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

EXCHEQUER CAPITAL ENVELOPES 2018-2021: OUTCOMES OF MID-TERM REVIEW OF THE CAPITAL PLAN

New Projects and Programmes

Central Capital Policy Section

Summary

- Capital expenditure will increase by approximately 85% between 2016 and 2021. **Gross voted capital expenditure will reach 3.5% of GNI* by 2021** and will account for over 11% of total voted expenditure. This will see public investment in Ireland moving from relatively low levels to **among the highest in the EU.**
- In line with the assessment of the Mid-Term Review of the Capital Plan the following priorities have been identified for public capital investment:-
    - **Transport** – public transport and the maintenance and upgrading of the road network;
    - **Housing** - on the basis of the review of the Action Plan for Housing and Homelessness;
    - **Education** – higher education and the schools building programme;
    - **Health** – drawing on further analysis of the totality of health capacity and infrastructure;
    - **Business, Enterprise and Innovation** – in order to address the potential impacts of Brexit; and
    - **Communications** – to ensure the delivery of Ireland's National Broadband Plan and assist in meeting Ireland's climate and energy targets.
- Alongside these priorities substantial additional public capital investment is also planned in other key sectors.
- The multi-annual additional allocations for each Vote/Vote Group are set out in the table following:

€ million	2018	2019	2020	2021	Total	2017 vs. 2021 Δ in Ceilings
Additional Capital	**206**	**1,030**	**1,411**	**1,652**	**4,300**	
Transport, Tourism & Sport	45	315	413	485	**1,258**	124%
Housing, Planning & Local Government	28	157	231	283	**700**	102%
Education & Skills	28	191	190	254	**663**	45%
Health	20	117	154	180	**471**	72%
Business, Enterprise & Innovation	40	70	100	100	**310**	8%
Communications, Climate Action & Environment	8	0	86	106	**200**	85%
Justice & Equality	5	69	48	35	**157**	22%
Agriculture, Food & the Marine	10	17	50	57	**134**	11%
Office of Public Works	5	22	30	35	**92**	71%
Defence	3	21	35	39	**98**	62%
Culture, Heritage & the Gaeltacht	4	24	29	33	**90**	56%
Rural & Community Development*	11	8	11	13	**43**	n/a
Foreign Affairs & Trade	13	17	13	13	**30**	18%
Children & Youth Affairs	1	5	7	8	**21**	25%

Employment Affairs & Social Protection	1	5	7	8	**21**	60%
Public Expenditure & Reform (less OPW)	-5	3	10	4	**12**	-72%
Finance	1	0	0	0	**1**	-29%

Note: Rounding effects
*This Department was only established in July 2017.

1.1 The Capital Plan 2016-2021

The capital plan, *Building on Recovery: Infrastructure and Capital Investment 2016-2021*, was published in September 2015 and sets out the Government's budgetary framework for public capital investment in Ireland over the period 2016-2021.

The details of over 100 major infrastructure projects and programmes included in the capital plan are set out in the Major Capital Projects Tracker. This tracker was recently published for the first time on the Department of Public Expenditure and Reform's website on 14th September 2017 (link). The tracker highlights the scale of delivery of major projects across all sectors of state activity.

Following the allocation of additional capital expenditure in Estimates 2018 the tracker will be updated to reflect the latest allocations and the additional capital investments which will be delivered. The tracker will provide the public with reliable and timely information about the delivery of current and future infrastructure. Subsequently it is intended to publish an updated tracker twice yearly.

In the relatively short period since the Capital Plan was published the context for public capital investment has changed dramatically. The significant progress made in restoring the public finances and the transformation in economic performance has enabled Government to supplement the €27 billion committed to public investment between 2016 and 2021 by over €8 billion. This will result in capital expenditure increasing by approximately 85% between 2016 and 2021. Gross voted capital expenditure will reach 3.5% of GNI* by 2021 and will account for over 11% of total voted expenditure. As recently confirmed by the Irish Fiscal Advisory Council's Pre-Budget 2018 Statement, this will see public investment in Ireland moving from relatively low levels to among the highest in the EU.

Taking account of the significant additional resources of €2.2 billion which has been provided to support the delivery of the Action Plan for Housing over the period, €4.3 billion in additional capital expenditure has been allocated in Estimates 2018 for the remainder of the period out to 2021 as set out in the table following. The total allocation of increased resources for public capital investment over and above what was included in the capital plan is €8.6 billion, an increase of over 30%.

Table 2: Reconciliation of Capital Plan with Updated Capital Ceilings in Estimates 2018

€ billion*	2016	2017	2018	2019	2020	2021	2016-21
Capital Plan Ceilings	3.8	4.0	4.2	4.6	5.0	5.4	27.0
SES 2016 – Additional Capital	0	0.3	0.7	1.2	1.4	1.6	5.1
2016 Technical Adjustments**	0.4	0.3	0.3	0.3	0.3	0.3	2.0
SES 2017 – Additional Capital	0	0	0	0.5	0.5	0.5	1.5
Estimates 2018 – Capital Ceilings	**4.2**	**4.5**	**5.3**	**6.6**	**7.2**	**7.8**	**35.6**
Capital Ceilings as % of GNI*	2.2	2.4	2.7	3.2	3.3	3.5	2.9

* Rounding effects.
** Includes the reclassification of PPP unitary payments from current to capital, capital carryover and Budget 2017.

1.2 Outcome of the Mid-Term Review

The Mid-Term Review of the Capital Plan, published on 14th September 2017 (link), draws on an evidence base that included submissions by Departments and Offices, an extensive public consultation (link), and also an Infrastructure Capacity and Demand Analysis (link) completed by the Irish Government Economic and Evaluation Service (IGEES) in the Department of Public Expenditure and Reform.

