

DÁIL ÉIREANN

AN COISTE UM CHUNTAIS PHOIBLÍ

COMMITTEE OF PUBLIC ACCOUNTS

Dé Céadaoin, 11 Samhain 2020

Wednesday, 11 November 2020

The Committee met at 4.30 p.m.

MEMBERS PRESENT:

Deputy Colm Burke,	Deputy Marc MacSharry,
Deputy Matt Carthy,	Deputy Paul McAuliffe,
Deputy Cormac Devlin,	Deputy Catherine Murphy,
Deputy Alan Dillon,	Deputy Verona Murphy.
Deputy Neasa Hourigan,	

DEPUTY BRIAN STANLEY IN THE CHAIR.

Mr. Seamus McCarthy (*An tArd Reachtaire Cuntas agus Ciste*) called and examined.

2018 Annual Report of the Comptroller and Auditor General

Chapter 6 - Expenditure under a Maintenance Contract

2019 Appropriation Accounts

Vote 13 - Office of Public Works

Mr. Maurice Buckley (*Chairman, Office of Public Works*) called and examined.

Chairman: We are joined remotely by the Comptroller and Auditor General, Mr. Seamus McCarthy, the permanent witness to the committee. We have received an apology from Deputy Munster, who cannot attend. I remind all those in attendance to ensure that their mobile phones are switched off or on silent mode. Today we are engaging with the Office of Public Works, OPW.

The matters for examination are the Comptroller and Auditor General's Appropriation Accounts 2019, Vote 13 – Office of Public Works, and the Comptroller and Auditor General's Report on the Accounts of the Public Services 2018, chapter 6 - expenditure under a maintenance contract. To assist us in our examination of the matters, and having regard to public health guidelines, we are joined in person by Mr. Maurice Buckley, chairman of the OPW, and Ms Kathryn Clifford, principal officer. We are joined remotely by Mr. John Sydenham, OPW commissioner, Mr. John McMahon, OPW commissioner, Mr. John Curtin, director of flood risk assessment and management, and Mr. Martin Bourke, head of planning and estate management. All the guests are very welcome. I thank them for the briefing they provided to the committee.

Witnesses are protected by absolute privilege in respect of the presentations they make to the committee. This means they have an absolute defence against any defamation action for anything they say at the meeting. However, witnesses are expected not to abuse this privilege and it is my duty as Chair to ensure it is not abused. Therefore, if witnesses' statements are potentially defamatory in relation to an identifiable person or entity, the witnesses will be directed to discontinue their remarks. It is imperative that they comply with any such direction. While we expect witnesses to answer questions asked by the committee clearly and frankly, witnesses can and should expect to be treated fairly and with respect and consideration at all times, in accordance with the witness protocol.

Members are reminded of the provisions within Standing Order 218 that the committee shall refrain from inquiring into the merits of a policy or policies of the Government or a Minister of the Government or the merits of the objectives of such policies. Members are also reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the Houses or an official either by name or in such a way as to make him or her identifiable.

I ask that members and witnesses remove their masks when speaking to ensure they can be heard, and that when members are leaving and taking their seats, they sanitise the area.

I call the Comptroller and Auditor General, Mr. Seamus McCarthy, to make his opening statement.

Mr. Seamus McCarthy: The 2019 appropriation account for Vote 13, Office of Public Works, records gross expenditure of €455.1 million. The surplus at the year end was €8.9 million. Of this, €8 million was unspent capital allocations for flood risk management which was carried over to 2020. The balance of €921,000 was surrendered.

The appropriation account is presented under two programme headings: €99.3 million, or 22% of the total expenditure, was spent on the flood risk management programme; and just under €356 million was spent on the estate portfolio management programme. Under the estates management programme, the OPW provides office and other accommodation to Government Departments and offices, with the costs being a direct charge on the Vote. This includes rent payments totalling €91 million; expenditure on new works, alterations and additions, costing just under €75 million; and property maintenance and supplies payments totalling just under €65 million. The account records the value of land and buildings held at the year end at €3.3 billion.

In addition to the activity accounted for under Vote 13, the OPW acts on an agency basis on behalf of other Government Departments and agencies. This mainly relates to the carrying out of major capital works and the leasing of accommodation. The expenditure associated with this agency activity is reflected in the accounts of the client Departments and agencies. Total agency expenditure handled by the OPW amounted to €112 million in 2019. This means that the aggregate value of the expenditure handled by the OPW amounted to €567 million in the year.

I issued a clear audit opinion in relation to the appropriation account, but drew attention to the disclosure in the statement on internal financial control about procurement that was not compliant with public procurement rules.

I also drew attention in the audit opinion to the disclosure in the statement on internal financial control about expenditure by the OPW in 2019 on a maintenance contract. I had previously reported on the origin and operation of this contract in my report on the accounts of the public services for 2018. That is the chapter before the committee this afternoon.

The OPW has its own in-house direct labour force to carry out maintenance work on high-profile heritage properties, such as Dublin Castle, Áras an Uachtaráin and Kilkenny Castle. For more standard properties, the OPW draws on the services of a private contractor firm for maintenance works, as required, under what is referred to as a “measured term” contract. This is a contract that provides for the drawdown of services within a specified period, with individual work orders assessed on the basis of a tendered schedule of payment rates. Minor construction works were also allowed under the contract, with provision for individual works orders costing up to €500,000 each. Above that level, separate tendering of works would be required.

Following a publicly-advertised tender competition, the contractor was appointed in October 2014 for three years, with a one-year extension option which was exercised by the OPW. The contract indicates that the OPW envisaged the contract value would be of the order of €3 million a year, or €12 million over the full four-year term. In fact, the total value of the work carried out over the four years was €39.4 million, an average of just under €10 million a year.

In addition, the Accounting Officer has disclosed that the OPW incurred further expenditure of €7.4 million in 2019 on works commissioned prior to the end of the contract term, bringing the total contract value to €46.8 million. All these figures exclude VAT.

In the course of our examination we also identified that at least six work orders placed by the OPW that cost in excess of the €500,000 limit. These ranged in value from €600,000 to €2.4 million.

When the measured-term contract was in its final year, the OPW advertised a tender competition for its replacement. As required by law, the tender invitation included an estimate of the value of the new contract, which was proposed to be for an initial three years. This is intended to allow potential bidders to understand the scale of the business proposed. The value indicated by the OPW in the advertisement was equivalent to €5 million a year, excluding VAT. Only two expressions of interest were received by the advertised closing date: the existing contractor and one other tenderer. Following final evaluation, the OPW awarded a new three-year contract to the existing contractor in October 2018. The new contract allows for spending on any one works order up to €750,000, or up to €1 million for conservation works. The Accounting Officer has disclosed that the expenditure incurred on work orders under the new contract had totaled €34.7 million by the end of 2019. Again, this is very significantly in excess of the estimated contract value presented in the tender advertised. Of this total expenditure to end 2019, €22 million was attributed to works on infrastructure required to prepare for Brexit.

We found that the OPW did not have adequate contract monitoring mechanisms in place, especially in the types of work being undertaken, which included pre-planned preventive maintenance, reactive maintenance, new capital works, and conservation projects. The Accounting Officer agreed to recommendations we made about improving their contract monitoring and estimation of contract values. Given the elapse of time since the report was published in September 2019, the Accounting Officer will be able to update the committee on progress made in that regard. I thank the Chairman.

