



PAC-R-1242

Correspondence 3A.3
Meeting 115 –
13/02/2014



Comhshaol, Pobal agus Rialtas Áitiúil
Environment, Community and Local Government

Mr. Ted McEnery,
Clerk,
Public Accounts Committee,
Leinster House,
Dublin 2.



4 February 2014

Dear Mr. McEnery,

I refer to your letter of 23 January requesting information which I had undertaken to supply to the Public Accounts Committee (PAC) following the meeting of the Committee on 15 January 2014. As requested, please find attached an information note in relation to the Water Services Transition Office (WSTO) which was established by the County and City Managers Association to assist with the transition of water services from local authorities to Irish Water. The information note contains details of the funding provided to date by the Department to the WSTO and expected expenditure in 2014.

During the course of the Committee meeting on 15 January, the Commission for Energy Regulation (CER) undertook to provide a copy of the advice provided by the CER to the Minister regarding the establishment costs of Irish Water. As the advice was requested by and provided to the Minister I agreed with the CER that I would forward a copy of the advice to you and this is also attached.

Yours sincerely

Geraldine Tallon

Geraldine Tallon
Secretary General

18 November 2013

Maria Graham
Water Sector Reform Programme Management
DECLG
Custom House
Dublin 1

Our ref: D/13/23709

Re. Advice on Irish Water Establishment costs and incremental Operational costs for 2014

Dear Maria,

I refer to your letter of 23 October 2013 (DECLG letter), which requests advice on a number of costs associated with the establishment and operation of Irish Water (IW). This advice is now submitted by the CER to the Minister for the Environment, Local Government and Community (the 'Minister') under Section 27 of the Water Services Act 2013 (No. 6 of 2013).

The DECLG letter requests the CER to examine Establishment costs¹ and incremental Operational costs for 2014² and to offer advice on whether they could be (a) considered reasonable; (b) are of value/long-term benefit to the water services customer; and (c) should be added to the opening value of the IW Regulatory Asset Base (RAB) where (a) and (b) are met. These costs were submitted to the CER by IW on 25 October 2013 (the 'IW submission').

This advice is required because, as stated in the DECLG letter, the DECLG will need to satisfy itself regarding "the legitimacy of/necessity for/expected benefit from these costs in order to underpin 2014 revenue requirements, (whether funded through Government subvention, equity investment by Government or third party borrowing by Irish Water); and the future approach to recovery of these costs as this may have a bearing on the long-term funding model of Irish Water".

¹ Establishment costs refer to expenditure required to create a new public water utility operating in a commercial environment.

² The incremental Operational costs for 2014 refer to new activities required of IW, in advance of the introduction of domestic water charges, which are not currently provided by the 34 Local Authorities (LAs).

Process adopted by CER

Before outlining its advice, it is worth detailing one of the main activities undertaken by the CER in its role as regulator of the electricity and gas sectors of Ireland. Every five years the CER puts in place a revenue control for the monopoly network utilities, namely EirGrid, ESB Networks and Bord Gáis Networks (BGN). These controls set the revenues that the utilities can be collect from their respective customer.

The process for setting a revenue control is a lengthy one. It involves a significant period of engagement by the CER and its expert consultants with the utilities before a decision is published. For example, the current revenue control for the electricity network utilities (known as PR3) runs from 2011 to 2015. The CER started the PR3 review process in July 2009 and completed it in November 2010 – nearly 18 months. This point needs to be acknowledged when considering the limited timeframe under which this advice has been requested.

Given the time available the CER has followed a number of steps to come to its advice. We have (i) reviewed the IW submission and the underlying data behind the figures contained within, (ii) met with IW representative on two occasions in early November and (iii) engaged our expert consultants, NERA, to conduct a review. The advice was developed within a compressed timeline and did not undergo the in-depth analysis such data is usually scrutinized to within a normal revenue control review. In relation to the establishment costs, the CER is taking a high level of comfort in relation to the DECLG Governance review process.

CER Advice

The CER recognises that the establishment of IW as a separate business unit within the Bord Gáis Group and the roll-out of the national metering programme has been, to date, a significant undertaking. Nevertheless, the primary goal of the CER, when ultimately provided with the full regulatory powers of the Irish water services sector, will be to protect the interests of the water services customer. Setting revenues at a level that only includes expenditure efficiently incurred by IW is central to this.

