



OPENING STATEMENT FOR PAC ON 28 FEBRUARY 2013

I thank the Chairman for the opportunity to make this statement concerning the examination of the 2011 Appropriation Accounts for Vote 26. As requested, I have forwarded some advance briefing to the committee and so will keep this opening statement short. The briefing note provided outlines the structure of the Vote for my Department and gives details regarding the main components of expenditure, together with information regarding expenditure on the Vote in 2011 and provisional out-turn for 2012.

While the Comptrollers and Auditor General's report for 2012 contains three chapters relating to the Education Vote, I understand that only two of those chapters are scheduled for discussion today, Chapter 6 relating to Financial Commitments under Public Private Partnership and Chapter 18 Salary Overpayments to Teachers.

Chapter 6 - Financial Commitments under Public Private Partnerships

The challenging fiscal environment has meant that some very difficult choices over the last number of years have had to be made in relation to education expenditure. In our case, the current emerging demographic challenges for the school sector have also been hugely influential in informing those choices. This is the context to the making of the decision not to proceed with a number of third level PPP education projects.

The challenges I have outlined have made it inevitable that such capital resources as are available to the Department must be prioritised for the delivery of school places. This is the conclusion that the Government came to in deciding on the capital envelope to be made available to the Department for the years 2012 to 2016 in November 2011. Effectively, the education capital budget included provision for the extensive demographic growth and was only able to commit to seeing through capital commitments in other areas.

This is the context to the decision with respect to the Third Level PPP projects. We would have much preferred to be in the position to advance with these projects but the Government's overall capital allocation was being reduced and we had no other option. While much of the investment that was made in those projects has been retained through infrastructural works including road networks and services which will facilitate future development, we do recognise that there are significant consultancy costs which were undertaken and which are not of future value. In November 2011, we announced that the Grangegorman PPP project was being delayed, but arising from further investment being available under the Government's stimulus programme announced in July this is now proceeding. In addition the schools PPP projects are continuing apace.

Chapter 18 - Salary Overpayments to Teachers

In Budget 2011 provision was made that a 10% reduction would apply to the pay of new appointees to the public service and that all new appointees to entry grades would start at the first point of the relevant payscale with effect from the 1st January 2011. This arrangement also applied to retired staff returning to work in a substitute or temporary capacity.

Due to both the complexity of our payrolls and the pay arrangements for teachers generally it took some months for the Department to determine the terms and conditions relevant to new teachers appointees and to make the necessary changes to our payrolls systems for the changes to take effect.

Implementation of the revised arrangements required the development of sophisticated and comprehensive IT programmes to deal with the complexity of the various working patterns and categories of teachers, particularly part-time and substitute teachers, throughout the sector. This requires adequate lead in time to allow for clarification of the issues involved, the preparation of specifications for the development of IT programmes and the full testing of these programmes without impacting on the normal payroll runs or the integrity and accuracy of the payroll systems generally which cater for 95,300 payees being paid on a fortnightly basis. The absence of this adequate lead in time will inevitably lead to some element of overpayments being incurred depending on the complexity of the change to be implemented.

The difficulties faced by the Department in implementing the new arrangements provided in Budget 2011 resulted in overpayments to a number of teachers. The total value of the overpayments that arose has now been calculated at €1.745million which represents 0.038% of the total 2013 payroll budget. A total of €508,482 has been recovered up to and including 14th February 2013 leaving a balance of €1.236 million outstanding. The overpayments continue to be recovered on an ongoing basis by fortnightly deductions from the pay and pensions of the individuals concerned. It remains the policy of the Department that all overpayments will be recovered in full in the shortest possible timeframe.

Together with officials from the Department I will be happy to deal with any issues arising from the Vote