Chairman: I thank Mr. McCarthy for his opening remarks. I call on Mr. Buckley now for his opening statement and I ask that he might keep it to five minutes, please.

Mr. Maurice Buckley: I thank the Chairman and the committee for the invitation to attend this meeting of the Committee of Public Accounts. I am joined this afternoon by Kathryn Clifford, head of finance, and in the adjoining room by the two OPW commissioners and members of our management board.

I hope the advance brief provided to the Committee answered the points specifically requested. I will present further summary information on the 2019 appropriation account for Vote 13 and comment on matters raised by the Comptroller and Auditor General in his report: Expenditure under a Maintenance Contract.

The Office of Public Works is an essential part of how Government and the State delivers on a wide variety of projects for the public good. We are the State's lead body on flood risk management; we provide office space for more than 40,000 public servants; we maintain and showcase national monuments and important historic buildings such as Kilkenny Castle, Castletown House, and Leinster House, where we are today; we manage public parks and gardens such as the Phoenix Park and the National Botanic Gardens; the State art collection, State events, and Government publications.

Our vision is to maintain our built and natural environments in harmony. Our purpose is to provide the Government and the public with versatile, innovative and specialist services. Projects and requirements frequently change. What is constant, however, is the need for the State to have the expertise and capacity to deliver on its plans for our people. That need is highlighted in the ongoing OPW response to Covid-19, the preparations for Brexit and how we have been advancing infrastructure projects since 2018 under the national development plan. This is about the readiness of the State now and for the future.

The 2019 gross expenditure of the OPW was €455 million. In addition to the expenditure on Vote 13, the OPW acts as an agent, undertaking work on behalf

of other Government Departments and agencies. Expenditure on this activity in 2019 was a further €112 million. This appears as a charge on the accounts of the client organisations.

Exchequer funding to the OPW supports two core programmes of work - flood risk management and estate management including heritage services. Almost €100 million was invested in flood risk management in 2019. The OPW continues to implement a suite of infrastructural and other measures to mitigate the impact of flooding to people, homes, properties and businesses. More than 300 communities around the country, home to approximately 3 million citizens, will benefit from the current, ten year, investment programme. This investment is providing tangible social and economic benefits to people, communities and the State.

Some €356 million was invested in estate management. This is one of the largest and certainly the most wide-ranging property portfolios in the State. It includes some 2,500 properties, managed as a shared service for more than 80 Government bodies in a very complex working environment. This has become more important for the State in that the OPW will play a key role in the design and delivery of the “workplace of the future”. That future will clearly be different in the aftermath of this pandemic and that future will come to pass much sooner than any of us would have anticipated a year ago.

In order to carry out its functions, the OPW uses a mix of in-house expertise and outsourced services contracted through a variety of appropriate public procurement channels including the measured-term contract to which the report of the Comptroller and Auditor General refers. The rationale for procuring works through the measured-term contract is that it represents the most efficient mechanism for the delivery of repair, maintenance and small works across a diverse portfolio of some 600 properties in Dublin. The demand was underestimated when establishing the size of the contract, with the result that many more individual projects were undertaken than had been originally anticipated.

The contract was competitively tendered and the main contractor subsequently sub-contracted many of the labour intensive works to 60 or so small to medium size enterprises. The OPW consistently supports Government initiatives to promote SME participation in public procurement. Work was devolved across multiple suppliers within the framework of a pre-tendered contract that provides certainty around standards and individual job costs. This type of “umbrella” contract enabled the OPW to provide ongoing, essential and emergency services for public bodies in a cost effective manner whilst safeguarding public assets.

Brexit is a prime example of the OPW being called upon to carry out essential works for Government in an emergency. At the Government’s request, the OPW developed facilities in Dublin Airport, Dublin Port, and Rosslare Europort which started as nine projects in 2019 and eventually grew to 28 projects for four Departments, so that the country is prepared for the UK

leaving the customs union and Single Market next month. Although never foreseen for projects of this scale, the measured-term contract allowed for the delivery of this infrastructure, by the relevant deadlines while controlling cost and ensuring value.

I fully acknowledge the issues identified by the Comptroller and Auditor General and have taken on board his recommendations. The report refers to procurement and contract

management issues and I assure the committee that the OPW is committed to being fully compliant in these areas while also ensuring value for money and efficiency for the State in delivering essential services.

If I may, I would like to thank my colleagues in the office for their work in delivering services during the Covid-19 pandemic. I thank the Chairman and the committee members for their time and the office of the Comptroller and Auditor General for their work and recommendations. I welcome any questions the committee may have.

Chairman: I thank Mr. Buckley. The lead speaker today is Deputy Cormac Devlin. He has 15 minutes and I will give him a gentle reminder after 12 minutes.

Deputy Cormac Devlin: I welcome Mr. Buckley and his colleagues. I thank them for their opening remarks and all of their work on our important national monuments, public parks and indeed State buildings. I thank Mr. Buckley and his colleagues for a recent update *vis-à-vis* a parliamentary question which I raised in July about Tully Church and the monuments surrounding it. I thank the witnesses for that briefing and for the commitment of those actively involved with the Tully site in the Cherrywood strategic development zone. The witnesses might pass on my appreciation to the officials concerned, particularly those on the ground.

I have some questions relating to the report of the Comptroller and Auditor General and the witnesses' opening remarks. The OPW leases the office premises in Miesian Plaza on Baggot Street, mainly to accommodate the Departments of Health and Children, Equality, Disability, Integration and Youth. That contracted annual rent is approximately €10 million. Total commitment is €231.7 million over 25 years. It is reported that there has been an overpayment in the region of €10 million to the landlord. I know there has been ongoing correspondence between the OPW and the landlord. Will the witnesses provide this committee with an update on the lease and what engagement they have had with the landlord since their appearance at the Committee of Public Accounts in October 2018?

Mr. Maurice Buckley: Miesian Plaza is the new location for the Department of Health and three other Government Departments. It was completed and moved into in 2017. The project has been a great success but as the Deputy says, there was an issue with the code used for the measurement of the area, which led to a discrepancy in the final rent of €344,000 per annum. This is still under discussion between the OPW and the landlord, Remley Developments. This matter was dealt with in a chapter of the Comptroller and Auditor General's report in 2017 and was fully discussed in the Committee of Public Accounts in 2018.

There has been correspondence since and there is an ongoing discussion. I met senior members of Remley Developments at the beginning of this year. There was an amicable meeting. It is a reputable landlord. I am optimistic that we will be able to resolve this without resorting to legal action. We have legal advice on the position. I had hoped it would be resolved by now but with everything going on, it has not been. It is a 25 year lease. There will be rent reviews. We will do work on the building as tenants and the landlord will work on it. There will then

be close of the lease at the end of 25 years and then reinstatement. There will be much interaction between the tenant and the landlord. This will not go away. I intend to make sure that the public is done right by on this occasion.

Deputy Cormac Devlin: Obviously €10 million is a lot of money and there is significant concern. I read the Comptroller and Auditor General's report for 2017 and I understand the issues with the international property measurement standards, IPMS, and the difference of measurement which caused the issue. Nonetheless, the Exchequer is out to the tune of €10 million. Hopefully that will be resolved soon. Will the witnesses keep the committee apprised of developments about that?

