

Select Committee on Finance, Public Expenditure and Reform and Taoiseach

Supplementary Estimates for Public Services 2023 – Votes under the Public Expenditure, National Development Plan Delivery and Reform Group

Wednesday, 22 November 2023

Minister Paschal Donohoe Opening Statement

I thank the Cathaoirleach and the committee for the invitation to appear here this afternoon.

I am before the Committee today to engage on six Supplementary Estimates proposed for Votes under the Public Expenditure, National Development Plan Delivery and Reform Vote Group.

I will detail the requirements for each Vote, however in summary, these are for:

- A technical Supplementary Estimate of a token €1,000 for Vote 11 – Department of Public Expenditure, National Development Plan Delivery and Reform;
- A technical Supplementary Estimate of a net €1,000 and gross €20 million for Vote 12 – Superannuation and Retired Allowances;
- A substantive Supplementary Estimate for a net €388,000 and a gross €537,000 for Vote 14 – State Laboratory;
- A substantive Supplementary Estimate for a net €152,000 and a gross €282,000 for Vote 17 – Public Appointments Service;

- A technical Supplementary Estimate of a token €1,000 for Vote 18 – National Shared Services Office; and
- A substantive Supplementary Estimate for €4.9 million in net and gross terms for Vote 43 – Office of the Government Chief Information Officer.

Altogether, the proposed Supplementary Estimates would result in an increased allocation of €5.446 million in net terms and €25.725 million in gross terms across the six Votes. A further Supplementary Estimate under the Ministerial Vote Group is being sought for the Office of Public Works and my colleague Minister O'Donovan will speak to that.

Vote 11 - Public Expenditure, National Development Plan Delivery and Reform

The Department of Public Expenditure, National Development Plan Delivery and Reform is seeking a technical Supplementary Estimate to allow for the transfer of funding between Departmental subheads.

The reason for this is the transfer of One Learning, the organisation which supports the development of skills and competencies across the Civil Service, and certain Senior Public Service functions to the Institute of Public Administration (IPA) in late 2023. This transfer will facilitate the expansion of these services within a body whose core function is Learning and Development. It will allow the IPA to scale up and for more learning and development courses to be made available to the wider public service.

There have been costs of just over €0.2 million incurred by IPA this year due to the transfer which were not originally provided for in the IPA grant line. The

funding movement will allow for the IPA to be reimbursed in respect of these costs. No additional funding is required other than the token €1,000 as there are savings within the Civil Service Learning and Development Programme subhead due to the wind down of these functions in the Department to cover the IPA costs.

Vote 12 - Superannuation and Retired Allowances

A technical Supplementary Estimate is sought for the Superannuation and Retired Allowances Vote. This is for a net amount of €1,000 and will allow the Vote to use additional Appropriations in Aid to fund projected expenditure. The receipts for Appropriations in Aid are higher than forecast due to higher than expected contributions on subhead B7 Single Public Service Pension Scheme. This will increase the gross ceiling of Vote 12 by €20 million.

The supplementary estimate arises mainly due to higher than forecast costs for the year under the pension scheme for established civil servants as a result of a higher number of retirements than anticipated for 2023. Expenditure in this regard is dependent on the number and grade mix of those who choose to retire, and is subject to significant variability from one year to another.

The higher number of retirements than anticipated has a double effect of increasing the lump sum expenditure in the current year as well as increasing the number of pensioners on the fortnightly pension payroll. This means a Supplementary Estimate is now required for Vote 12.

Vote 14 - State Laboratory

A substantive Supplementary Estimate for a net €388,000 and a gross €537,000 is being sought for the State Laboratory. This is to cover increased premises expenses due to higher energy costs. The work of the State Laboratory requires energy use for the running of laboratory equipment, much of which is in operation 24 hours a day.

It is estimated that an additional €0.64 million will be required to meet energy costs this year. This cost is being partially offset by expected savings of €0.1 million on pay and increased Appropriations in Aid.

Vote 17 - Public Appointments Service

For the Public Appointments Service (PAS), a substantive supplementary estimate is sought. This is for €0.152 million in net terms and €0.282 million in gross terms.

PAS has incurred additional expenditure on payroll, recruitment advertising, and other areas of recruitment support over the course of 2023. These areas have experienced pressures due to the volume of recruitment activity for the public service and the impact of operating in a market which is close to full employment.

These funding pressures are mainly on current expenditure and PAS have been able to offset these costs due to capital expenditure savings.

Vote 18 - National Shared Services Office

A technical Supplementary Estimate of a token €1,000 is sought for the National Shared Services Office. This will provide for the reallocation of funding within the Vote to areas experiencing pressures.

The Supplementary Estimate will allow for €1.9 million in pay savings in Programme A to transfer to other areas within the Vote – meeting higher costs than profiled in areas such as additional overtime to deliver Building Momentum arrears and supporting the establishment of Táilte Eireann; ICT contractor costs; and Managed Service Provider costs.

Vote 43 - Office of the Government Chief Information Officer

Finally, a supplementary estimate of €4.903 million is sought for the Office of the Government Chief Information Officer. This additional funding will allow for the extension of the National Low Latency Platform (NLLP) to the ports of Dublin, Rosslare and Cork using 5G, dark fibre, and radio connectivity.

This funding will support the purchase of circuits, equipment and services to plan, deploy and commission a secure network at each of the ports that will connect to the NLLP. It will also support the rollout of a number of applications to staff working in the vicinity of the ports.

This improved network connectivity in the ports will support staff in carrying out the additional checks and controls required as a consequence of the UK's decision to leave the European Union. It is intended that this project would be included in Ireland's Brexit Adjustment claim to the European Commission.

Conclusion

In conclusion, approval of the Supplementary Estimates outlined will enable the Votes concerned to continue providing key services and projects to the end of 2023. I commend the supplementary estimates to the Committee. I am happy to answer any questions on the proposed Estimates the Committee may have.

Thank you.