The review of the Capital Plan highlights some key themes which will closely inform and be incorporated into the analysis leading to the finalisation of the new ten-year National Investment Plan. These themes include:-

- confirmation of the central role of public capital investment in underpinning the economy's long-term growth potential and addressing overheating risks as well as supporting social progress;
- the need to align public capital investment priorities to a changing demographic profile;
- the critical importance of public capital infrastructure in meeting the essential requirement for balanced regional growth and promoting the societal transformation required to achieve climate action objectives;
- the mechanisms through which public investment can strengthen the economy's resilience to major risks such as Brexit;
- the central importance of robust mechanisms to support the efficiency and value for money of public capital investment; and
- the strong business case for ensuring that public capital spending is balanced between new projects and maintaining the quality and capacity of existing public capital infrastructure.

Based on the analysis, the review of the Capital Plan has identified a number of key sectors as priorities for investment, including transport, education and housing. The findings of the review assisted Government in selecting priorities for the allocation of additional funding now available over the period to 2021.

Other sectors, not accounting for a significant share of overall public capital investment such as Justice, Defence, Sports, and Arts were not subject to the infrastructure capacity and demand analysis. Demographic projections are such that these sectors are likely to be subject to demand pressures over the remaining years of the Capital Plan. It is clear from the submissions received that public infrastructure in these areas also requires increased investment to achieve a balanced prioritisation of increased public capital investment across all sectors of government activity.

This new planned level of capital investment represents an appropriate balance between the need for additional investment, the sustainable capacity of the economy to deliver additional public infrastructure and the need to adhere to the responsible spending path agreed by Government with reference to the requirements of the EU Fiscal Rules.

The review of the Capital Plan will also provide a significant input into the development of the proposed new long-term 10 year National Investment Plan, to be published in conjunction with the Minister for Housing, Planning and Local Government's new National Planning Framework (NPF) - the objectives of which are fundamental to the achievement of long-term economic, social and environmental sustainability.

While the allocations made in Estimates 2018 have been informed by the evidence and analysis produced in the capital review, the significant constraints and demands highlight the need to place an increased emphasis on project selection, appraisal and evaluation.

In addressing any identified infrastructure needs a concerted focus is required on getting project selection right in order to ensure that the underlying problem is addressed and that value for money is achieved. As such, it is vital that all projects are selected on transparent criteria and well-established methodologies as outlined in the Public Spending Code.

Each Government Department must ensure that individual projects and investment proposals are subject to all of the relevant appraisal processes and value for money tests before Exchequer resources are finally committed. Departments are also responsible for ensuring projects meet with appropriate regulatory requirements including those related to planning law and environmental impact assessments.

1.2.1 Additional Capital Investments to be Delivered over 2018-2021

Drawing on the evidence-base in the Mid-Term Review of the Capital Plan the Government has made the allocations of capital expenditure over the period 2018-2021 as detailed in Estimates 2018. Further details of the specific projects and spending programmes to which the additional resources have been allocated are set out for each Department Vote/Vote Group as follows.

The allocations agreed in Estimates 2018 have enabled Departments to clearly identify the capital investment priorities, along with many of the corresponding projects and programmes, which will be pursued over the 2018-2021 period. While the necessary processes of options analysis, project selection, appraisal and evaluation will have to be completed, in line with the requirements of the Public Spending Code, additional projects will be added to the Major Capital Projects Tracker to reflect the use to which the additional funding allocations will be put.

Note: the investments outlined below are in addition to those which are already ongoing and planned, as included in the Major Capital Projects Tracker published on the DPER website.

1. Transport, Tourism and Sport

Transport, Tourism and Sport	2018 €m	2019 €m	2020 €m	2021 €m	Total
2017 Mid-Year Expenditure Report Ceilings	1,282	1,328	1645	2,041	6,296
Additional Allocation	45	315	413	485	1,258
Estimates 2018 Ceilings*	**1,327**	**1,643**	**2,058**	**2,526**	**7,554**

* Rounding effects.

The evidence confirms that issues are emerging which if not addressed will serve as a constraint on continued economic growth. In particular, transport demand around urban centres is posing a constraint, to the extent that significant elements of the road infrastructure are providing low levels of service due to congestion, while there are a small number of areas where the level of service experienced is either unstable or at breakdown.

Outside of the roads area, public transport use has grown in recent years but remains below 2008 peak levels. However, there is a clear requirement for additional investment in public transport:-

- to assist in catering for overall demand growth in urban centres;
- support the objectives of the new National Planning Framework; and
- contribute to climate action goals.

Allocation of Additional €1,258 million between 2018 and 2021:

Following the Mid-Term Review of the Capital Plan the Department of Transport, Tourism and Sport has been allocated an additional €1,258 million in capital expenditure over 2018-2021. This investment in new transport infrastructure and services and a step-up in maintenance spending on existing infrastructure to the levels required to protect the current stock.

As the economy is growing and more people are returning to work, urban congestion is increasing and we need to begin to address that. Increased spending in Public Transport and investment in safe and sustainable urban travel like improved walk and cycle ways for commuters will help here. We will ensure that the development of our transport infrastructure will integrate with the National Planning Framework. This is important so that we can allow the growing numbers at work travel from their homes to their jobs.

Connecting the nation will be a priority. Investment in the national rail network and improvements to national and regional roads are now enabled by this substantial increase in capital funding.

Connecting our regions to Europe and beyond via our regional airports and ensuring safety on and around the coasts of Ireland will also be possible.

Investment needs also exist across the tourism sector and we will continue to grow our offering, especially given the likely decrease in visitors from the UK as a consequence of the effects of Brexit.

