

Margaret Falsey
 Committee Secretariat
 Committee of Public Accounts
 Leinster House
 Dublin 2



4 September 2018

Re: [REDACTED] **Submission to DPER on Strengthening Civil Service Accountability and Performance - March 2014**
Related ref: PAC-R-1841. Correspondence 3A -2 Meeting 163 11/6/2015

Dear Ms. Falsey,

I am an experienced property professional [REDACTED] and am writing to you in that capacity. I retired from my post as [REDACTED] in the Office of Public Works [REDACTED] [REDACTED] in that division. Together with a colleague, I made the above-mentioned submission to DPER on 31 March 2014. This focused on our concerns relating to the OPW's property remit. About a year later the submission was passed on to the PAC, and in turn to the Office of the Comptroller and Auditor General. OPW senior management then directed us to produce a detailed report/review on some high value property cases. (*A short resume of recent key events refers – see end of letter.*)

The detailed [REDACTED] report and its main conclusions: This was submitted to OPW in November 2017 and subsequently forwarded by OPW to the C and AG in mid-2018. The report concluded that [REDACTED] however, the underlying concern of [REDACTED] [REDACTED] was undeniable evidence of significant waste of public monies (estimate €30m between the 5 cases studied).

OPW reaction to date: the silence to the receipt and content of the above report was both predicted and totally predictable reflecting a seeming cultural indifference to waste of taxpayer's money. I have reluctantly concluded that it is highly unlikely that a meaningful response will ever be received from OPW. Our concern also stems from our understanding that the C and AG does not generally examine matters relating to "organisational culture" in the public sector.

Anticipated events between now and December next: It is known that the C&AG will report at the end of the month on a well-publicised high-value property case featuring a multi-million euro overspend. This is a case they happened upon themselves (it would not have been selected in the five cases reviewed by the authors, these were confined to historic cases where, inter alia, [REDACTED]). However, the current case under examination by the C&AG is only one of many examples of cases of wasteful expenditure/poor outcomes (some involving multi-million overspends), that have occurred and are still occurring.

Although most of the Commissioners and heads of section that the PAC will meet following the C and AG's annual report (in response inter alia to the above case) are new inductees, their responses to the C and AG and the PAC will almost certainly be rooted in a deeply embedded culture, made immune to the value of money by the guarantee that every year OPW will be insulated against the repercussions of poor/ reckless financial decisions taken by the administration. In short, delivery of accommodation trumps cost savings every day because the Dept of Finance will (continue to) fund each and every infraction and insolvency is an impossibility.

Given the outcome of this latest case, it is predicted that OPW will be obliged to admit to failures. It is equally predictable that by the time of the associated PAC hearing, OPW will point to the adoption of "new" procedures that they will assure members will prevent any recurrence of the unfortunate events. History says that this will be another false dawn; there are a multitude of cases, historic and current, where waste has occurred which is never addressed.

Recent OPW initiatives – effective or not? The Property Asset Management Delivery Plan (July 2013) was specifically developed during the recession to effect savings in office expenditure through improved procedures and processes. Whilst PAMDP is still nominally referenced in the latest OPW strategy statement as representing the aspired delivery processes and standards, it is being progressively "airbrushed out" by OPW and is likely to effectively disappear. No progress is being made on the meaningful cost-saving objectives required and the tools necessary to achieve them (which the PAMDP set out). As such it is a lost opportunity for real reform.

A recent Capacity and Capability Review (April 2014) of OPW's property function by external consultants (with significant recommendations) predictably suffered the same fate. A simplistic contention promulgated by OPW that rents/overall rent-roll were successfully reduced in the recession will neatly omit that most of the headline reduction in the state's rental spend between 2008-2015 derived from post-crash market adjustments, plus the non-renewal by OPW of some office leases. The latter partly flowed from the relocation of substantial numbers of Dublin based civil servants to state owned decentralised offices, which also coincided with a nett reduction in civil servant numbers over that period. In summary, most rent reductions achieved were not, as portrayed, the result of a "well-managed" strategic plan.

Is there a sustainable long-term solution? Long-term solutions to deliver cost effective management of state property is only viable if the culture of delivering property is changed. The closest precedent in Ireland occurred when Coillte Teoranta was removed from the Dept of Forestry in the 1990s. As an agency which was instituted along commercial principles and appropriately staffed, Coillte has proven to be extremely successful in delivering on its remit. Thus, agency status for OPW's property functions is one which as the authors see it, offers a sustainable future for the management of public property.

My request to the members of the PAC. On behalf of the taxpayer I would appeal to the Committee to take the opportunity to delve deeply into the forthcoming C and AG report and recommend radical change to government on the matter of proper accountability for the management of the state's property assets and the provision of civil service. If it is decided to appoint a consultancy to assist in examining the handling of property and accommodation, it is imperative that this consultancy would be commissioned externally and steered with minimal civil service interference. I am available to assist the Committee of Public Accounts and/or the Office of the Comptroller and Auditor General in whatever way these bodies may deem appropriate.

Yours sincerely,

[REDACTED]

[REDACTED]

[REDACTED], OPW (until retirement).

Timeline of some key events relating to the above

1. **31 March 2014.** Submission by [REDACTED], was made to the Accountability Body established by DPER. This submission reprised a constant stream of previous reports on the same issues of concern, one dating back to 1996.
2. **19 June 2014.** The OPW Chairman held a meeting with [REDACTED] in the matter of the submission to DPER. Shortly afterwards the Chairman directed [REDACTED] to identify a list of cases of concern for investigation. A list of 5 high value cases was provided on 27 June 2014.
3. **20 March 2015.** The [REDACTED] DPER accountability submission of 31 March 2014 was reportedly distributed to the Public Accounts Committee. The PAC referred it to the Comptroller and Auditor General (C and AG) to investigate.
4. **25 May 2015.** The C&AG requested a response from OPW to the PAC query.
5. **July 2015.** OPW requested [REDACTED] to directly investigate the previously identified sample cases with a particular emphasis on 'corruption'.
6. **1 December 2017.** [REDACTED] provided a detailed report on the same 5 cases for OPW. Major over-expenditure (multi-millions) was identified as having occurred.
7. **March 2018 – 26 August 2018.** I initiated an exchange of correspondence with OPW seeking a meaningful response to [REDACTED] detailed report of December 2017. Nothing substantive has been provided to date.

Note: Documentary substantiation on the above is available for perusal if requested.