

Press Release from the Department of Public Expenditure and Reform

Croke Park Savings Accurate

The Department of Public Expenditure & Reform strongly refutes the allegations made that savings under the Croke Park Agreement, as reported by the Implementation Body, have been overstated. This is completely incorrect.

No circular was issued to Government Departments instructing them to calculate non-pay savings under the Croke Park Agreement by using an estimate for overheads of 40% of total salary cost. This is incorrect.

The guidelines referred to by Grant Thornton are Regulatory Impact Assessment guidelines which were published in 2009 prior to the Croke Park Agreement, and have nothing to do with the calculation of Croke Park savings.

The Grant Thornton Report says nothing about the approach taken by other Departments to the calculation of non-pay savings under Croke Park. It is not correct that Grant Thornton said that other Departments used a 40 per cent factor. This is a total misrepresentation of their Report. The estimated savings reports from every Department are verified by the Secretary General of each Department as accounting officer.

External accountants are engaged by the Implementation Body to independently evaluate samples of savings reported. They have reported on each occasion that they are satisfied with the reported savings.

In their report earlier this year Grant Thornton made clear that they were satisfied with the savings they examined including those of the Department of Agriculture. They concluded *“the declared savings reported by management in each of the four projects were found to be reasonable estimates”*.

We understand that Grant Thornton spoke with Deputy Eoghan Murphy and confirmed that they were satisfied with all the savings reported.

There is no conclusion in their report that savings were overestimated.

Pay bill savings reported under the Agreement are based on the average annualised savings per employee arising from the reduction in staff numbers across the public service during the relevant review period as well as other reductions in the costs of the public service pay bill.

The €10m in such savings reported by the Body are an accurate reflection of the pay bill savings facilitated by the Agreement and are in no way overestimated.

In relation to the headline in today's Irish Times, "Troika is dissatisfied with scale of Croke Park savings", the Troika has never expressed concern in respect of the Croke Park savings, a fact that we have confirmed with the Troika today.

ENDS