Sport can contribute immensely to personal wellbeing, the growth and solidity of our communities and our national identity. Investment in top class facilities at local levels and world class facilities for our elite athletes across all sports will now be unlocked.

Recent extreme weather events and their effects on our transport assets show us that the challenges of climate change adaptation have arrived and we will also need to invest in climate change prevention on mitigation measures such as encouraging the use of sustainable modes of travel like cycling, public transport and electric vehicles.

The Minister for Transport, Tourism and Sport will describe in detail the allocation of these funds on Wednesday 11 October.

Examples of projects and programmes that will be detailed include:

- A spend of over €100 million on vital local and national sports infrastructure
- Investment of over €30 million in the development of Greenways to bring tourism benefits to regional locations
- Provision of infrastructure to support safe and sustainable commuting by cycling or walking in urban areas to a value of €80 million over the period.

Some of the key investment programmes we will embark upon include:

- Over €750 million investment in additional rail infrastructure between now and 2021
- additional Luas capacity
- upgrade of the DART network, including adding new stations and improving existing ones
- further investment on commuter rail lines

- Over €250 million euro on sustainable travel measures e.g. new urban walking and cycling routes
- Over €2.4 billion over 4 years on Maintaining a free flowing motor way network and upgrading major national roads and removing bottlenecks
- Investment in Greenways and tourism marketing – adding a Midlands and Lakelands brand to our stable of tourism offerings
- Investment in Sports Capital Programme at local level
- A completed National Indoor arena
- A programme of large scale sports infrastructure to provide national level facilities we can be proud of
- upgrading coast guard stations right around our coast including buildings, equipment and developing new IT systems
- With a bit of luck we will also be providing for the costs of hosting the Rugby World Cup in 2023.

2. Housing, Planning and Local Government

Housing, Planning and Local Government	2018 €m	2019 €m	2020 €m	2021 €m	Total
2017 Mid-Year Expenditure Report Ceilings**	777	753	620	620	2,770
Allocation for Rebuilding Ireland	325	400	525	500	1,750
Additional Allocations	28	157	231	283	700
Estimates 2018 Ceilings*	**1,130**	**1,310**	**1,376**	**1,403**	**5,219**

* Rounding effects.
**Figures adjusted for transfer of functions to the Department of Rural and Community Development

As noted in the Mid-Term Review of the Capital Plan, pressure is evident across the housing market with significant increases in both residential property purchase prices and average rents in recent years following large decreases after 2007. Higher levels of growth have been seen in urban areas and are demonstrated by rental prices being above previous peak levels in Dublin.

The research carried out indicates that there are a significant number of households that have been deemed as eligible for social housing support but are not currently in receipt of such support, while additional permanent stock has been limited. Further investment in housing has therefore been prioritised over the period of the capital plan.

In 2016, Housing was allocated an additional €2.2 billion above the original capital plan ceilings, in support of the Rebuilding Ireland Action Plan on Housing and Homelessness. A further additional €700m will now be allocated to the Department between 2018 and 2021 to support a range of initiatives as set out hereunder.

Allocation of Additional €700 million between 2018 and 2021:

	2018 €m €28	**2019 €m €157**	**2020 €m €231**	**2021 €m €283**	**TOTAL ADDITIONAL €m**
Housing €500m	4	110	172	214	500
LIHAF/Affordable Sites €75m	15	16	21	23	75

Urban Renewal €50m	10	12	13	15	50
Water Infrastructure €40m	-	10	14	16	40
Fire Services €10m	-	3	3	4	10
Departmental/Met Éireann Infrastructure €25m	-	6	8	11	25

* Rounding effects.

Housing

In order to stimulate an increase in social housing supply, as part of the focused review of Rebuilding Ireland, there will be a shift in social housing delivery, which will see the social housing budget being re-orientated towards direct build programmes for local authorities and approved housing bodies (AHBs). As a result, the current target for 2018 of 3,000 newly built homes will increase by almost 30% to 3,800.

When account is taken of housing provided under Part V, as well as the restoration of vacant social houses (also known as voids), there will be a total of around 5,000 new social housing units delivered in 2018.

An extra €500 million has been allocated to support the delivery of increased social housing between now and 2021. This additional funding has been allocated for the direct building of just over 3,000 additional social houses by 2021 (770 in 2019, 1,030 in 2020 and 1,200 in 2021), increasing the overall Rebuilding Ireland ambition to be achieved through build, refurbishment, acquisition and leasing over the period 2016-2021 from 47,000 to 50,000 new homes.

LIHAF/Affordable Sites

Under the Local Infrastructure Housing Activation Fund (LIHAF), lands with the potential to make a significant contribution to increasing and accelerating the supply of new homes have been identified, particularly in and around urban areas where demand and price inflation is highest. LIHAF funding will focus on providing public enabling infrastructure to open up and facilitate the delivery of large-scale private housing projects at more affordable prices.

Over 30 projects have been approved across 15 Local Authority areas under the existing Fund of just over €220m, to provide the necessary infrastructure for the delivery of some 22,000 houses by 2021. Recognising that several very strong applications under the first call for proposals could not be funded and acknowledging that we will need to continue efforts to open up major sites in and around our cities and large towns to manage the targeted population growth and associated housing development envisaged under the National Planning Framework and the requirement for more compact and coordinated communities, we are making a further €75m Exchequer funds available under a second tranche of LIHAF (to be matched by €25m local authority contributions). In addition to targeting further key housing sites similar to those approved under the first phase of LIHAF, funding will also be provided for the servicing of sites specifically for affordable housing targeted at households facing the greatest affordability challenges in the housing market. Together with the local authority matching contribution, this €100m fund has the potential to further stimulate the supply of mixed-tenure homes on private and State-owned lands by at least 5,000+ additional new homes in the coming years.

