



Chairman,  
Public Accounts Committee,  
Leinster House,  
Kildare Street,  
Dublin 2.

**For the attention of Ms. Margaret Falsey**

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**Re: Provision of new accommodation for the Tax Appeals Commission (TAC)**

Dear Chairman,

I write to you regarding the recent appearance of the Tax Appeals Commission before the Committee of Public Accounts held on the 28<sup>th</sup> June 2018.

It was very disappointing to me and my colleagues in the Office of Public Works (OPW) to hear the comments/assertions made during this appearance, which are misleading and which may have given you and the other Committee members the wrong impression that the OPW had forced the TAC to move to substandard accommodation.

To set the record straight, I thought it imperative that I write to the Commissioner of the TAC to outline the background and to clarify all the issues raised at the PAC meeting and I enclose a copy of this letter for your attention and for the attention of the other Committee members.

Yours sincerely

Maurice Buckley  
Chairman

16<sup>th</sup> July 2018



ISSUED



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**Commissioner Mark O'Mahony,  
Appeals Commissioner,  
Tax Appeals Commission,  
2nd Floor,  
Fitzwilliam Court,  
Leeson Close,  
Dublin 2, D02 YW24.**

Dear Commissioner O'Mahony,

I refer to the recent appearance of the Tax Appeals Commission (TAC) before the Committee of Public Accounts on Thursday 28<sup>th</sup> June and was surprised and disappointed to hear the comments made in relation to the provision of new accommodation for your Office. A number of assertions were made during the appearance which are misleading and which may have given the Committee the impression that the Office of Public Works (OPW) had forced your Office into a move to substandard accommodation without giving sufficient notice.

Before addressing the issues raised, I wish to outline the background to this move.

The TAC was based in one floor of Fitzwilton House, Dublin 2 under a lease that was held by the OPW and due to expire in 2021. The area occupied was approximately 4,000 square feet. In June 2015, the Landlord of Fitzwilton approached the OPW to enquire as to whether OPW would agree to an early surrender of our lease. The Landlord intended to demolish the largely vacant building and redevelop the site. The overall development was estimated to be in the region of €45 million and would contribute significantly to the wider economy in relation to employment and tax revenue. As a result, the OPW advised the TAC of the Landlord's approach and indicated that they would be positively disposed to an early surrender.

Between September 2015 and July 2017, OPW assessed nearly a dozen alternative premises put forward by the Landlord of Fitzwilton with the majority of these buildings located in Dublin 2. During this period, it is my understanding that the TAC became an independent statutory body and was handed a significant backlog of appeals to address. The physical effect of this backlog was that the existing offices were no longer fit for purpose and that the

TAC would require additional floor space for additional staff. Nevertheless, in July 2017, the TAC informed the OPW that none of the alternative locations offered were suitable and that they would remain in their current premises until lease expiry and hire hotel rooms for hearings. The OPW informed the Landlord accordingly.

In September 2017, the TAC wrote to the OPW stating that they were under increasing pressure for accommodation and asked the OPW to progress terms for one of the previously rejected offices. These offices are in Fitzwilliam Court, Dublin 2 and at 7,850 square feet are nearly double the size of the Fitzwilton accommodation.

Between September 2017 and March 2018, the OPW allocated considerable resources to negotiate the lease for Fitzwilliam Court, the surrender of Fitzwilton House and in producing numerous layout designs for the proposed offices. The TAC were kept informed of progress and there was a high level of correspondence between the two organisations. In March 2018, OPW wrote to the TAC to advise that the legal documents were nearly finalised and that they should begin preparations for a relocation within 6-8 weeks. This was followed in April 2018, by formal correspondence from the OPW Head of Estate Management advising your Office that the legal documents had been executed and confirming that the move would take place over the weekend of 1<sup>st</sup>-3<sup>rd</sup> June 2018.

The agreement reached between OPW and the Landlord for the early surrender of the lease in Fitzwilton House included the following main items;

- A high quality fit out with a cost estimate in the region of €1 million.
- A rent-free agreement on another building worth nearly €1 million.
- The provision of new furniture at a cost of €100,000.
- The provision of a relocation service.

This agreement delivered significant savings to both the Exchequer and your Office as the last two items would be costs ordinarily borne by the occupant. More importantly, the agreement resulted in your Office obtaining the necessary hearing space and additional staff accommodation with which to carry out your functions.

During the appearance before the Committee of Public Accounts, it was stated that the TAC were only given two and a half weeks' notice of the move. This is not a true representation of the facts. The TAC have been aware of a move to this location since September 2017. It is not possible to give a definitive completion date until a legally binding agreement is in place but the TAC were informed of progress on a regular basis. Furthermore, the TAC were advised in March 2018 to begin preparations for an imminent move and were given a precise date in April 2018.

I am at a loss as to understand how it could be stated that the OPW forced the TAC to relocate. While the OPW did originally approach the TAC in 2015, the OPW ceased work on this proposal when agreement could not be reached on an alternative. The present move only came about as a result of a direct request from the Head of Administration in the TAC. The reality was that the TAC could no longer operate from its previous offices and, regardless of any approach from the Landlord, would have been forced to relocate. This is evident from

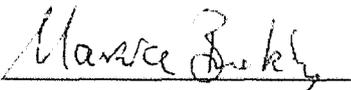
the fact that the new accommodation is nearly twice the size of the previous office.

It was also stated before the Committee that walls were still being constructed as the TAC were being relocated. The TAC were informed in April 2018 that the works would be completed by 31<sup>st</sup> May 2018 and that they would be relocating on weekend of the 1<sup>st</sup>-3<sup>rd</sup> June. Burke Kennedy Doyle Architects issued the Certificate of Practical Completion on the 31<sup>st</sup> May certifying the works had been completed. Construction works were therefore completed before the certificate was issued and all walls were in place, and painted, in advance of the move. It was similarly stated that there was no furniture provided. This statement is also incorrect as the furniture in the open plan and cellular offices was installed before or over that weekend. The furniture for the hearing rooms was installed after the move but in advance of the scheduled hearings that commenced on the 9<sup>th</sup> July.

Finally, the impression may have been given that the OPW were responsible for the issues that had arisen over the TAC phone system. I wish to state for the record that the OPW is not responsible for the TAC phone system. The OPW provides the cabling, which was in place, but the actual system is a matter for the occupant. I understand that the TAC tendered for a new phone system in November 2017 so should have been aware of their responsibility in this regard.

OPW officials have expended considerable time and energy in providing the Tax Appeals Commission with a high quality office and it comes as a considerable disappointment that their efforts have not been recognised and have in fact, been misrepresented. I will be corresponding with the Chairman of the Committee of Public Accounts to correct the record and will include a copy of this correspondence.

Yours sincerely,

  
Maurice Buckley  
Chairman

16<sup>th</sup> July 2018