I turn to subhead B.7, for property maintenance. That is approximately €64.7 million, which is an increase of €4 million from 2018, when it was €60.7 million. I am harking back quite a bit, to 2013, but the question relates to the current day. Some 100 Garda stations were closed between 2012 and 2013. Are all of those stations still under the control of the OPW?

Mr. Maurice Buckley: Some have been sold and a number have reopened. I can bring in my colleague, Mr. Martin Bourke, who is in the other room, to give more specific details if the Deputy has questions about that.

Deputy Cormac Devlin: Mr. Bourke might also tell us how many have been sold of those 100. How many have been repurposed or are still under the OPW's control and effectively vacant?

Mr. Martin Bourke: I thank the Chairman and Deputy Devlin. The programme to close the Garda stations announced that 139 Garda stations would close. As of today, alternative State use is under consideration for 45 stations. Nine stations have been assigned for community use. It has been announced that six stations will be reopened. Twelve of the properties have serving or retired members of An Garda Síochána on the property so they will not be repurposed at the moment. Four stations are required by An Garda Síochána for various operational reasons, exercises, etc. Ten stations have been retained for alternative State use. Some 44 stations have been disposed of and sold, mainly on the open market. Nine stations that were closed were leased, and those leases have been surrendered.

Deputy Cormac Devlin: Does Mr. Bourke have the cost of the ongoing maintenance of the stations still in the control of the OPW? I think a cost was given in my constituency. The cost for the maintenance of the Garda station in Dalkey was €40,796 since it was closed in 2012. Does that include the security contract for that station and similar stations?

Mr. Martin Bourke: I might ask my colleague, the commissioner, Mr. John McMahon, to address that if the Deputy does not mind.

Mr. John McMahon: It is my understanding that the cost the Deputy was given would cover all the costs involved, including security costs.

Deputy Cormac Devlin: I welcome Mr. Bourke's comments about 12 being in use for serving or retired members of An Garda Síochána. Maybe that could be considered for those remaining in OPW control.

I turn to office accommodation. The OPW has a substantial portfolio of accommodation, with total leasing commitments for 2019 of €113 million. What is the total area of the office accommodation portfolio and how much is inactive at present? I note from the report that it is

about 1% here in Ireland but it is up to 11% for European counterparts. Is that still the current status?

Mr. Martin Bourke: The area of the office portfolio is currently just short of 890,000 sq. m. Our estimated vacancy level before Covid was 0.3% of the office space, which effectively means that the office portfolio before Covid was fully occupied, with 0.3% being seen as a minuscule vacancy level for a commercial office portfolio.

Deputy Cormac Devlin: What about post Covid?

Mr. Martin Bourke: The Deputy will be aware that with the current situation, and in keeping with Government direction and best medical advice, many civil servants are working from home. That means that many of the offices that are being rented are not fully occupied.

Deputy Cormac Devlin: I presume the OPW is examining, on an ongoing basis, the State's portfolio. Is there a strategy to manage it post Covid? We do not know the impact. A major bank gave an indication today about its use of office space. There will be a knock-on effect on remote working. Is that actively under consideration by the OPW?

Mr. Maurice Buckley: We have a thorough strategy which we have refined in the past 12 months or so with the Department of Public Expenditure and Reform but that will have to be substantially revised with the impetus of remote working when the Covid pandemic is over, hopefully soon. We are in the process of doing that. We are actively involved. There is a question for human resources of what policy is in different areas.

Deputy Cormac Devlin: I have a question on the figures given by Mr. Martin Bourke. Does the OPW have a general ratio between Dublin and outside of Dublin in terms of office space? Is there a breakdown of that?

Mr. Maurice Buckley: I will pass that query to Martin Bourke again.

Mr. Martin Bourke: Yes, we do. Broadly, the ratio would be 50:50 in terms of office space in the greater Dublin area and office space outside the Dublin area with approximately 450,000 sq. m or 460,000 sq. m each or thereabouts.

Deputy Cormac Devlin: There is a key question for the post-Covid period. Could the State be left with a considerable excess of office space post-pandemic? Is there a strategy to deal with that?

Mr. Martin Bourke: There is indeed. In previous years the committee has asked questions around this in terms of the balance of the portfolio between owned and leased estate. One of the biggest benefits of having a mixed portfolio, which would be seen as best practice, is when issues arise such as the pandemic. If it means we have to shed office space, then leased portfolio gives us the flexibility to do that. We can act on non-performing buildings, ageing building or leases that might be coming up to expiration. It is a cyclical issue. There is a strategy in place for that.

Deputy Cormac Devlin: I wish to return to the Garda element of the portfolio. I note the lease will expire for Garda headquarters on Harcourt Street in 2022.

Mr. Maurice Buckley: The premises is on Harcourt Square.

Deputy Cormac Devlin: Yes, it is Harcourt Square. How long is that lease for? What is

the cost per annum?

Mr. Maurice Buckley: That lease was for five years. Maybe one of my colleagues will check the cost while I am explaining the circumstances. It is a long-term lease. The building has been a major headquarters for the Garda for some time. The lease was extended in 2016 - this was before I joined the OPW - because of the need to ensure continuity of Garda services at the time. It was extended for five years until the end of 2022. Mr. Martin Bourke is ready to come in with the cost of the lease per annum.

Mr. Martin Bourke: A new lease was taken out in December 2016 for six years. The cost of the lease is €6 million per year.

Deputy Cormac Devlin: I assumed from the report that it was in the ownership of the State. I would hope, given the new lease options post-2022, that would be something we could explore. It is a colossal amount of money. I agree that it is a strategic building and it is important in size, but surely the State could explore that.

Mr. Martin Bourke: There is a specific and active plan post-December 2022 for that facility.

Deputy Cormac Devlin: Mr. Bourke might come back to me on that.

Mr. Martin Bourke: I will, certainly.

Deputy Cormac Devlin: Finally, I will turn to flood alleviation. The OPW officials have given a good deal of information in the opening remarks. I understand the expenditure prior to 2015 was €412 million. Am I correct in saying that from 2015 to 2019 the expenditure was €268 million? What was the reason for the difference? I would have thought expenditure was ramping up at that point.

Mr. Maurice Buckley: It was ramping up. Obviously, the period before 2015 is going back a long way.

Deputy Cormac Devlin: It is a cumulative figure. Is that right?

Mr. Maurice Buckley: It is a cumulative figure.

Deputy Cormac Devlin: That makes more sense. A study of 300 communities has been taking place across Ireland and 80% of the studies have been completed. What is the status of the remaining 20%? A total of 11 major flood relief schemes have commenced and seven more are due to commence shortly. Can the OPW give an indication of when those seven will be commenced? What stage are they at? If the officials do not have the information today, they might come back to me on it. I have a question specifically around the Deansgrange flood relief scheme. It is of particular interest to me.

Mr. Maurice Buckley: I will bring in my colleague, Mr. John Sydenham, to discuss the detail and where those schemes are. A number of schemes are under way. The level of protection is increasing all the time as they are completed. Mr. Sydenham might have an overview of the position on the seven schemes. We will probably come back to Deputy Devlin on the question of Deansgrange.

Mr. John Sydenham: I can set out the context. The catchment flood risk assessment and management programme involved an extensive analysis of flood risk countrywide. The pro-

gramme identified 300 communities at risk of flooding. It identified solutions to deal with 95% of properties potentially at risk from flooding. This was referred to earlier in terms of the €1 billion investment programme over a ten-year period. That is the context in which we are working.