Urban Renewal

Linked to the priority to bring vacant homes and derelict/under-used premises back into use, particularly in the centres of our cities, towns and villages, we are creating a multi-annual urban renewal fund, on a competitive bid basis with local authority contributions, to act as a catalyst, for local authorities, in partnership with other State organisations, local communities and the private sector. This programme will identify projects/initiatives to regenerate and revitalise depopulated urban areas and facilitate more compact and community-focused growth, as highlighted in the draft National Planning Framework.

With €50m allocated over the four years to 2021, and taking account of an additional 20% contribution from LAs, the €60m will be targeted at a number of local authority-led projects which will deliver on a number of key policies such as facilitating homes in existing buildings, in renovating derelict properties and improving the public realm through improved amenities and services.

WATER INFRASTRUCTURE (NON-IRISH WATER)

The additional €40m funding to be provided for water infrastructure comprises €15m for the Rural Water Programme and €25m for addressing legacy issues in relation to lead pipe remediation and developer provided infrastructure. In the case of the latter, this will support the move from a pilot phase to a multi-annual programme to be developed in collaboration with local authorities and Irish Water. The increase in the Rural Water Programme reflects the need for additional investment in the sector to improve and sustain the quality of rural water. The priorities for the next Rural Water multi-annual Programme will be determined following consultation with stakeholders through a working group to be established shortly in line with the recommendations of the Joint Oireachtas Committee on the future funding on domestic water services.

FIRE SERVICES

In February 2016, a five-year Fire Services Capital Programme was announced, with an allocation of €40 million, based on a continuation of the current annual €8 million allocation, to be used for the purchase of fire appliances and specialist equipment, building or upgrading of prioritised Fire Stations, an upgrade of the Communications and Mobilisation system and improvements to Training Centres. A particular focus of the additional capital allocation of €10m to be provided from 2019 to 2021 will be to provide additional support for the fire appliance fleet replacement programme, which will enable an accelerated replacement rate for fire engines.

DEPARTMENTAL / MET ÉIREANN INFRASTRUCTURE

The additional €25 million allocated to Departmental/Met Éireann Infrastructure will enable the Department to meet additional ICT and other equipment/facilities management costs. This will ensure that the essential infrastructure that facilitates the day to day operation of the organisation (e.g. weather radar stations) is modernised and meets best practice, particularly in respect of security, business continuity, facility efficiency and resilience.

3. Education and Skills

Education	2018 €m	2019 €m	2020 €m	2021 €m	Total
2017 Mid-Year Expenditure Report Ceilings	717	750	752	752	2,971
Additional Allocation	28	191	190	254	663
Estimates 2018 Ceilings*	**745**	**941**	**942**	**1,006**	**3,634**

* Rounding effects.

The Mid-Term Review of the Capital Plan noted the significant funding for the schools building programme provided under the existing Capital Plan. The review emphasised the need for analysis of the requirement for additional capacity in the period to 2021 to be based on demand pressures reflecting demographic developments and factors such as the current condition of existing infrastructure and the expected regional composition of demand. While student numbers are projected to fall in future years, specific locations may still exhibit growth. Consideration is also required of the impact of construction price inflation and upward pressure on site costs.

The number of students at third level is expected to continue to increase, exerting further pressure on capacity, and requiring additional investment. However, investment levels at third level are impacted by a number of considerations including the relevant sources of sectoral funding and the overall policy framework for third level education.

Allocation of Additional €663 million between 2018 and 2021:

Following the Mid-Term Review of the Capital Plan the Department of Education and Skills has been allocated an additional €663 million in capital expenditure over 2018-2021. This allocation will be assigned to the School Sector (€332m), the Higher Education Sector (€257m), Research Activities (€21m) and Further Education (€53m).

1. School Sector (€332m)

The additional funding for the School Sector will be directed primarily towards the delivery of the School Building Programme and the provision of additional permanent accommodation at both Primary and Post-Primary levels. It is planned that in the period 2018 to 2021 over 350 announced large scale projects will advance to tender and construction. These projects consist of new schools, large scale extensions and major refurbishment works.

The additional funding will also assist the Department to acquire necessary sites for schools particularly in urban areas.

2. Higher Education (€257m)

The additional funding for the Higher Education sector will be used to facilitate:

- Significant upgrade and renewal of apprenticeship equipment to support delivery of new syllabi and new apprenticeship courses in Institutes of Technology
- Commencement of new programme of infrastructure renewal for the higher education sector, focused on large-scale refurbishment and/or infrastructure replacement projects which are essential to expand capacity, address health and safety issues, and/or improve quality in areas of key skills needs
- Part-funding of a limited number of new-build projects, whereby Exchequer funding would be explicitly used to leverage other resources for capital development. This will complement the Higher Education PPP Programme which will also deliver a significant number of new buildings across the sector over the coming years.
- Further support for capital aspects of higher education sector reform/shared services
- Progress on the next phase of development of the DIT campus at Grangegorman. This phase, known as Programme 3, includes the academic hub/library, an energy centre, catering and student services facilities. Programme 3 will also be funded via the disposal of DIT properties.

It should be noted that significant additional funding will not begin to come on stream until 2019. Decisions on individual projects under each of the programmes will made following a process of examination and appraisal of the relevant proposals and will be announced separately.

3. Further Education and Training (€53m)

The additional funding will be used to:

- Continue expansion and renewal of apprenticeship equipment to support delivery of new syllabi and new apprenticeship courses to meet the targets set out in the Government's Action Plan to Expand Apprenticeships and Traineeships 2016-2020
- Commence a FET capital programme to include a small number of new-build projects and newly commissioned premises to consolidate FET provision into fit-for-purpose facilities, supporting the delivery of integrated and flexible FET programmes.