The CER and its consultants have, in the limited time available, reviewed the IW submission under the criteria identified above. In summary, the CER is of the opinion that 80-85% of the Establishment costs (excluding Contingency costs), appear to be reasonable and can be expected to result in value for money from a customer perspective. Similarly, the CER is of the opinion that 80-85% of the incremental Operational costs for 2014 appear to be

reasonable and of long-term benefit to the water services customer. This is not to say that the 15-20% remaining expenditure is not reasonable and/or of value/long-term benefit to the water services customer. However, the CER would require more time to evaluate whether this remaining expenditure, in both cost categories; meet the criteria identified in the DECLG letter.

The in-depth review of costs by CER, as part of the IW interim revenue control, will be critical in confirming the validity of this view. That being said, and on the basis of the above being confirmed through the revenue control process, the CER advises that efficiently incurred Establishment costs and incremental Operational costs for 2014 are added to the opening value of the IW RAB.

The nature and level of the benefits resulting from these items of expenditure, outside of those already alright highlighted in various publications³, are difficult to determine at this point. A report by our expert consultants NERA is attached as an appendix to this letter and supports this advice.

In addition, the CER would like to offer the following advice:

- The nature and content of the Service Level Agreements (SLAs) between IW and the Local Authorities (LAs) is key to IW managing its costs in an efficient manner. The CER is of the view that the long-term interests of the water services customer are not maintained by the existence of SLAs. The CER acknowledges that the costs associated with the SLAs are not detailed in either the Establishment costs or incremental Operational costs for 2014. However, as outlined in the recent CER consultation paper (CER/13/246), the CER proposes to advise the Minister that the future legislation provides a flexible contractual structure between IW and the LAs, which allows the CER to set challenging targets for efficiency and service. Flexibility will allow the full benefits of the public water utility model for the water services customer to be pursued. It is important that this is acknowledged in the drafting of the legislation.
- One section of the IW submission details the budget associated with the Establishment costs. Included within that budget is a level of contingency which IW suggests will be required until the end of the Establishment phase (circa end 2015). The CER advises that this contingency is split between the two categories (Initial Establishment and Enduring Costs). Furthermore, to ensure effective oversight and


³ For example, the benefits associated with the public water utility model listed on page 29 of the DECLG publication - *Water Sector Reform Implementation Strategy - October 2012*.

incentivise efficiency, the CER advises that DECLG review and pre-approve any proposed contingency expenditure by IW for the remainder of the Establishment phase. The CER will be happy to assist in this process.

- Another section of the IW submission details Shared and Group Centre costs of the incremental Operational costs for 2014. The CER accepts the benefits of this step by IW. It makes sense, at this initial phase, to leverage and build on the pre-existing knowledge within BGN to help in the establishment of IW. The concern of the CER and its consultants is not in relation to the figures detailed, but rather the allocation of these costs between IW and BGN. The allocation is 70:30 for the Shared costs (IW:BGN) and 65:35 (IW:BGN) for the Group Centre Costs. The BGN apportion will be recovered through BGN tariffs which, as outlined above, are regulated by the CER. The CER notes the statement in the IW submission that *"this allocation will be further developed and refined in the short term. BGE anticipates further discussion with the CER before any allocation methodology is finalised"*. The CER advises DECLG to engage with IW and CER in the finalisation of this allocation methodology over the coming period.

If there are queries in relation to this letter or the attached appendix, please do not hesitate to contact myself or members of the CER Water Team.

Yours sincerely,



Cathy Mannion

Director Energy Retail and Water

Information Note on the Water Services Transition Office

To assist with the implementation of the reform process the Water Services Transition Office (WSTO) was established by the County and City Managers' Association (CCMA). The role of the WSTO is to support the delivery of the water sector reform programme on behalf of the local government sector, by co-ordinating the involvement of the 34 County and City Councils on a range of matters, including standardised data gathering, financial analysis, HR negotiations, negotiation of Service Level Agreements and transition planning, all of which were required while daily water services operations were maintained. Funding of €5.7m has been provided to the WSTO to date. This funding has come from subhead B.3 in the Department's Vote.