We identified and prioritised 115 discrete schemes, of which approximately 80 are at the design and development stage. We will forward the detail Deputy Devlin has looked for in due course.

Deputy Cormac Devlin: My thanks to the officials.

Chairman: The next speaker is Deputy Matt Carthy. I will keep to ten minutes as Deputy Verona Murphy wishes to speak too and she has to get to the convention centre. If Deputy Carthy is happy, Deputy Murphy can go ahead.

Deputy Verona Murphy: Thank you, Chairman. It is slightly awkward in that regard. My thanks to Deputy Carthy and to the officials for attending. I am a Wexford woman and I have seen the facility for Brexit that has been provided. I am impressed. Of course, how it will work out will be nothing to do with the OPW, but it is an impressive facility and I thank them for that.

On page 26, paragraph 6 relates to the legal costs.

Mr. Maurice Buckley: Which document is it?

Deputy Verona Murphy: I have a note on paragraph 6. It may be the Comptroller and Auditor General's report.

Mr. Seamus McCarthy: It is the appropriation accounts. I think the page refers to compensation and legal costs.

Deputy Verona Murphy: Yes, it refers to compensation and legal costs. Will Mr Buckley address this?

Mr. Maurice Buckley: It depends on the question. I might bring in my colleague, Ms Kathryn Clifford, if there is detail on the finance. I have the relevant page before me now.

Deputy Verona Murphy: The explanation refers to €2.9 million as the total cost and states that €2.1 million of this figure took care of four employee compensation claims. Is that correct? That seems an extraordinary amount. Can Mr. Buckley explain the nature of the claims involved?

Mr. Maurice Buckley: I do not think we have the detail of that to hand. Our claims are handled by the State Claims Agency. They arise and they are developed and worked out in the background with the persons involved and their legal representatives. We could probably give a brief breakdown of the four settlements.

Deputy Verona Murphy: When Mr. Buckley refers to the State Claims Agency, does he mean the Labour Court?

Mr. Maurice Buckley: The State Claims Agency is the insurance company for the State, so to speak. A body like the OPW does not have private insurance through an insurance company. The State Claims Agency looks after all claims, whether from the public for slips and trips at a heritage site or from a member of staff. The compensation is worked out and agreed. It comes

from our Vote but the agency does the processing and the negotiation. It handles any legal matters that are necessary and reports back to the organisation. We also work with the State Claims Agency to improve health and safety standards. That is important to us. We work on that all the time. We take seriously the feedback from the agency.

Deputy Verona Murphy: I am keen to flesh it out. Were these employee matters or personal injury claims?

Mr. Maurice Buckley: They were personal injury claims.

Deputy Verona Murphy: Were they from employees?

Mr. Maurice Buckley: Yes, they were from employees.

Deputy Verona Murphy: The legal costs amounted to €26,000. Mr. Buckley was going to give me a breakdown relating to the four claims.

Mr. Maurice Buckley: I am not sure if we have the detail to hand, but we can certainly provide it afterwards anonymously. We will not be naming the people involved. We cannot do that.

Deputy Verona Murphy: It would be good to have a breakdown. It does seem like a vast amount but we have to see the breakdown.

Mr. Maurice Buckley: When accidents happen, it can be expensive. We do not want accidents to happen in the first place.

Deputy Verona Murphy: Are there many or any claims for 2020?

Mr. Maurice Buckley: We are a big organisation. We have 2,500 staff. Obviously, we are dealing with vast numbers of the public all the time. There are issues unavoidably. We try to keep the numbers low. It is reported in every quarter. I did not anticipate that question so I do not have the figures with me, but we will certainly come back to Deputy Murphy on that.

Deputy Verona Murphy: The reason I am asking is that private enterprise has to do so much to minimise this type of thing. What measures are in place? Mr. Buckley says there is a vast amount of people to look after. What is the structure in place for prevention?

Mr. Maurice Buckley: The Deputy is right. We would invest every year in personal safety, personal protective equipment, safety measures at our sites and workplaces. We have a safety management committee, which reports directly into the management board and is led by a management board member. We are in the process of seeking certification to ISO 45001, the international health and safety standard. We already have it in place in the flood risk area and we are extending it now to the heritage area. The heritage area is incredibly complicated. It deals with old castles and narrow winding stairs; Dún Aonghasa, a cliff with a big drop to the sea; and Skellig Michael, with steep steps up to it. It is a very tricky area as to what to do and how far to go to put in safety measures, and to what extent people have to take personal responsibility to enjoy those sites in their full natural glory.

Deputy Verona Murphy: Are there ever instances where the OPW advises that sites should be closed because of safety issues?

Mr. Maurice Buckley: Yes, it happens from time to time. For example, on the Skellig Is-

lands, we have had rockfalls from the cliff.

Deputy Verona Murphy: I thank Mr. Buckley. I anticipate that the OPW will make a submission to the committee.

Mr. Maurice Buckley: We will.

Deputy Matt Carthy: I welcome our guests and reiterate our appreciation and thanks to all OPW staff for their work, particularly during the Covid-19 period. It has not gone unnoticed. I seek a little information on the measured term maintenance contracts awarded to PJ Hegarty & Sons over a long period. The report of the Comptroller and Auditor General deals with the period from 2015, but I understand that the company in question has been doing this type of work since 2010. While I do not expect our guests to have the information to hand, will they revert to the committee with a brief on the work undertaken prior to 2015?

Mr. Maurice Buckley: The volume of work.

Deputy Matt Carthy: Yes, and the costs. To clarify, we are dealing with the period from 2015, when the contract was first put in place and it was extended in 2018. Under the contract, minor construction works were allowed up to the value of €500,000, but six of the works, which range from €600,000 to €2.4 million, were clearly in excess of that. Is that correct?

Mr. Maurice Buckley: That is correct, yes.

Deputy Matt Carthy: When the contract was originally tendered, it was envisaged that works of approximately €3 million per annum would take place. It amounted to about €12 million over the course of the contract but the figure was actually closer to €10 million per year, or €39.4 million in total.

Mr. Maurice Buckley: Correct.

Deputy Matt Carthy: In 2019, partly because of Brexit, there was an additional €7.4 million. The total up to the end of last year was €46.8 million.

Mr. Maurice Buckley: I am sure that figure is correct. It rings true, yes. What happened is this contract was anticipated for maintenance works in our buildings, only in Dublin in the beginning. After the recommendations of the report of the Comptroller and Auditor General are fully in place, and most of them are already, we are extending this mode of working across the country. It is intended for small maintenance projects. It has proved so effective. Situations arise, and this is the nature of the OPW's work and it is what we are there for. When there is an emergency, be it an emergency that affects the usability of a building or a Government crisis like Brexit that has to be dealt with, we have to find the most cost-effective way to deal with that, and sometimes it has to be done very quickly. It was never the intention to use this contract like that, but the mechanisms of the contract are so good and give us such good cost control that it was a very good way to look after the interests of the taxpayer in terms of value for money. Unfortunately, as a consequence of that, we were exceeding the procurement-----

Deputy Matt Carthy: Has the OPW carried out an analysis of the initial four-year contract in respect of what it would cost if some or all of the works undertaken under this contract were undertaken in house? Has there been a cost-benefit crossover analysis?