4. Research (€21m)

In line with Innovation 2020, funding will be provided to support the development of a pipeline of researchers at all career stages and across all disciplines.

4. Health

Health	2018 €m	2019 €m	2020 €m	2021 €m	Total
2017 Mid-Year Expenditure Report Ceilings	473	550	570	600	2,193
Additional Allocation	20	117	154	180	471
Estimates 2018 Ceilings*	**493**	**667**	**724**	**780**	**2,664**

* Rounding effects.

The Mid-Term Review of the Capital Plan noted the increasing trend in demand for health services. The review highlighted the shift in policy away from primarily treating patients in acute hospitals to a focus on primary care, as well as the trend observed across other EU countries with much older populations - where acute hospital capacity is reducing in favour of investment in primary care. These findings highlighted the importance of further analysis and evidence, such as would be expected to emerge from, for example, the Health Service Capacity Review in Ireland 2017 to guide and inform future capital investment policy for the sector.

The review noted that an additional c€300 million would be provided for the National Children's Hospital from the additional capital funding available, on foot of the Government decision of April 2017.

Allocation of Additional €471 million between 2018 and 2021:

Following the Mid-Term Review of the Capital Plan the Department of Health has been allocated an additional €471 million in capital expenditure over 2018-2021.

This additional funding assures the delivery of the National Children's Hospital project. This project will deliver a new state of the art children's hospital and two Paediatric Outpatient and Urgent Care Centres. It will establish the infrastructure needed to provide our children with the best modern clinical care.

It is important to note that this project is not just about delivering new buildings. The establishment of the new children's hospital provides a unique opportunity to establish a new model of care for children, improving paediatric care in every corner of the country. The hospital will provide tertiary and quaternary paediatric services for the children of Ireland, including on an all-island basis.

However, we should not think about capital investment for the healthcare sector solely in terms of hospital beds. Government is committed to the development of primary care as the main milieu for delivery of health services. As of this year, there are 105 primary care centres open and operational, with a further 22 under construction and due to open either this year or in 2018. This, again, provides the necessary infrastructure to deliver healthcare to people in their communities, avoiding the frequently unnecessary disruption to patients' lives associated with hospital care.

This theme is also reflected in the delivery of services for people with disabilities. At the end of December 2016, less than 2,600 people with a disability were living in congregated settings. The HSE's 2017 National Service Plan has set a target of 223 to move from institutions in 2017. This will ensure that people are able to move out of congregated settings, and into homes in the community.

5. Business, Enterprise and Innovation

Business, Enterprise & Innovation	2018 €m	2019 €m	2020 €m	2021 €m	Total
2017 Mid-Year Expenditure Report Ceilings	520	530	500	500	2,050
Additional Allocation	40	70	100	100	310
Estimates 2018 Ceilings*	**560**	**600**	**600**	**600**	**2,360**

* Rounding effects.

The majority of BEI's capital expenditure is classified as non-Gross Fixed Capital Formation, e.g. grants, and was therefore not examined as part of the Mid-Term Review's Infrastructure Capacity and Demand Analysis. This expenditure is included in the assessment process of the Spending Review. Details of the 2017 Spending Review can be found here.

Allocation of Additional €310 million between 2018 and 2021:
Following the Mid-Term Review of the Capital Plan the Department of Business, Enterprise and Innovation has been allocated an additional €310 million in capital expenditure over 2018-2021. This will sustain the capital programmes across the Department's agencies in direct support of nearly 500,000 jobs per annum across all regions of the country. The additional capital over this period will be mainly used in support of the Programme for Partnership Government commitment to deliver an additional 200,000 jobs over the period, of which 135,000 extra jobs will be in the regions through the following priority areas to:

1. Deliver on the Government's Regionalisation Agenda. This includes:

- Completion of the IDA Regional Property Programme and provision for future regional property requirements.
- IDA Grants capacity will be increased for provision across the regions.
- Enterprise Ireland Regional Infrastructure Competitive Calls will be delivered to drive regional capacity for indigenous firms.

2. Provide transformational supports for indigenous enterprise to respond to Brexit challenges. This includes:

- The launch in 2018 of a new SFI Centre in Dairy, critical in the context of structural change imminent as a consequence of Brexit.

- Enterprise Ireland “Global Ambition” funding in response to Brexit. EI will drive and support firms to improve their competitiveness, diversify their exports and break into new markets, to maintain and increase employment levels.
- An increase in Enterprise Ireland’s Research & Development supports to transform indigenous firms, helping them to become more innovative, develop new products and increase resilience to economic shocks.

3. Ramp up of R&D investment in support of Government’s science strategy “Innovation 2020”. This includes further supports to Science Foundation Ireland as well as commencing a new Programme for Postgraduate Researcher Enrolments at Masters and PhD levels. It will also enable to become members of the European Southern Observatory during 2018.

6. Communication, Climate Action and Environment

Communications, Climate Action & Environment	2018 €m	2019 €m	2020 €m	2021 €m	Total
2017 Mid-Year Expenditure Report Ceilings	201	256	211	211	879
Additional Allocation	8	0	86	106	200
Estimates 2018 Ceilings*	**209**	**256**	**297**	**317**	**1,079**

*Rounding effects

Allocation of Additional €200 million between 2018 and 2021:

Following the Mid-Term Review of the Capital Plan the Department of Communications, Climate Action and Environment has been allocated an additional €200 million in capital expenditure over 2018-2021. This provides for a significant programme of capital investment, reflecting the scale of the Department's ambition and policy commitments across key areas of national strategic importance. It allows for a step change in efforts to achieve Ireland's energy efficiency targets and renewable energy objectives, in the context of moving towards a low carbon economy.

