

The Office of Public Works Patrick O'Donovan T.D.

**Select Committee on Finance, Public Expenditure and Reform, and
Taoiseach**

30th November 2022

As Minister of State at the Department of Public Expenditure and Reform with special responsibility for the Office of Public Works and Flood Relief, I am here this afternoon to propose a Technical Supplementary Estimate for the Office of Public Works.

This Net Estimate in respect of the OPW Vote for 2022 is €581.5million. I am pleased to inform the committee that this Supplementary Estimate is in effect exchequer neutral and that the additional gross expenditure of €36.9m can be fully funded from savings identified elsewhere on the Vote.

€33.1million relates to additional capital investment in the Estate Management programme of which €30million relates to capital projects and programmes of work on the New Works Subhead.

The OPW has been assigned a number of high profile projects for delivery through the National Development Plan in the Estate Management area. The restrictions on construction activity during the early months of 2021, as part of the Government's response to the Covid 19 Pandemic, resulted in delays in getting projects to construction during that year. However, the OPW has now accelerated a number of delayed projects resulting in a significant increase in the level of committed projects on site in 2022. In addition, unavoidable costs have been incurred on foot of accelerating tender price inflation and the agreed Office of Government Procurement Co-operation Framework.

The balance of the capital funds is requested to fund additional capital works at Dublin Zoo and Fota Wildlife Park as well as increased investment in plant and machinery on the OPWs Programmes. This is crucial to the safe and effective delivery of construction-related activity across the OPW.

As referenced earlier the surplus spend can be met by savings in other capital subheads namely Flood Risk Management and projects funded under the National Recovery Resilience Plan.

Despite trebling the number of schemes in the pipeline from 30 to 90 since 2018 a number of projects remain in the early stages. This is due to planning related delays and other issues such as a shortage of specialist surveyors to carry out surveys.

Savings are profiled under the NRRP as the Data Centre project at Backweston did not get to the construction stage at the planned time.

On the current allocation, €2million of pay savings is proposed to be re allocated between a number of pay subheads. This will allow the OPW meet its obligations following the Review of Building Momentum Public Service Agreement made in 2022. It should be noted all pay subheads were profiled to break even prior to the new pay agreement. Finally, a reallocation of €1.8m is proposed from Subheads which have been particularly affected by inflation during 2022 due to the onset of the conflict in Ukraine.

Conclusion

I am happy to recommend this Technical Supplementary Estimate for consideration and approval by the Committee and to answer any questions you may have on this additional requirement.