Mr. Maurice Buckley: I might bring in my colleague the commissioner, Mr. McMahon, on that. We are certainly confident that the works were very good value, particularly when the con-

tract was procured in 2014, just coming out of the recession. In the following years, one of the concerns we had was that construction inflation was going at 100 mph, but we at least had-----

Deputy Matt Carthy: Does Mr. Buckley mean 2013 or 2014?

Mr. Maurice Buckley: It was procured in 2014 and came into effect in 2015. At that stage, the construction industry was in a very bad place, recovering from the recession of 2010. The prices were very competitive. In the years that followed, construction inflation was running at 7%, 8% or 9% per year, so the prices were going up. We-----

Deputy Matt Carthy: I apologise for cutting across Mr. Buckley but some of the basis for the approach was as a result - Mr. Buckley might correct me if I am wrong - of a circular issued by the Department of Public Expenditure and Reform in 2013. Is that correct?

Mr. Maurice Buckley: I will bring in my colleague Mr. McMahon with the detail.

Deputy Matt Carthy: Before Mr. McMahon comments, that circular stated, “The majority of works are procured via external contractors as OPW’s direct labour force has been significantly reduced and cannot fulfil the role for all property”. It seems there was an acceptance within that that the austerity and staff reduction measures that had been put in place played a role in the outsourcing of these contracts in the first instance. Is that correct?

Mr. Maurice Buckley: Yes. There are three ways to do this type of work, one of which is the historical way of a direct labour force. In the past, the OPW would have had a very large direct labour force but that has been wound down to about 150 people who look after historic buildings, as was noted. The two alternatives would be individual procurement under the public works contract of individual projects for all these works, particularly those over €500,000, versus a framework contract like the measured term. The contract was correct; it is just that it was used more often than it should have been.

Deputy Matt Carthy: We have determined that a contract that was envisaged to amount to about €12 million over the course of four years actually amounted to closer to €50 million over that period. More recently, in October 2018, a new tender was appreciated. The provisions the OPW put in place, that is, the guidelines for contracting companies, meant there was, in effect, only one qualifying tender application or expression of interest.

Mr. Maurice Buckley: Two companies applied, but I will bring in Mr. McMahon, who will be able to give more detail on that if he was directly involved.

Mr. John McMahon: I will answer the last bit, on the competition in 2018, first if I may. We advertised a similar contract to the 2014 contract with some refinements. We increased the indicative thresholds on the volume of work that could be expected under the contract, and the individual pieces of work that might be done under the contract from €500,000 to €750,000 and €1 million. The intention of setting the thresholds at the levels they were was twofold. If they were too low, we were concerned we would attract possible contractors that would not have the organisational capacity to operate citywide, with 600 different buildings, 24-7 and every day of the year. If they were too high, we would limit the attractiveness of the contractor to only the biggest players in the market. There was an element-----

Deputy Matt Carthy: I apologise for cutting across Mr. McMahon but what the OPW did was employ a set of parameters that meant only one company was in a position to qualify for the contract. In the documentation, the OPW set out an expected value of €5 million per annum,

which was an increase on the €3 million but was nowhere close to the out-turn in place in the term of the previous contract. Why was that figure of €5 million determined?

Mr. John McMahon: As I said, the intent was to attract suitable contractors to bid for the work. At the time we went out in 2018, the market was flying. Very many contractors had more work on their order books than they could handle. Unfortunately, in my interpretation, it was more to do with the timing of the advertisement of the contract, which was at the expiration of the previous contract. It is for those reasons that we got a disappointing return. I do not think it was anything to do with-----

Deputy Matt Carthy: I am sorry, I know there is a difficulty with the connection as we cross over one another. I will ask the following question of Mr. Buckley. How is it possible to determine that a contract tender is good value for money where there is essentially nothing to compare it to, where there is only one contract? Does Mr. Buckley accept that there were failings in that process? We can presume that the likely value of the outturn of the tender was wrong by approximately 50%. Once there was a situation where only one applicant suited the criteria, would it not have been better at that stage to look at perhaps creating sub-divisions in the contract? Mr. Buckley said in his opening remarks that he acknowledged that the company subcontracts a significant portion of this work anyway.

Mr. John McMahon: Is it possible that I may answer the question?

Deputy Matt Carthy: Of course.

Mr. John McMahon: I omitted to say that in the contract construction, we engage what is called a “contract administrator”. That is an independent, external firm of quantity surveyors that is contracted to do the due diligence on the tender prices and rates that are submitted by the various contractors. We hoped there would be more such submissions but there were not. That external firm did the due diligence on the tender prices that were submitted. There are 3,000 individual items in the contract. It is a complicated, extensive and comprehensive contract. That firm did due diligence on the 3,000 individual items in the contract and on the basis of its independent analysis, recommended the acceptance or otherwise of the contract, as the case may be. Before the current contract was placed for tender, that firm did its full due diligence on the individual elements of that contract. It took quite a while of toing and froing with the contractor and the firm of quantity surveyors to get the thing right but it was done. We are satisfied that the best value for money was obtained at the time. One of the big benefits of a measured time maintenance contract, as the Chairman alluded to, was-----

Deputy Matt Carthy: I apologise for interrupting, but my time is up. Perhaps Mr. McMahon could send the committee some further written clarification. I will just say that I find it impossible to understand a context where one can assess value for money when there is only one tender. I understand that things happen and we can do things differently but we have a problem when we have these kinds of figures and an organisation that does not accept that there are lessons to be learned.

Chairman: There will be a second round of questioning. I call on Deputy Alan Dillon.

Deputy Alan Dillon: I welcome our witnesses here today. I know my time is limited but I want to say that I appreciate all the work that the OPW does in delivering services and projects for the public good.

I will focus on the State-led flood relief schemes and their management through our wit-

nesses' departments. I draw our witnesses' attention to the Crossmolina flood relief scheme which was established in 2015. People in the Crossmolina community, and many other communities, live in fear every time it rains substantially. They have no insurance or protection and have faced repeated instances where commitments have been made but delays have occurred. The relevant scheme is a €10 million project that includes a diversion of 1.3 km. Probably eight Ministers have visited the area at this stage. I understand that the OPW wants everything to be right around the laws, obligations, regulations and environmental studies but I would appreciate guidance or clarity.

I appreciate the work that has been done to date by the OPW and Mayo County Council, in collaboration with the local Crossmolina flood action group. The response has been proactive and a lot of flood relief protection systems and measures have been implemented.

According to the report of the Comptroller and Auditor General, there was a €15 million surplus in 2019 compared with what was anticipated. The estimated provision was €73.1 million but the spend for the year was €58.3 million. We must focus on what communities, especially Crossmolina, need. Can our witnesses outline the construction timeline and commitment for the Crossmolina flood relief protection scheme? When can it be published in the locality?

Significant short-term alleviation works have resulted in the removal of accumulated debris, silt and soil from the river to increase capacity. Can we look at and improve that on an interim basis before there is another serious incident?

The OPW has suggested a direct labour option for this flood prevention bypass project. Is that the most effective approach? What decision-making process do our witnesses take? Would a public private partnership increase or reduce the timeline for delivery of this? I would like to get the witnesses' thoughts on those matters.