In relation to the period out to 2021, the additional capital over this period will be mainly used to:

- Expand energy efficiency programmes, such as the continued investment in residential energy efficiency improvements (including new and expanded measures to support innovation and deep retrofit works) and expanded support to the business and public sectors to deliver significant energy savings and reductions in CO2 emissions. These programmes support the move towards a low carbon economy as provided for in the Climate Action and Low Carbon Development Act and in the Government's National Mitigation Plan.
- Rolling out the Renewable Heat Incentive Scheme.
- Increase uptake of electric vehicles through the purchase grant scheme, the expansion of the charging network and a Public Awareness Campaign.
- Roll out of the National Broadband Plan (following finalisation of the procurement process) to provide high speed broadband infrastructure to 542,000 premises located within the State Intervention area, with a view to ensuring that all citizens can access high speed services regardless of where they live or work.

7. Justice and Equality

Justice	2018 €m	2019 €m	2020 €m	2021 €m	Total
2017 Mid-Year Expenditure Report Ceilings	141	173	183	184	681
Additional Allocation	5	69	48	35	157
Estimates 2018 Ceilings*	**146**	**242**	**231**	**219**	**838**

*Rounding effects.

Allocation of Additional €157 million between 2018 and 2021:

Following the Mid-Term Review of the Capital Plan the Department of Justice and Equality has been allocated an additional €157 million in capital expenditure over 2018-2021. This will fund the following projects/programmes in the Justice sector:

- Completion of the Garda Divisional Headquarters in Kevin Street (Dublin) and Galway
- Construction of the Forensic Science Laboratory
- Refurbishment of Fitzgibbon Street Garda Station in Dublin
- Provision of new office accommodation for Garda Units currently operating from the Harcourt Square complex in Dublin
- Additional investment in the Garda Station Refurbishment Programme
- Completion of the implementation of the Schengen Information System (SIS 11)
- Courts ICT Programme
- Prison Building Programme

8. Agriculture, Food and the Marine

Agriculture, Food & The Marine	2018 €m	2019 €m	2020 €m	2021 €m	Total
2017 Mid-Year Expenditure Report Ceilings	238	238	208	208	892
Additional Allocation	10	17	50	57	134
Estimates 2018 Ceilings*	**248**	**255**	**258**	**265**	**1,026**

*Rounding effects

The majority of DFAM's capital expenditure is classified as non-Gross Fixed Capital Formation, e.g. grants, and was therefore not examined as part of the Mid-Term Review's Infrastructure Capacity and Demand Analysis. This expenditure is included in the assessment process of the Spending Review. Details of the 2017 Spending Review can be found here.

Allocation of Additional €134 million between 2018 and 2021:

Following the Mid-Term Review of the Capital Plan the Department of Agriculture, Food and the Marine has been allocated an additional €134 million in capital expenditure over 2018-2021. The Rural Development Programme, European Maritime and Fisheries Fund, Operational Programme, and Haulbowline programmes will be supported by this capital allocation which will be apportioned accordingly.

In light of Brexit, specific capital measures to strengthen the prepared consumer food sector and the food and drinks sector which are being introduced in 2018 will be funded in the years beyond.

Other capital requirements for the agencies under the Departments remit and other capital schemes and programmes will be maintained and enhanced in line with available resources.

Specifically, the 2018 capital allocation will allow the Department to:

- €5m for the provision of grant aid for capital investment for food and drinks companies;
- €5m for investment in public sector research equipment and facilities for the prepared consumer foods sector; and
- €2m for the development of a National Food Innovation Hub.

9. Office of Public Works

Office of Public Works	2018 €m	2019 €m	2020 €m	2021 €m	Total
2017 Mid-Year Expenditure Report Ceilings	151	161	171	181	664
Additional Allocation	5	22	30	35	92
Estimates 2018 Ceilings*	**156**	**183**	**201**	**216**	**756**

*Rounding effects

The Mid-Term Review of the Capital Plan found that Exchequer capital investment in flood risk management has increased significantly over the past twenty years and the allocation contained within the existing Capital Plan is largely sufficient to meet the demands of the sector.

Allocation of Additional €92 million between 2018 and 2021:

As part of Estimates 2018, the Government is demonstrating further support to the Estate Portfolio Management programme by committing an additional capital investment of €91m from 2018-2021. The additional investment will be prioritised to build on the Government commitment to deliver efficient and effective accommodation for civil servants and conservation of the State's built heritage.

The OPW will advance a number of projects within the Estate Portfolio Management programme and in the following areas:

- ***Investment in a number of State owned properties*** – this includes construction of new energy efficient buildings and refurbishment, alteration, fit-out and improvement of existing owned buildings to facilitate optimum space utilisation. Major projects are planned at Hawkins House, Leeson Lane, Leinster House and Tom Johnson House in the investment period.
- ***Acquisition/Disposal Programme***- will facilitate the Office in further improving the planning and management of State owned property and in turn minimise the States rental liability. 2018 will see the possible acquisition of leased properties in Navan, Sligo and Athlone to the value of €5m.
- ***Retrofits*** - complete fabric upgrade of selected buildings and improvement to light and heating systems in order to comply with building regulations and assist in meeting Ireland's carbon usage requirements.

- ***Mechanical/Electrical –*** this program may be expanded to ensure compliance with the 2007 Safety Health Welfare at work regulations and will also have a beneficial effect on energy reduction.
- ***Garda programme –*** This relates to ongoing works on Garda Stations and will serve to meet the Government's commitment in An Garda Síochána's Policing Plan with major projects planned for Athlone, Baileborough and in the Dublin area.
- ***Infrastructure investment at heritage sites to*** meet increased visitor numbers and further develop the partnership with Failte Ireland in order to maximise tourism economic and social return.