The funding is in respect of the secondment of a number of dedicated staff from local authorities with experience across the water services, financial and human resources issues arising in this major organisational change. The WSTO is located in two dedicated offices in Dublin and Waterford. During 2013, the average monthly WSTO staff complement (across both locations) was 17.7 staff and ranged from 21.1 staff at its highest (August 2013) to 5 staff at its lowest (January 2013). At year end there were 13.6 staff assigned to WSTO.

In addition to the dedicated WSTO funding, provision was also made for the recoupment of on average 2-3 staff in individual authorities for periods of time to interface with the transition office in collating and analysing the information necessary to support the transfer of functions, assets and liabilities to Irish Water.

A detailed breakdown of the numbers of staff in the individual local authorities who were interfacing with the WSTO is set out in Appendix 1.

Background on cost of the WSTO

In 2012 the CCMA prepared a detailed business case for the WSTO setting out its proposed role, functions and funding requirements. A Memorandum of Understanding was agreed between the Department and the WSTO which included a detailed budget estimate of €5.635m for 2013 and €1.626m for 2014. The current estimated spend in 2014 is €1.3m. The MoU set out the common understanding between the parties in relation to the role and functions of the WSTO during 2013 and 2014. The role and functions of the WSTO are set out in Appendix 2.

The CCMA wrote to the Department in August 2013 seeking approval for an increase in the budget for staff to work on transition planning following the rollout of 5 pilot projects. The proposal involved two staff in each local authority working as change managers. The additional costs were met from savings accruing on the WSTO Staff costs and WSTO non-pay budgets plus additional Department funding which amounted to €113,100.

The total costs incurred by the WSTO in 2013 amounted to €5.749m. A summary breakdown of the costs is set out in Table 1 below:

TABLE 1

Cost category	Paid to 31 Dec 2013
WSTO - Staff costs	1,725,986.10
WSTO - non-pay costs	491,537.45
LA support staff	3,531,189.85
TOTALS	5,748,713.40

A more detailed breakdown of the costs is set out in Appendix 3.

Details of number of staff in each local authority interfacing with the WSTO

Local Authority	Grade	Approx. WTE	From	To
Carlow	SEO	0.1	22/04/2013	31/12/2013
Carlow	SO	1	22/04/2013	31/12/2013
Carlow	SEE	1	22/04/2013	31/12/2013
Cavan	SEE	1	22/04/2013	31/12/2013
Cavan	AO	1	22/04/2013	31/12/2013
Clare	SSO	1	28/10/2013	31/12/2013
Clare	AO	1	22/04/2013	21/10/2013
Clare	SEE	1	22/04/2013	31/12/2013
Cork City	SEE	1	22/04/2013	31/10/2013
Cork City	AO	1	22/04/2013	31/10/2013
Cork City	SSO	1	18/11/2013	31/12/2013
Cork City	SEE	1	18/11/2013	31/12/2013
Cork County	EE	1	04/03/2013	31/12/2013
Cork County	AO	1	04/03/2013	30/09/2013
Cork County	EE	1	04/03/2013	30/09/2013
Cork County	Accountant	1	04/03/2013	30/06/2013
Cork County	AO	1	01/10/2013	31/12/2013
Cork County	SEE	1	04/03/2013	30/09/2013
Donegal	AO	1	26/04/2013	31/12/2013
Donegal	SEE	1	26/04/2013	31/12/2013
Dublin City	AE	1	22/04/2013	14/10/2013
Dublin City	SE	1	15/10/2013	31/12/2013
Dublin City	SSO	1	22/04/2013	21/10/2013
Dublin City	AO	1	22/04/2013	09/08/2013
Dublin City	ASO	1	04/05/2013	03/11/2013
Dublin City	AO	1	16/09/2013	31/12/2013
Dublin City	ICT	1	22/04/2013	21/10/2013
Dun Laoghaire Rathdown	SSO	1	01/09/2013	31/12/2013
Dun Laoghaire Rathdown	SEE	1	22/04/2013	22/10/2013
Dun Laoghaire Rathdown	SE	1	01/09/2013	31/12/2013
Dun Laoghaire Rathdown	SSO	1	22/04/2013	22/10/2013
Fingal	DoS	0.01	01/07/2013	31/12/2013
Fingal	SEO	0.02	01/07/2013	31/12/2013
Fingal	SEO	0.02	01/07/2013	31/12/2013
Fingal	ASO	0.03	22/04/2013	31/12/2013
Fingal	AO	0.04	22/04/2013	30/06/2013
Fingal	SSO	0.04	01/07/2013	31/12/2013
Fingal	SEE	0.06	22/04/2013	31/12/2013
Fingal	AO	0.06	22/04/2013	30/06/2013