Mr. Maurice Buckley: I thank the Deputy. I will bring in my colleague, Commissioner John Sydenham, in a moment to deal with the detail. I accept the frustration and anxiety that the Deputy and other local representatives in Mayo have and have expressed over the years. I was there for the public launch of the scheme in 2018. It is an important scheme and a town at serious risk of flooding. It is an important river for fishing and everything else. It is an extremely difficult and environmentally sensitive initiative. This has to be done right. It is frustrating because it takes time and that is primarily the reason we have not been able to use all of the moneys allocated to date, but we will catch up on that. We must get these things right.

A lot of work has been done and will be done. My colleague, Mr. John Sydenham, will be able to give the Deputy more detail about specifically where we are with Crossmolina.

Mr. John Sydenham: I will go through the series of questions that the Deputy asked. The overall scheme has been delayed for a variety of reasons. I think that everybody involved is seized of the urgency of implementing a solution. As has already been mentioned, there were significant environmental challenges as we went through the design of the scheme. There was a karst landscape which had to be looked at in significant detail so that we could make sure that the modelling and design of the solution was workable. That took a lot of time because, as I said, there were significant environmental challenges.

The scheme went to exhibition in 2018. It was then referred to the Department of Public Expenditure and Reform. That is the statutory process when we do schemes under the Arterial Drainage Acts. The Minister for Public Expenditure and Reform does what is known as "con-

firm” the schemes. That is legal approval and, effectively, the planning process for that type of scheme. There was a delay in that process because new EU environmental regulations had to be transposed into Irish law so that has slowed down the confirmation process.

The scheme was submitted to the Minister for Public Expenditure and Reform who contracted in a series of consultants, as required under the new regulations. They carried out an environmental assessment on the scheme and then sought further information from the OPW, which we passed back in October of this year. Subject to the consultants being satisfied with that information and the scheme being confirmed, we hope to start construction in 2021. While it has been delayed, we are seeing light at the end of the tunnel and will be able to progress the scheme.

The Deputy mentioned our direct labour force. We have looked at using that. It is a scarce but skilled resource that we use on particularly challenging projects. It does save time. That is still under consideration in terms of the actual form of construction that we are going to use on this project.

On the question of interim solutions, the Deputy may be aware that there is a scheme under which we provide local authorities with funding to do minor works to alleviate pressing issues. We are very amenable to doing that in this area. We have also funded Mayo County Council to provide individual property protection to a range of impacted homes. Flood gates have been installed at approximately 100 houses in that area and they are having a benefit.

We are progressing overall and the confirmation process should be completed shortly. We will then be able to progress to detail, tendering and procurement with an on-site start projected for 2021.

Deputy Paul McAuliffe: I thank the witnesses for participating. I do not have many OPW sites in my constituency. I will return to that point in a moment, but one site that we are proud of is the National Botanic Gardens. It is a great local facility that has been used a great deal during the pandemic. I commend the OPW on the way the gardens are managed.

I do not expect the witnesses to have an answer now, but they might revert to the committee on the issue of wage progression and how salaries for general operatives and other grades working in the National Botanic Gardens are managed in terms of the national wage agreement and so on. Most public servants have not seen increases over the past decade or so, but I have concerns about low-paid workers in the gardens. I do not expect the witnesses to have this information with them, or do they?

Mr. Maurice Buckley: Our information is on all public agreements, but we can revert with the specific detail.

Deputy Paul McAuliffe: My colleague, Deputy Devlin, spoke about the impact of Covid and how it might make the Civil Service consider office space and so on. I am afraid that there will only be a debate between central Dublin and those counties outside Dublin. However, there is an important sector in the middle, namely, the outer Dublin suburbs. There is a building in the centre of Finglas that is largely empty, that being, the old General Medical Services, GMS, facility. It is no longer controlled by the OPW. There are plenty of sites in the outer suburbs that could be used. What are the OPW’s plans to address the balance of office space?

Mr. Maurice Buckley: I will invite my colleague, Mr. Bourke, to answer. He is leading the way for us on the question of the workplace of the future. It is a live topic at the moment and we

are considering locations around the country, but also locations around the M50. It has a great deal to do with balancing the pressures on public transport. The situation is very much up in the air, but Mr. Bourke might make a couple of comments to give the committee some direction.

Mr. Martin Bourke: Our clients and the Department of Public Expenditure and Reform, in association with us, are devising a centralised policy on remote working. It will dramatically change the model through which each client delivers its services. Depending on how that work plays out, it is the OPW's intention to partner with each client to determine the specific needs that arise in terms of location, property, etc. We have a large portfolio around the country, so I will caution against the idea that we would necessarily get additional properties. We must ensure that all of our properties, be they in the city centre, outer suburbs or regions, are fully optimised and fully support our clients' business needs. If there is a requirement to establish any other form of property or to get into sharing arrangements with local authorities and so on, we are up for that. We have had a number of conversations on this matter with local authorities in particular.

The situation is evolving and this is an exciting time. It will provide many opportunities for staff motivation and greater efficiency, including in tax savings. However, the work is complicated and will be led by central policy. We will support that in every way possible. I take the Deputy's point about the outer suburbs.

Deputy Paul McAuliffe: Many of those local villages have seen the benefit in the form of, for example, reduced carbon footprints. Mr. Bourke is right, in that this is about co-working as well as reducing space.

Mr. Martin Bourke: Yes.

Deputy Paul McAuliffe: It is important that we give civil servants and others the opportunity to co-work. I am a director of Innovate Dublin, which operates a co-working space in Ballymun and is partnering with the local authority in Dublin 8 on other projects. I would encourage the OPW to work with these types of organisation. They are not for profit, are in local authority buildings and are satisfying a need. State employees would be mixing with people in other creative industries and so on, which could only be to the benefit of all involved.

Mr. Martin Bourke: I agree with the Deputy.

Deputy Catherine Murphy: The witnesses are welcome. I will try to keep my questions short and the witnesses might try to keep their responses short.

Mr. Maurice Buckley: I will do my best.

Deputy Catherine Murphy: We have limited time. I wish to ask about the Dublin metropolitan Garda building. I pass it routinely and see a big hole in the ground and a great deal of activity. The project is budgeted to cost €80 million. Will Mr. Buckley provide us the latest estimates for cost and delivery time? The lease on Harcourt Square will expire at the end of 2022. Are there contingencies in place if the Garda is not able to move at that point?

Mr. Maurice Buckley: The latest total project estimate is €86 million on a contract of €80 million. The building will be ready in the third quarter of 2022. Aside from the Military Road complex, there are a number of additional measures and a contingency plan is in place should there be a delay. Since there is a risk because of Covid-19 and so on, we must allow for a delay.

Deputy Catherine Murphy: Does the contingency plan involve the same building?

Mr. Maurice Buckley: No.

Deputy Catherine Murphy: In that case, there would have to be two moves.

Mr. Maurice Buckley: The contingency plan involves a number of buildings that will be used for the general expansion of the Garda workforce as well as some developments at Garda Headquarters in the Phoenix Park. They will be prepared. If there is a crisis - we do not expect there to be one - in vacating Harcourt Square by the time required, we can put in temporary accommodation for the number of months involved. We will minimise the costs and the disruption to the Garda.

Deputy Catherine Murphy: How will any escalation in costs be handled? The work has effectively only just started. From what I have seen when I pass the site, a great deal of ground work is being done, but the cost has increased from €80 million to €86 million even though the development is not even above ground level yet.

Mr. Maurice Buckley: I will check. I believe the total project budget was €86 million from the beginning. The contract has been placed and is working exactly-----

Deputy Catherine Murphy: Are there two contracts? Is there one across the road at Heuston Station?