10. Defence

Defence	2018 €m	2019 €m	2020 €m	2021 €m	Total
2017 Mid-Year Expenditure Report Ceilings	74	85	78	81	318
Additional Allocation	3	21	35	39	98
Estimates 2018 Ceilings*	**77**	**106**	**113**	**120**	**416**

*Rounding effects

Allocation of Additional €98 million between 2018 and 2021:

Following the Mid-Term Review of the Capital Plan the Department of Defence has been allocated an additional €98 million in capital expenditure over 2018-2021.

This increased capital expenditure allocation will allow the Defence Forces undertake a programme of sustained equipment replacement and infrastructural development across the Army, Air Corps & Naval service as prioritised in the White Paper on Defence. It will facilitate the following:

- Mid-life upgrade of the Army Mowag APC armoured fleet
- Ongoing Naval vessel replacement programme
- Mid-life refit of the LÉ Niamh and LÉ Roisín
- Replacement of the Air Corps Cessna Aircraft
- CASA Maritime Patrol Aircraft Replacement Programme
- Ongoing investment in the modernisation and renewal of barrack infrastructure
- Investment in additional force protection measures.

11. Culture, Heritage & the Gaeltacht

Culture, Heritage & the Gaeltacht	2018 €m	2019 €m	2020 €m	2021 €m	Total
2017 Mid-Year Expenditure Report Ceilings	50	51	47	47	195
Additional Allocation	4	24	29	33	90
Estimates 2018 Ceilings*	**54**	**75**	**76**	**80**	**285**

*Figures adjusted for transfer of functions to the Department of Rural and Community Development. Rounding effects.

Allocation of Additional €90 million between 2018 and 2021:

Following the Mid-Term Review of the Capital Plan the Department of Culture, Heritage and the Gaeltacht has been allocated an additional €90 million in capital expenditure over 2018-2021. The Department will oversee additional capital expenditure over the next four years on key priorities, including the Creative Ireland Programme which places creativity at the centre of public policy, the proposed National Heritage Plan and the 20 Year Strategy for the Irish Language. The capital plan for the sector will be published later this year and outline in greater detail the specific projects which will be delivered over the coming period.

Under the Programme the Department will work with the National Cultural Institutions to undertake a major programme of investment in Ireland's iconic cultural centres, building on the progress already way in institutions such as the National Gallery, which re-opened its historic wings in 2017, and the National Library renovation project which has recently commenced. Further investment will also allow the Department to continue its delivery on a programme of investment in regional arts and cultural infrastructure.

The Department will also continue to work with the Irish Film Board to support the development of the Audio Visual industry consistent with the overarching, long-term objective of the Creative Industries pillar of the Creative Ireland Programme.

The Department will develop and implement a National Heritage Plan and a National Biodiversity Action Plan, in recognition of the related elements of our cultural and natural heritage, including built and natural heritage. The Department will also continue to invest in and grow visitor numbers at our national parks infrastructure and in our unique built heritage.

There will also be investment in key projects to support the objectives of the 20-Year Strategy for the Irish language 2010-2030. This will include capital supports for the development of language-centred community facilities aimed at underpinning the language planning process in Gaeltacht Language Planning Areas, Gaeltacht Service Towns and Irish Language Networks. In addition to this, investment will be directed towards the further improvement of key access infrastructure on the islands, thus assisting with the maintenance of sustainable populations thereon.

Investment in the restoration of the Ulster Canal is also planned, and demonstrates the Government's ongoing strong commitment to North South cooperation. The project will capitalise on the area's natural advantages and help to address many of its socio-economic needs, giving a much needed boost to job creation, help attract significant numbers of visitors to the area, and is particularly relevant in the context of the implications of Brexit in the border region.

12. Rural and Community Development

Rural & Community Development	2018 €m	2019 €m	2020 €m	2021 €m	Total
2017 Mid-Year Expenditure Report Ceilings	77	78	59	59	273
Additional Allocation	11	8	11	13	43
Estimates 2018 Ceilings*	**88**	**86**	**70**	**72**	**316**

*Rounding effects

Allocation of Additional €43 million between 2018 and 2021:

Following the Mid-Term Review of the Capital Plan, the Department of Rural and Community Development has been allocated an additional €43 million in capital expenditure over 2018-2021. This capital funding will be available to support rural development and local communities across Ireland. This will build on the momentum achieved in 2018 through enhanced funding across Departmental schemes over the period.

Total investment over the period will include investment across a range of programmes including LEADER, National Rural Development Schemes, Local Improvement Schemes and Town and Village Regeneration.

In addition, under the library development programme, some 17 projects, plus the My Open Library Service, have been allocated funding which will support the development of largescale refurbishments, extensive renovations of existing buildings, mobile libraries and the introduction of My Open Library.

13. Children and Youth Affairs

Children & Youth Affairs	2018 €m	2019 €m	2020 €m	2021 €m	Total
2017 Mid-Year Expenditure Report Ceilings	27	27	24	24	102
Additional Allocation	1	5	7	8	21
Estimates 2018 Ceilings*	**28**	**32**	**31**	**32**	**123**

*Rounding effects

Allocation of Additional €21 million between 2018 and 2021:

Following the Mid-Term Review of the Capital Plan the Department of Children and Youth Affairs has been allocated an additional €21 million in capital expenditure over 2018-2021. The additional capital investment will deliver:

- Continued investment in Tusla -

    - Developing ICT infrastructure, including full national roll-out of the NCCIS

    - Addressing new building developments and existing estates portfolio deficits

    - Rolling vehicle replacement to ensure safe transportation of children in care

- Continued investment in Childcare to ensure quality and supply of sufficient childcare places -

    - Meeting demand associated with expected growth

    - Addressing infrastructural deficits and upgrading/refurbishment of existing facilities

- Continued investment in Oberstown Children Detention Centre -

    - Completion of all outstanding issues regarding development of the single campus (arbitration issues with developer)

    - Rebuild Unit damaged in fire

    - Estate management associated with running the campus

- Youth Services –
    - Provision of small grants to youth services to support refurbishment projects and the purchase of equipment.

