept. of Agriculture in 2014 that will now be received in 2015.
- The total amount of Supplementary Estimates voted by Dáil Éireann in 2014 was €1.27 billion.
- Based on the appropriation account data, the actual net expenditure variance versus the original expenditure profile for the year was €1,076 million and reflected savings across a number of Departments with **9 out of 16 Vote Groups and 29 out of 41 Vote Groups below profile.**
- The table below compares the net expenditure variance versus the original expenditure profile, as reported in the provisional outturn data with the Supplementary Estimate amount.

Ministerial Vote Group	Supplementary Estimates	Outturn Over/ (Under) Profile**
	<i>€ million</i>	<i>€ million</i>
Taoiseach's	2	(4)
Finance	0	(23)
Public Expenditure and Reform	22	(19)
Justice	84	57
Education	103	93
Foreign Affairs	0	(17)
Communications, Energy and Natural Resources	0	(1)
Agriculture	177	162
Transport	162	133
Enterprise	0	(16)
Arts, Heritage and the Gaeltacht	0	(8)
Environment	35	92
Defence	5	(8)
Social Protection	0	(38)
Health	680	697
Children and Youth Affairs	0	2
Contingency	0	(25)
Total	1,271	1,076

*Rounding affects totals

** Includes capital carryover of €79m from 2014 into 2015.

Supplementary Estimates by Vote

Vote 2 – Taoiseach’s (substantive): €2m

A *substantive* Supplementary Estimate of €2 million was required for the establishment of the Commission of Investigation.

Vote 12 – Superannuation (Substantive): €22.3m

The *substantive* Supplementary Estimate was sought in order to cover an anticipated overspend on pensions in 2014. The Supplementary Estimate was fully offset by savings elsewhere within the Public Expenditure and Reform Group and by higher receipts from pension contributions relating to the Single Public Service Pension Scheme.

Vote 17 – Public Appointments Service (Substantive): €0.2m

The *substantive* Supplementary Estimate was required in order to cover the cost of increased activity levels brought about by additional recruitment campaigns and the recent Government decision to have the PAS identify suitable individuals for a wide range of State Board appointments.

Vote 20 – Garda Síochána (Substantive): €75.25m

The supplementary estimate was required for additional pay of €65 million. The other main aspects of the supplementary estimate relate to an additional €10 million in capital funding announced on Budget Day to provide for the purchase of new Garda Vehicles and to meet the cost of necessary ICT investment.

Vote 21 – Prisons (Substantive): €9.25m

A *substantive* Supplementary Estimate of €9.25 million was required by the Prisons Vote. The largest proportion of the supplementary estimate comprises of a shortfall of €7m in the payroll subhead while the cost of building maintenance and utilities is expected to overrun by approximately €2.3 million and there is a projected overrun of €1 million in relation to compensation payments. Offsetting savings of €1 million have been identified.

Vote 22 – Courts Service (Technical): €0.001m

A *technical* Supplementary Estimate was required for Courts Service. There was a surplus in receipts of €2.187 million and together with savings in other subheads utilised to offset, a net overrun on capital of approximately €0.4 million and an overrun on budget in relation to the annual costs on the repayment of the Criminal Courts complex of almost €0.7 million.

Vote 25 – Environment, Community and Local Government (Substantive): €34.7m

The *substantive* Supplementary Estimate was required in order to cover the costs of storm damage repairs and funding for LEADER projects.

Vote 26 – Education and Skills (Substantive): €103m

The *substantive* Supplementary Estimate was required to meet the overspend in the education sector relating to the C&AG's instruction to move the first payroll payment from the 2013 Appropriation Accounts into 2014.

The figure of €103m also includes a €1m liability arising from the decision to give the Christmas bonus to Social Welfare Recipients.

Vote 30 – Agriculture, Food and the Marine (Substantive): €177m

The Supplementary Estimate was required due to the delayed receipt of an EU payment relating to the European Agriculture Fund for Rural Development. This payment will be received in 2015.

Vote 31 – Transport, Tourism and Sport (Substantive): €162m

The Supplementary Estimate was required to fund public transport related capital expenditure (€100m) on buses, rail maintenance and the LUAS, Stimulus projects (€40m), and to meet the cost of storm damage repairs (€21m).

Vote 32 – Jobs, Enterprise and Innovation (Technical): €0.001m

The technical Supplementary Estimate was required in order to reflect alterations to the structure of its Vote which are due to the changes to the structure and the activities of its Department which have taken effect in 2014.