Local Authority	Grade	Approx. WTE	From	To
Fingal	AO	0.08	01/07/2013	31/12/2013
Fingal	SSO	0.08	22/04/2013	30/06/2013
Fingal	SO	0.09	22/04/2013	30/06/2013
Fingal	SEE	0.1	22/04/2013	31/12/2013
Fingal	SEE	0.11	22/04/2013	31/12/2013
Fingal	SEE	0.11	22/04/2013	31/12/2013
Fingal	DoS	0.15	22/04/2013	30/06/2013
Fingal	SEO	0.15	01/07/2013	31/12/2013
Fingal	DoS	0.17	01/07/2013	31/12/2013
Fingal	SSO	0.17	22/04/2013	30/06/2013
Fingal	SSO	0.18	22/04/2013	30/06/2013
Fingal	SEE	0.18	22/04/2013	31/12/2013
Fingal	EE	0.19	22/04/2013	31/12/2013
Fingal	SEE	0.19	22/04/2013	31/12/2013
Fingal	SEE	0.19	22/04/2013	31/12/2013
Fingal	SEE	0.2	22/04/2013	31/12/2013
Fingal	EE	0.21	22/04/2013	31/12/2013
Fingal	ASO	0.21	22/04/2013	30/06/2013
Fingal	SSO	0.24	22/04/2013	31/12/2013
Fingal	AO	0.26	22/04/2013	31/12/2013
Fingal	EE	0.27	22/04/2013	30/06/2013
Fingal	EE	0.29	22/04/2013	30/06/2013
Fingal	DoS	0.32	22/04/2013	30/06/2013
Fingal	EE	0.35	01/07/2013	31/12/2013
Fingal	SE	0.36	22/04/2013	31/12/2013
Fingal	SEE	0.37	22/04/2013	31/12/2013
Fingal	DoS	0.38	22/04/2013	31/12/2013
Fingal	SE	0.38	22/04/2013	31/12/2013
Fingal	AO	0.44	01/07/2013	31/12/2013
Fingal	ASO	0.46	01/07/2013	31/12/2013
Fingal	SO	0.51	01/07/2013	31/12/2013
Fingal	AO	0.6	22/04/2013	30/06/2013
Fingal	ASO	0.66	22/04/2013	30/06/2013
Fingal	SSO	0.69	22/04/2013	30/06/2013
Fingal	AO	1	22/04/2013	30/06/2013
Galway City	SSO	1	01/04/2013	27/12/2013
Galway City	CO	1	01/07/2013	27/12/2013
Galway City	SEE	1	01/10/2013	27/12/2013
Galway City	SSO	1	01/10/2013	27/12/2013
Galway County	SEE	1	30/03/2013	31/12/2013
Galway County	AO	1	30/03/2013	31/12/2013
Kerry	AO	1	01/11/2013	31/12/2013
Kerry	SEE	1	01/07/2013	31/10/2013