Mr. Maurice Buckley: Yes.

Deputy Catherine Murphy: Is that a separate contract?

Mr. Maurice Buckley: Yes.

Deputy Catherine Murphy: Why is it not on the same site? Is it not possible to fit the development on the other site?

Mr. Maurice Buckley: It is the so-called blue light centre for all emergency services in Dublin. It is being led by the National Transport Authority. The Garda is taking a floor there for its 999 and 112 emergency response services so that it can work together with Iarnród Éireann, the council and everyone else. That is a welcome development and we are working closely with the developers.

Deputy Catherine Murphy: I wish to ask about the Kevin Street divisional headquarters and the Galway regional headquarters. Both projects went to conciliation. Have those processes concluded and will Mr. Buckley provide us with a full update?

Mr. Maurice Buckley: Three large regional Garda centres were developed - Wexford, Galway and Kevin Street. The Wexford centre was brought in on budget and on time. There was a conciliation process in respect of Kevin Street to deal with technical difficulties that had developed along the way. That has been concluded and a small extra payment, which was justified, has been made.

Deputy Catherine Murphy: How much was that payment?

Mr. Maurice Buckley: I will try to get that figure for the Deputy in a moment. The Galway site is still under discussion in a conciliation process.

Deputy Catherine Murphy: When does the OPW expect that to conclude?

Mr. Maurice Buckley: It is difficult to put a date on these processes. This one has been ongoing for a while. I do not expect it to take much longer, but I would not like to put an exact date on it.

Deputy Catherine Murphy: I met Mr. McMahon a number of times with the Houses of the Oireachtas Commission concerning Leinster House. A terrific job was done. What was the final cost? Where historical buildings are concerned, there is an issue with the tendering process and what can be provided for within contingencies. What was the original estimate and the final cost? As often happens with old buildings, many things were found.

Mr. Maurice Buckley: The Leinster House project was a fantastic project. It is an example of where even though the final cost was higher than initially expected, we would 100% stand over it as being good value. Mr. McMahon can correct me, but I understand the final cost was €18 million. The initial cost estimate was €11 million.

I can assure the Deputy that, having worked with colleagues around Europe and the world, the project would not have been delivered for less than €100 million in any other country. There was superb co-operation with the Houses of the Oireachtas, Seanad Éireann, which moved into alternative accommodation, and all Deputies.

In terms of the construction contract, we got permission to use a specific form of contract suitable for historic work. As the Deputy said, many issues were found and dealt with in a way in which we can stand over the cost involved.

Deputy Catherine Murphy: I was well aware of many things that were found. I refer to the contingency that is permitted in respect of historic buildings. It is limited, but at the same time there is a fault in how the OPE is permitted to tender. Has there been any engagement regarding changing the rules in respect of historical buildings?

Mr. Maurice Buckley: Absolutely. The final figure for Leinster House was €17.6 million. Leinster House was a bit of a trial. We used a different form of contract which worked very well. We are in discussions with the OGP about using that on a more widespread basis. The Deputy will have seen from the papers submitted that the very same issues arise in flood risk management. In some situations, for historic buildings in areas next to rivers, it is next to impossible to anticipate 100% of the complexities before a project starts. This has to be taken into account.

Chairman: Senator Marc MacSharry has five minutes.

Deputy Marc MacSharry: I will book a second slot.

Chairman: Yes, in the second round.

Deputy Marc MacSharry: I welcome the witnesses. I thank them for all the work they have had to do over and above their normal work due to Covid, across State buildings and all of the other issues.

I would like to start with Miesian Plaza. I had the privilege to be here in October 2018 when we examined the matter. I understand the witnesses said earlier in the meeting that they intend to see that the public is done right by this issue and mentioned that there is a 25-year lease and rent reviews. The rent reviews are consumer price index rent reviews and, therefore, will only

go one way. Is that correct?

Mr. Maurice Buckley: That is the one of the things we are delighted about in respect of that particular project.

Deputy Marc MacSharry: Well, I suppose-----

Mr. Maurice Buckley: If I could just explain-----

Deputy Marc MacSharry: I have very limited time. People at home understand what the CPI is.

Mr. Maurice Buckley: A lot of money has been saved by having rent reviews linked to CPI.

Deputy Marc MacSharry: I appreciate that. I am only interested in recouping the moneys as laid out by the Comptroller and Auditor General. We lost €21 million in advance given the 17-month delay in getting into the building, which the Comptroller and Auditor General valued at €11 million. We have lost €10 million in rent, at €344,000 per month. Since we first met, we have clocked up about €1.3 million in losses in that regard. In terms of doing right by the people and getting this money back, the witnesses implied that the rent review was an opportunity to do that. It is not.

Mr. Maurice Buckley: Can I answer that?

Deputy Marc MacSharry: Certainly.

Mr. Maurice Buckley: The figures the Deputy mentioned were aired very thoroughly in the report from the Comptroller and Auditor General and at the Committee of Public Accounts in 2018. I would not accept all the figures exactly as the Deputy quoted them. I accept-----

Deputy Marc MacSharry: Mr. Buckley did at that meeting, according to the transcript.

Mr. Maurice Buckley: If I could answer the question-----

Chairman: Let him answer the question.

Deputy Marc MacSharry: I am just assisting.

Mr. Maurice Buckley: I accept, as I acknowledged earlier, that based on the different form of measurement coming into place at that time, there was a €344,000 per annum difference in rent, if it was entirely based on net internal area and the IPMS3. That topic is under discussion with the landlord, Remley Developments, as I said. There has been much engagement and interaction with the landlord over the course of 25 years.

The Deputy is correct. Rent reviews are primarily a technical process, but the value-----

Deputy Marc MacSharry: I have been involved in many. I do not like cutting Mr. Buckley off, but since our last-----

Mr. Maurice Buckley: I have not answered the Deputy's question yet.

Deputy Marc MacSharry: Let us start with the answer this time instead of the introduction.

Mr. Maurice Buckley: I tried to last time, but the Deputy cut across me.

Deputy Marc MacSharry: I only have two minutes left.

Mr. Maurice Buckley: The rent review is an opportunity to engage in detail with the landlord on the issue we are trying to address. We will do that. I simply mentioned it as one of the many interactions between landlord and tenant during the course of the lease.

Deputy Marc MacSharry: The reality is that this money is gone. Is that correct? Legally, we have no recourse.

Mr. Maurice Buckley: Legally, we have very strong advice that we do. As I say, we are still-----

Deputy Marc MacSharry: On what basis?

Mr. Maurice Buckley: As I said, we are still in discussions with the landlord. I would be very reluctant to go down the legal route. I do not think that is good practice. Where there is goodwill on both sides – I see that there is – I think something can be done. I do not accept that the money has been lost.

Deputy Marc MacSharry: There is a question over €1.3 million. We established that Mr. Buckley okayed the signing of the lease. We established at the meeting in October 2018 that in February 2017 the OPW's chartered surveyor advised him that it had to be recalibrated. We put this deal in the hedge of our own during. I asked Mr. Buckley at the time whether there was any disciplinary process afoot, and he said it was not a disciplinary matter.

