

Good morning Members of the Committee,

I am joined by my colleague John Crawley the Authority's Financial Advisor.

We are here today to discuss the 2012 Annual Report and Financial Statements and to bring the committee up to date on developments in the Authority since the Comptroller and Auditor General issued his Special Report number 77 on the Authority.

Last week we submitted a briefing document to the Committee which we will be referring to this morning.

### **Dissolution of the Authority**

On 31st May 2012 the Minister for the Environment, Community and Local Government announced the Government's intention to dissolve the Authority. A new Council and Executive Board were appointed in June 2012 to the Authority to oversee the transition. The Minister envisaged that the Authority would remain in place for a transitional period, during that period the Authority is required to wind up existing operations, prepare the transition to new arrangements and make recommendations to the Minister on appropriate structures for the future. These structure should ensure that;

1. the Docklands brand and international marketability as an attractive and prime location for investment and high-value development is maintained and enhanced,
2. that an appropriate "fast-track" planning regime remains in place,
3. that the local community and the business sector continue to be involved in the regeneration project, and
4. that job creation is facilitated.

In addition the Board has also considered and made recommendations to Government on how best to achieve the Minister's key objectives for the future regeneration of the Docklands in a way that the Board considers will build on the positive elements of the Authority's legacy in terms of social, physical and economic regeneration. A series of key objectives and associated risks were identified to implement the Government decision, as reported on in the 2012 Annual Financial Statements.

### **Current Status**

In July 2013 Cabinet approved Dublin City Council (DCC) as the successor to the Authority and instructed the Department of Environment to put the final transition arrangements in place including enabling legislation. A dedicated unit within the City Council is being established to carry forward the Docklands Regeneration Project upon the coming into effect of the Strategic Development Zone (SDZ) Planning Scheme and the dissolution of the Authority. The City Council is providing services to the Authority to resource day-to-day operational activities and the transition of responsibilities to the City Council has commenced through this process.

The key wind-up issues being addressed by the Authority include:

1. The Completion of remaining asset sales and discharging the Authority's remaining liabilities,
2. The management and resolution, where possible, of all litigation against the Authority, and
3. Implementing the transition of the Authority's functions, obligations and responsibilities to:
  - Transfer infrastructure to DCC, and
  - To transfer and dispose of any Authority interests in Joint ventures and Subsidiaries

This work will be substantially completed in the first half of 2014 with residual issues being transferred to appropriate State bodies.

## Transition Objectives

The transition objectives set by the Board of the Authority fall broadly into three categories:

1. **Stabilising the Authority.** This objective is substantially complete and key deliverables include:
  - a) The repayment in full of Authority's Bank borrowings, which at its highest rose to €35m
  - b) The successful conclusion in the Authority's favour of the high profile €100m claim by Bernard McNamara and Donatex against the Authority
  - c) The resolution of €20m of other claims against the Authority without any cost and in one case the Authority received €0.5m benefit.
  - d) the Authority continues to dispose of its investment assets at good market prices in the current environment in order to settle its remaining liabilities, and
  - e) the remaining litigation continues to be managed out.
2. **Planning for the future.** Two new structures have been designed and are in the process of being implemented, these structures are:
  1. An SDZ Planning Scheme has been prepared by the City Council for the area covered by the Authority's North Lotts and Grand Canal Dock Planning Schemes. This is currently on appeal to An Bord Pleanála.
  2. The Authority has also recommended to the Department of the Environment, that a Docklands Forum be established to ensure the continued involvement of the local community and businesses in the regeneration of the Area.
3. **Transfer of responsibilities** from the Authority to the City Council has commenced. In this regard:
  - The City Council are providing ongoing resources to facilitate the continuation of the Section 25 fast track planning function, and
  - The City Council are mobilizing resources to take responsibility for the Authority's infrastructure, for example roads and lighting.

## Detailed Briefing

The detailed briefing paper submitted by the Authority to the Committee of Public Accounts last week is intended to provide Deputies with a full update on four key areas.

1. An update on the findings and conclusions reached in the Comptroller and Auditor Generals Special report 77 (February 2012).
2. The progress of the Authority's finances from 2010 through to the Audited Financial Statements for 2012.
3. As the Authority is being wound up we have prepared a summary of the monies received by the Authority since its inception and how those funds were spent, and
4. The proposed delivery mechanism for the continuation of docklands regeneration into the future.

In summary the finances of the Authority have been stabilised, in conjunction with the City Council the Authority has put in train the process to develop the alternative fast track procedures and we have put forward a framework for the local communities continued involvement in the future regeneration of the Docklands area. In addition the transition into the City Council, as directed by the Minister, is at an advanced stage.

My colleague and I are happy to deal with the Committee's queries to the best of our knowledge and ability.

Thank you,

Eileen Quinlivan

Acting Chief Executive

February 6<sup>th</sup> 2014