Vote 33 – Arts, Heritage and the Gaeltacht (Technical): €0.001m

A technical Supplementary Estimate was required for the Arts, Heritage and the Gaeltacht Vote to facilitate the introduction of a new subhead for current expenditure (Subhead A.17 EXPO Milano 2015) under the Arts, Culture and Film programme area and the effecting of a transfer to Subhead A.8 - Culture Ireland, Subhead A.17 - Expo Milano 2015 and Subhead B.5 - Natural Heritage (National Parks and Wildlife Service) of savings arising in Subhead A.16 Cork Events Centre.

Vote 35 – Army Pensions (Substantive): €4.8m

The Supplementary Estimate was required to cover the shortfall of €5m arising on the Army Pensions Vote (Vote 35). Sufficient savings have been found elsewhere on the Defence Group in order to cover this overrun.

Vote 36 – Defence (Technical): €0.001m

The *technical* Supplementary Estimate on Vote 35 was required to transfer €32.8m from Army Pay to Naval Service Equipment in order to facilitate the purchase of the 3rd Naval Vessel and to accelerate payments on the 2nd Naval Vessel.

Vote 39 – Health Service Executive (Substantive): €680m

The **Department of Health** sought a Supplementary Estimate of **€680m** for the HSE (Vote 39) for 2014. The Supplementary Estimate requirement included €510m expenditure associated with increased medical activity and the delivery of Health services, primarily in respect of acute hospital presentations and GP services and prescribed drugs under the Primary Care Reimbursement scheme. This has already been included in the HSE expenditure base for 2015. The Supplementary Estimate includes a number of one-off costs including lower than projected HSE income from non-Exchequer sources in 2014 and compensation payments made through the State Claims Agency. These costs will not have implications for the health services to be provided in 2015.

Vote 40 – Children and Youth Affairs (Technical): €0.001m

The *technical* Supplementary Estimate was required for the establishment of the Mother and Baby inquiry in 2015.

Forecast Outturn 2015

Key Figures:

Deficit

- 2015 Exchequer Deficit forecast to be €2.8bn.
- A deficit of 2.1% is forecast which will significantly overachieve the EDP General Government Deficit target of 2.9% and the SPU 2015 deficit target of 2.3%.

Tax

- Tax Revenues are forecast to increase by 8.1% to €44.6bn
- Income Tax is forecast to increase by 6.1% to €18.2bn
- VAT is forecast to increase by 7.8% to €12bn
- These tax heads demonstrate the strong recovery in the labour market and the domestic economy

Expenditure

- Gross Voted expenditure is forecast at to €54.9bn, €1.6bn ahead of profile (3%).
- Net Voted expenditure is forecast at to €43bn, €1.3bn (3.1%) ahead of profile.

For 2015, the Government has agreed to increase:

- Gross Voted expenditure will increase to **€54.9bn**;
- Gross Voted Current Expenditure Ceiling to **€51bn**; and
- Gross Voted Capital Expenditure Ceiling to **€3.8bn**.

	REV 2015 Allocations	Revised 2015 Ceilings	Revised v REV
	€m	€m	€m
Total Gross Expenditure Ceiling	53,231	54,875	+1,644
% Change			+3.1%
Gross <u>Current</u> Expenditure Ceiling	49,612	51,040	+1,428
% Change			+2.9%
Gross <u>Capital</u> Expenditure Ceiling	3,620	3,835	+215
% Change			+5.5%

These increases are consistent with delivering a General Government Deficit of 2.1% of GDP.

2015 Revised Gross Expenditure Ceilings

	REV 2015 Allocation	Revised 2015 Ceiling	Change v REV 2015
	<i>€ millions</i>	<i>€ millions</i>	<i>€ millions</i>
Agriculture Group	1,242	1,310	68
Arts, Heritage and the Gaeltacht Group	277	277	0
Children and Youth Affairs Group	1,027	1,042	15
Communications, Energy and Natural Resources Group	415	415	0
Defence Group	898	898	0
Education Group	8,947	9,098	151
Enterprise Group	790	840	50
Environment Group	1,329	1,329	0
Finance Group	451	451	0
Foreign Affairs Group	687	687	0
Health Group	12,677	13,277	600
Justice Group	2,314	2,358	44
Public Expenditure and Reform Group	1,017	1,047	30
Social Protection Group	19,378	19,912	534
Taoiseach's Group	170	171	2
Transport Group	1,613	1,728	115
Total Gross Voted Expenditure	53,231	54,875	1,643

Q&A'S

- **BRIEF QUESTION AND ANSWER SECTION**

INSTRUCTIONS:

Brief should be in bullet point and should not exceed two pages. No lengthy text – this is of no use in the meeting

**Return required for the briefing meeting with the SG on Friday 30 October 2015.
If the brief needs to be updated closer to the meeting please send the original document with changes tracked.**

All Material supplied for the Secretary Generals appearance will be published on the Department's website following the meeting on 5 March 2015.