    - Support local authorities in the provision of play and recreation facilities

14. Employment Affairs and Social Protection

Employment Affairs & Social Protection	**2018 €m**	**2019 €m**	**2020 €m**	**2021 €m**	Total
2017 Mid-Year Expenditure Report Ceilings	9	9	8	8	34
Additional Allocation	1	5	7	8	21
Estimates 2018 Ceilings*	**10**	**14**	**15**	**16**	**55**

*Rounding effects

Allocation of Additional €21 million between 2018 and 2021:

Following the Mid-Term Review of the Capital Plan the Department of Employment Affairs and Social Protection has been allocated an additional €21 million in capital expenditure over 2018-2021. This will deliver additional IT modernisation and allow for the significant refurbishment of the Department's Áras Mhic Dhiarmada building in the coming years.

15. Public Expenditure and Reform Group (less OPW)

Public Expenditure & Reform	2018 €m	2019 €m	2020 €m	2021 €m	Total
2017 Mid-Year Expenditure Report	25	17	3	3	48
Additional Allocation	-5	3	10	4	12
Estimates 2018 Ceilings	**20**	**20**	**13**	**7**	**60**

*Rounding effects

Allocation of Additional €12 million between 2018 and 2021:

Following the Mid-Term Review of the Capital Plan, the Department of Public Expenditure and Reform Vote Group (less OPW) has been allocated an additional €12 million in capital expenditure over 2018-2021. This additional investment over the coming years will support the growth and maintenance of infrastructure of both the Departments as well as the Office of Government Procurement (OGP) and the National Shared Services Office. The funding will also be used to ensure the continued implementation of the Public Service ICT Strategy, including investment across a range of programmes, summarised as follows:

- Data as an Enabler
    - National Data Infrastructure
- Build to Share
    - Government Cloud Platform
    - Common Applications Infrastructure
    - Government Networks

OGP will continue to invest in the eTenders platform to support national and EU requirements. Investments necessary to support Central Purchasing Body (CPB) activities of the OGP and its sector sourcing partners will be made. EU requirements in respect of eCatalogues, Contract Registers and system accreditation have yet to be defined but it is expected that these will become clearer by end 2017/early 2018.

The capital provision will also support further investment in the Public Appointment Service's (PAS) centralised online recruitment platform that is central to its delivery of recruitment services to customers and client Departments and Offices. This, in turn, will help to ensure that public service bodies are suitably resourced to deliver enhanced levels of public services to society generally.

In addition, this funding will allow PAS to carry out certain essential upgrade works on facilities at Chapter House - providing job applicants and candidates with a positive first impression of the Irish public service at a time when they are considering the public service as an employer of choice.

16. Foreign Affairs and Trade

Foreign Affairs & Trade	2018 €m	2019 €m	2020 €m	2021 €m	Total
2017 Mid-Year Expenditure Report	11	11	2	2	26
Additional Allocation	2	6	11	11	30
Estimates 2018 Ceilings*	**13**	**17**	**13**	**13**	**56**

*Rounding effects

Allocation of Additional €30 million between 2018 and 2021:

Following the Mid-Term Review of the Capital Plan, Department of Foreign Affairs and Trade has been allocated an additional €30 million in capital expenditure over 2018-2021. This additional funding will deliver:

1. The Passport Reform Programme which is divided into three phases and will be delivered over the period 2016 to 2019. The Reform Programme's vision is of a fully integrated service delivering a more efficient, predictable and citizen-focused service with an increased focus on fraud detection and prevention measures to maintain the integrity of the Irish passport and the provision of online services.

2. Invest in Government ICT Solutions in equipment and systems to deliver capacity and efficiencies.

3. The construction, refurbishment, enhanced security works and acquisition of properties as part of the Department's Global Property Portfolio in order to ensure that Irish Missions have the accommodation and promotional / representational capacity necessary to fulfil their responsibilities for hosting events that highlight Ireland as an opportunity for investment and promote trade, economic and cultural opportunities. DFAT will also look at opportunities for developing Ireland Houses, with the State Agencies and the embassy, in strategic locations.

17. Finance Group

Finance	2018 €m	2019 €m	2020 €m	2021 €m	Total
2017 Mid-Year Expenditure Report	25	25	22	18	90
Additional Allocation	1	-	-	-	1
Estimates 2018 Ceilings*	**26**	**25**	**22**	**18**	**91**

*Rounding effects

Allocation of Additional €1 million between 2018 and 2021:

Following the Mid-Term Review of the Capital Plan, the Department of Finance Vote Group (less OPW) has been allocated an additional €1 million in capital expenditure over 2018-2021.

This additional capital funding will enable the Office of the Revenue Commissioners to deliver further IT Development (PAYE Modernisation). The project represents the most significant reform of the administration of the PAYE system in over fifty years. The objective of the project is that employers, employees and Revenue will all have access to the most accurate and up-to-date information available relating to pay, tax, PRSI and USC deductions. This will ensure that the right amount is collected at the right time from employees, and that employers pay their correct liabilities when required.