Local Authority	Grade	Approx. WTE	From	To
Kerry	SEE	1	01/11/2013	31/12/2013
Kerry	AO	1	01/07/2013	31/10/2013
Kerry	SEE	1	22/04/2013	31/10/2013
Kildare	AO	0.01	01/07/2013	30/09/2013
Kildare	SEE	0.01	01/07/2013	30/09/2013
Kildare	SEE	0.02	01/07/2013	30/09/2013
Kildare	SEO	0.02	22/04/2013	30/06/2013
Kildare	AE	0.03	01/07/2013	30/09/2013
Kildare	CDT	0.03	01/07/2013	30/09/2013
Kildare	SEE	0.03	01/07/2013	30/09/2013
Kildare	EE	0.03	01/07/2013	30/09/2013
Kildare	EE	0.03	01/07/2013	30/09/2013
Kildare	SO	0.03	01/07/2013	30/09/2013
Kildare	AO	0.05	01/07/2013	30/09/2013
Kildare	CO	0.05	01/07/2013	30/09/2013
Kildare	SEE	0.06	01/07/2013	30/09/2013
Kildare	SO	0.08	01/07/2013	30/09/2013
Kildare	SSO	0.1	01/10/2013	31/12/2013
Kildare	ASO	0.12	01/07/2013	31/12/2013
Kildare	SSO	0.15	22/04/2013	30/09/2013
Kildare	SSO	0.15	22/04/2013	30/09/2013
Kildare	SEE	0.15	01/07/2013	30/09/2013
Kildare	SEO	0.2	22/04/2013	31/12/2013
Kildare	EE	0.2	22/04/2013	30/06/2013
Kildare	EE	0.75	01/07/2013	31/12/2013
Kildare	AO	0.75	22/04/2013	31/12/2013
Kildare	EE	1	22/04/2013	30/06/2013
Kilkenny	AO	1	01/11/2013	31/12/2013
Kilkenny	EE	1	01/11/2013	31/12/2013
Kilkenny	SEE	1	22/04/2013	21/10/2013
Kilkenny	AO	1	22/04/2013	21/10/2013
Laois	AO	1	22/04/2013	31/12/2013
Laois	SEE	1	22/04/2013	31/12/2013
Laois	SEE	1	04/12/2013	31/12/2013
Leitrim	AO	1	22/04/2013	21/10/2013
Leitrim	SEE	1	22/04/2013	31/12/2013
Leitrim	HoF	0.1	22/04/2013	21/10/2013
Limerick	SEE	1	22/04/2013	31/12/2013
Limerick	AO	1	22/04/2013	31/12/2013
Longford	SEE	1	25/05/2013	31/12/2013
Longford	AO	1	15/08/2013	27/09/2003
Louth	AO	1	22/04/2013	06/10/2013
Louth	SEE	1	20/11/2013	31/12/2013

Local Authority	Grade	Approx. WTE	From	To
Louth	SEE	1	22/04/2013	06/10/2013
Louth	AO	1	20/11/2013	31/12/2013
Mayo	SO	0.05	23/11/2013	31/12/2013
Mayo	SEE	0.25	15/03/2013	31/12/2013
Mayo	AO	1	15/03/2013	31/12/2013
Mayo	EE	1	15/03/2013	31/12/2013
Meath	AO	1	07/11/2013	31/12/2013
Meath	SE	1	22/04/2013	29/09/2013
Meath	AO	1	22/04/2013	31/12/2013
Monaghan	SSO	1	22/04/2013	31/12/2013
Monaghan	SEE	1	22/04/2013	31/12/2013
North Tipperary	SSO	1	22/04/2013	31/12/2013
North Tipperary	AO	1	29/04/2013	20/09/2013
North Tipperary	AO	1	22/04/2013	20/09/2013
North Tipperary	SEE	1	22/04/2013	31/12/2013
Offaly	EE	1	22/04/2013	31/12/2013
Offaly	SSO	1	11/03/2013	31/12/2013
Roscommon	AO	1	22/04/2013	31/12/2013
Roscommon	SEE	1	22/04/2013	31/12/2013
Sligo	SEE	1	22/04/2013	31/12/2013
Sligo	SE	1	22/04/2013	31/12/2013
South Dublin	SEE	1	22/04/2013	31/12/2013
South Dublin	AO	1	22/04/2013	31/12/2013
South Tipperary	AO	1	22/04/2013	21/10/2013
South Tipperary	AO	1	01/10/2013	31/12/2013
South Tipperary	SEE	1	22/04/2013	21/10/2013
South Tipperary	SEE	1	01/10/2013	31/12/2013
Waterford City	AO	1	22/04/2013	21/10/2013
Waterford City	SEE	1	22/04/2013	21/10/2013
Waterford City	SEE	1	01/12/2013	01/12/2013
Waterford City	CO	1	01/12/2013	01/12/2013
Waterford County	SEE	1	22/03/2013	31/12/2013
Waterford County	AO	1	22/03/2013	30/06/2013
Waterford County	AO	1	22/03/2013	04/10/2013
Westmeath	Exec Tech	0.01	22/04/2013	30/06/2013
Westmeath	Tech 2	0.1	22/04/2013	21/10/2013
Westmeath	Chief Tech	0.25	22/04/2013	29/09/2013
Westmeath	EE	1	22/04/2013	31/12/2013
Westmeath	AO	1	22/04/2013	31/12/2013
Westmeath	SEE	1	22/04/2013	21/10/2013
Wexford	AO	1	22/04/2013	31/12/2013
Wexford	CO	1	22/04/2013	31/12/2013
Wicklow	AO	1	22/04/2013	31/12/2013

