



Ms. Sarah Cremin Committee Secretariat, Committee of Public Accounts, Leinster House, Dublin 2.

14 February 2022

Your Ref: S1168 PAC33

RE: Rapid build volumetric accommodation for Ukrainian nationals

Dear Sarah,

I refer to your letter dated 27 January 2023 to Mr. David Moloney, Department of Public Expenditure and Reform regarding the rapid build volumetric accommodation for Ukrainian nationals as part of the Government's humanitarian response to the war in Ukraine. The information below sets out the background to the accommodation programme which is managed by the OPW and seeks to answer the questions raised by the Committee.

1. Background

In April 2022, the Government determined that the OPW would lead on the design, development and delivery of any accommodation to be produced through rapid build volumetric single-storey or stacked accommodation units.

The programme envisaged the OPW/its contractors undertaking the associated site enabling works on available and suitable State lands, to be identified by the Department of Housing, Local Government and Heritage (DHLGH). The sites would be considered initially by the Department of Children, Equality, Disability, Integration and Youth (DCEDIY) in line with its criteria, and then by the OPW for technical viability assessment. The programme was agreed on a pilot basis subject to funding approval by the Minister for Public Expenditure, NDP Delivery and Reform.

In June 2022, the Government authorised the roll-out of a modular homes programme to provide accommodation for 2,000 Ukrainians, predominantly women and children, in 500 family units at several sites across Ireland. Since then, my Office has been working collaboratively with the Department of Children, Equality, Disability, Integration and Youth as the Lead Department, and a range of other bodies such as the Department of Housing, Local Government, and Heritage, local authorities, Irish Water, ESB networks and Open Eir to deliver the modular housing programme.



In December 2022, the Government expanded the programme to provide an additional 200 Rapid Build Homes, now 700 in total. These homes will accommodate 2,800 Ukrainians who are Beneficiaries of Temporary Protection (BOTP's) in the State arising from Russia's invasion of Ukraine.

2. Cost per Unit

Following a procurement process, John Sisk & Son (Holdings) Ltd was appointed as the main contractor to manage the site enabling works and to arrange for the procurement, transportation and installation of the modular units for the overall programme of works. The procurement process was undertaken in July and August of last year and approval to award the contract was given on 25 August 2022.

John Sisk & Son (Holdings) Ltd undertook a tender process with rapid build homes manufacturers and has established a framework of 5 suppliers with the capacity to produce the homes to the required standard. The current average manufacturing cost per home (unit only) is €145,000 and this cost is now fixed for all 700 homes ordered for the Programme. This is an increase on the original cost estimate provided to the Department, which was estimated prior to the formal tender process and prior to the subsequent engagement with suppliers during a time of hyper inflation and interruptions to market supply arising from the continued invasion by Russian forces into Ukraine.

Permanent fitted furniture (kitchen, wardrobes etc.) is being supplied as part of the Programme and is included in the cost per unit. More recently, the OPW has arranged to source the internal furniture and fittings with the contractor in bulk as an add-on to the programme.

3. Connection to services

The Government Decision in June 2022 provided for prioritisation to be given by public utility services to the works associated with connectivity to electricity/water/waste water services, as part of the programme. There has been considerable positive collaboration with utility bodies such as Irish Water, ESB networks and Open Eir on this aspect of the programme. Such works are being prioritised as the sites are identified. The costs associated with these connections are separate to the fixed costs of the rapid homes and vary according to the individual site requirements e.g. extent of services required and existing services nearby. The connection costs are included in the overall site development costs.

4. Units on order and lead-time for delivery

An order for 250 units was placed with the manufacturers in October 2022 for phase one of the programme. A second order for an additional 250 units, for phase 2 of the programme, was placed by John Sisk & Son (Holdings) Ltd. In December 2022, a further instruction was issued to Sisk on 22 December 2022 to order an additional 200 units, approved by Government, to bring the total in the programme to-date to 700 units. The additional units ordered in



December was to secure the order at the same 2022 costs, so as to mitigate anticipated inflationary increase in costs in January 2023.

The production, transportation and installation of the rapid build homes will be timetabled for delivery as site-enabling works are completed, ensuring the process is conducted as efficiently as possible. At present, Sisk is on site on 6 sites around the country. The site selection and assessment of further sites is ongoing. The site enabling works are to Social Housing standards. The first completed site is scheduled for Easter 2023 with more sites coming on stream thereafter.

5. Fire Certification Process

The design and construction of the units will comply with the relevant building regulations relating to fire safety. This compliance will be designed, inspected and certified as part of the oversight process.

I trust all is in order with the above.

Yours sincerely,

Maurice Buckley

Chairman

CC: David Moloney, Dept. Public Expenditure, NDP Delivery and Reform (secgen@per.gov.ie)