Local Authority	Grade	Approx. WTE	From	To
Wicklow	SEE	1	22/04/2013	31/12/2013

Role and Functions of the Water Services Transition Office (WSTO)

The Water Sector Reform Implementation Strategy (available on the Department's website) covered three distinct clusters of activity: policy and legal framework, organisational model and sustainable funding. Work-streams were designed within each of these clusters to bring together parties responsible for deliverables within the relevant work-stream to ensure the alignment of programmes of work, tracking of programme targets and early resolution of any issues arising. The work-streams focussed on the achievement of specific programme deliverables by responsible stakeholders. Local authority participation was not required in work-streams where they were not responsible for deliverables (although there was a need to involve local authority experts on particular topics at different points). The *Policy Framework and Sector Governance* work-stream is responsible for developing a perspective on the overall policy development across the programme and consequently comprises all key programme stakeholders including the WSTO. A number of work-streams were focussed on particular transition and governance issues, and legacy matters arising for the local authority sector in preparation for the transfer of functions to Irish Water and to support the transition to Service Level Agreements.

Due Diligence/fact-finding

It was seen as critical that in transferring statutory responsibility from local authorities to Irish Water, there would be continuity of service for customers. This required the development of a full understanding by Irish Water of the cost base for each water services authority, and the aggregated costs for Irish Water including the risks and contractual obligations that it was assuming. From a local authority perspective, ensuring that the service level agreements are an effective driver of operational performance and efficiency, similarly requires a detailed understanding of the cost base for water services. There was also a need to fully comprehend the financial and other impacts on local authorities post 2013.

Therefore a key role of the WSTO has been to manage the informational requirements of Irish Water and local authorities own requirements in relation to the water sector reform programme without impacting on the day to day operational requirements. The informational requirements include, inter alia,

- Financial issues
- Current levels of service
- Operational procedures
- Statutory compliance requirements
- Assets information
- Human resources issues
- Service Level Agreements
- Legacy Issues

The WSTO is managing the timely and efficient delivery of the information to meet the overall programme requirements. The WSTO liaises closely with the LGMA on human resources issues to ensure that the most effective means are adopted in the collation and transmission of accurate information. The WSTO has worked with Irish Water on the development of the required informational needs, procedures and protocols.

Table 1 – Summary Expenditure recouped to WSTO

WSTO Summary Expenditure		
Cost category	Approved Budget 2013	Paid to 31/12/13
WSTO - Staff costs ¹	1,853,015.00	1,725,986.10
WSTO - non-pay costs ²	496,050.00	491,537.45
LA support staff ³	3,399,648.40	3,531,189.85
TOTALS	5,748,713.40	5,748,713.40

¹ **WSTO Staff costs** - This funding is in respect of the secondment of a number of dedicated staff from local authorities to work in the two dedicated offices in Dublin and Waterford. During 2013, the average monthly WSTO staff complement (across both locations) was 17.7 staff and ranged from 21.1 staff at its highest (August 2013) to 5 staff at its lowest (January 2013). At year end there were 13.6 staff assigned to WSTO.

² **WSTO non-pay costs** - The total spent by the WSTO on non-pay costs to 31 December 2013 amounts to €491,537. Of this €278,285 was paid to a variety of companies who provided specialist advice on legal, financial, health and safety and IT issues. The details are set out in Table 2 below. The balance of €213,252 was incurred on general office running costs for services such as rent, utilities and security.

Table 2 – A breakdown of the specialist advice services provided to the WSTO

Name	Description	Cost
CCAS Consultancy	Financial accounting advice, reporting and software development.	€16,715.70
Price Waterhouse Coopers	Financial analysis on debtors, capital balances, liabilities	€45,246.00
Temetra	Work on financial billing systems and liaison with local authorities on billing solutions.	€1,322.28
Stallard & Associates	Support and advice in developing and negotiating SLA	€69,013.80
RDJ Solicitors	Legal advice on SLA	€84,378.30
Atkins Ireland Ltd	Updating of Fixed Asset Valuation Model	€3,190.00
Central Solutions	Sharepoint IT system training	€1,350.00
Ennovation Solutions	Set up and support for Alfresco system for data gathering	€50,245.50

IACT T/A Software Paths	Training for IT systems	€1,659.00
LGMA	Extranet Exchange	€1,666.67
Micromail	IT systems licenses	€3,498.12
Total		€278,285.37

³ **LA Support Staff** – these are the costs incurred by each Local Authority which were paid by the WSTO (recouped from the Department) for the staff in individual authorities who were engaged for periods of time to interface with the WSTO in collating and analysing the information necessary to support the transfer of functions, assets and liabilities to Irish Water. The CCMA wrote to the Department in August 2013 seeking approval for an increase in the budget for staff to work on transition planning following the rollout of 5 pilot projects. The proposal involved two staff in each local authority working as change managers. The additional costs were met from savings accruing on the WSTO Staff costs and WSTO non-pay budgets plus additional Department funding which amounted to €113,100.

A breakdown of the costs incurred by each Local Authority is set out in Table 3 below:

Table 3 – details of costs recouped to each Local Authority

LA Support Staff	Data Gathering	Change Mgt	Total
Carlow	69,801.02	24,803.79	94,604.81
Cavan	71,795.02	33,258.84	105,053.86
Clare	68,991.46	20,960.36	89,951.82
Cork City	100,301.93	18,355.33	118,657.26
Cork County	169,765.42	18,412.11	188,177.53
Donegal	76,422.67	28,743.03	105,165.70
Dublin City	152,274.49	32,308.04	184,582.53
Dun Laoghaire Rathdown	66,739.31	46,701.27	113,440.58
Fingal	388,780.97	35,696.50	424,477.47
Galway City	21,427.83	23,176.54	44,604.37
Galway County	58,677.98	24,316.86	82,994.84
Kerry	116,486.71	23,058.73	139,545.44
Kildare	54,564.92	10,949.22	65,514.14
Kilkenny	68,134.85	20,250.24	88,385.09
Laois	68,695.19	24,669.84	93,365.03
Leitrim	79,690.18	15,370.38	95,060.56
Limerick	66,122.92	28,244.70	94,367.62
Longford	59,800.43	8,883.44	68,683.87
Louth	62,050.12	15,338.94	77,389.06

LA Support Staff			
	Data Gathering	Change Mgt	Total
Mayo	81,660.37	38,981.47	120,641.84
Meath	68,354.09	23,275.45	91,629.54
Monaghan	85,894.13	14,465.16	100,359.29
North Tipperary	79,228.59	26,142.85	105,371.44
Offaly	52,186.03	15,908.37	68,094.40
Roscommon	64,484.11	23,217.15	87,701.26
Sligo	90,546.08	25,175.55	115,721.63
South Dublin	73,580.86	26,042.11	99,622.97
South Tipperary	54,067.49	15,748.91	69,816.40
Waterford City	71,924.33	7,816.56	79,740.89
Waterford County	72,353.44	10,053.86	82,407.30
Westmeath	85,497.83	24,837.23	110,335.06
Wexford	44,051.36	15,771.14	59,822.50
Wicklow	39,174.06	26,729.70	65,903.76
Total	2,783,526.20	747,663.65	3,531,189.85

A breakdown of the costs incurred by each Local Authority is set out in Table 2 below.

Table 2 - details of costs recovered to each Local Authority

LA Support Staff			
Carlow			
Cavan			
Clare			
Clare City			
Clare County			
Donegal			
Down City			
Down County			
Dublin City			
Dublin County			
Galway City			
Galway County			
Kerry			
Kildare			
Kilkenny			
Laois			
Limerick			
Lisburn			
Louth			
Total			