The Secretary General of the Department of Public Expenditure and Reform came before the committee some weeks ago and I mentioned this to him. Incredibly, he was not aware of it and, as such, it was not prepared to comment on it. I asked whether we should have a process to deal with cases where people make mistakes that cost €344,000 a year. He said the Department takes the learning experience approach.

Is that where we are at? We signed a lease, despite internal advice and there being plenty of time to recalibrate and adopt the appropriate measurement standard. We are on the hook for €10 million. We are really flowering things up in the fluffy language if we think we have legal recourse when we knowingly, and under the advice of a team, put this deal in the hedge and cost the people €10 million. It is a learning experience.

Mr. Maurice Buckley: May I answer?

Chairman: A brief answer please. We are running out of time.

Mr. Maurice Buckley: I have already addressed the issue of recouping the money. To use a football analogy, we were three goals ahead in the game and conceded an own goal just before the end. The Deputy is picking out one aspect of an incredibly successful project.

The Department of Health was in Hawkins House for 50 years. There were three attempts made to move the Department, and it successfully moved to Miesian Plaza. We all see on the six o'clock news every day the risks that the Department deals with. The move has been transformative, by its estimation, in terms of the performance of the Department.

The rent we pay is very good by market standards of the time. Much was done. The team did very good work. A mistake was made collectively in the system. I will take responsibility. I had just joined the organisation and in the first month I signed the lease. I would love to have

asked for a full review before doing that. We can go down the chain. There are about ten people in the organisation who are all embarrassed about this because they know it is not the way the OPW does its work. It has taken the shine off an excellent project. It has been an excellent project and I stand over that.

Deputy Neasa Hourigan: I thank the witnesses for their presence today. I want to return to flooding and our flood relief efforts. I have some questions on how we progress those projects and the contracts involved. In its climate adaptation strategy, the OPW endorsed the IPCC projections on the 1 m sea level rise by 2100.

What life span is projected for the projects we are planning and are under construction or tender processes? Is it the IPCC projections that the OPW has endorsed? We tend to design buildings to a 60-year lifespan. What is the lifespan of our current flood projects?

Mr. Maurice Buckley: They are designed so that they can be extended as necessary. It is hard to define the period, but it could perhaps be 100 years. As the Deputy said, our worst-case scenario at present is a temperature rise of 1.5°C which equates to a 1 m sea rise and the corresponding effect on rivers and so on.

Deputy Neasa Hourigan: Projects are designed to a 1 m sea rise.

Mr. Maurice Buckley: They are designed so that they can be easily adapted to cope with that at an appropriate point along the way. For example, the foundations of walls or supports are strong enough so that they can be raised if necessary.

Deputy Neasa Hourigan: Does the OPW conduct a cost-benefit analysis between building that now and building that later?

Mr. Maurice Buckley: Yes, we do. We have an extensive process there. Due to the acceleration of climate change we are looking now at more extreme scenarios, in the case of a 2°C rise and so on.

Deputy Neasa Hourigan: Let us not go down that road today.

Mr. Maurice Buckley: It is a bit frightening.

Deputy Neasa Hourigan: I am operating on the assumption that the OPW does rigorous cost-benefit analysis on the works before these proceed. Are there any schemes that the OPW has delivered that in retrospect would not have been delivered, considering the cost overruns and the cost estimate forecast and whether the cost estimate forecast was accurate with respect to the final cost?

Mr. Maurice Buckley: The cost-benefit analysis of the flood risk schemes - we started this programme in towns and villages that needed to work most - tended to have a very high benefit to cost ratio. Even in the few situations where cost has been higher than initially expected, the cost-benefit is still favourable. Even at that, we take a very conservative approach to measuring the benefit. There are many wider societal benefits. I am sure the Deputy knows people who have been caught in flooded properties. It is a horrendous situation that one cannot really measure in financial terms alone.

Deputy Neasa Hourigan: I appreciate that.

Mr. Maurice Buckley: We are comfortable with this. As we get into the programme and to

the tail-end of the programme, we will have to be very careful where there may be more marginal situations. At the moment, it is fine.

Deputy Neasa Hourigan: How is OPW tracking the expenditure on professional services contracts? If any of these have exceeded the 150% of the tender sum for the current stage of the project, would that not require retendering of the contract under the current procurement guidelines?

Mr. Maurice Buckley: I will bring in Mr. Sydenham on this point. The committee were good enough to put in some questions ahead of the meeting. We have given some initial answers but we will follow up on those. Mr. Sydenham may be able to comment on that aspect.

Mr. John Sydenham: Does the Deputy want me to comment on the design of schemes or on the consultancy costs?

Deputy Neasa Hourigan: I appreciate whatever Mr. Sydenham would like to comment on. This was a particular question on the consultancy costs, both for the consultants directly involved in the project but also for the quantity surveyors providing an independent oversight.

Mr. John Sydenham: We structure the major schemes through the procurement of firms of consultants by competitive tender. They provide services across a range of disciplines such as design. There is what is known on the projects as an “employer’s representative” and our project manager on the ground provides that service. Within that, there is a quantity surveying function and a cost management function. To get that range of disciplines in the way that the market is currently structured, we would procure those services from an individual firm. The procurement process involves specifying all those disciplines and the scope of works required during the currency of that particular contract. That is how we do those particular contracts. As with any contract, it is a judgment as distinct from a hard and fast rule. There are very clear procedures *vis-à-vis* public procurement. As to the various stages we go through, we look at outturn at the end of particular stages.

Deputy Neasa Hourigan: I am sorry but I am about to be cut off because of my time. Have any of the current consultants or specialists involved in tendering services exceeded the 150% tender sum at any stage of the project?

Mr. John Sydenham: I would not have that information to hand for the Deputy but I can look into it and get back to her.

Chairman: I call Deputy Colm Burke.

Deputy Colm Burke: I thank our witnesses for attending and for the work they are doing providing the accommodation for civil servants across the country and for all the other projects the OPW is involved in.

On flood relief, the OPW report mentions, in particular, the Blackpool scheme and the Glashaboy flood relief scheme, both of which are in my constituency. We are waiting ten years for the Blackpool scheme and eight years for the Glashaboy scheme, which is in Glanmire. My understanding is that details of those projects have been submitted to the Department of Public Expenditure and Reform and that there is only one person - I am open to correction on this - approving these projects for allowed funding. As a result, there is a significant delay. Can our guests outline to us the number of projects that have been submitted to the Department of Public Expenditure and Reform, the timescale for approvals given, and the number of projects

the office is currently waiting to be approved?

Mr. Maurice Buckley: I thank the Deputy and I will pass over to Mr. Sydenham for the detail on that question. Dealing with the transposition of European environmental directives in Ireland is a complex situation. There are quite a number of steps involved. I take the Deputy's point and Mr. Sydenham may be able to provide an answer on the Blackpool scheme, in particular, and on the Glashaboy scheme and on their current status.

Mr. John Sydenham: I will start with the broad picture-----

Deputy Colm Burke: My apologies but these are very specific questions. I am waiting ten years and eight years. Some €2 million has already been spent on the Glashaboy scheme, without a stone having been turned. I am looking for simple answers. Have the projects been submitted to the Minister for Public Expenditure and Reform? When were they submitted? On average, how long is the OPW waiting for projects to be approved? These are very simple questions.

Mr. John Sydenham: I will start with Glashaboy. It has been submitted to the Department of Public Expenditure and Reform. Under the new transposed regulations, the Minister has to conduct, as part of the assessment and prior to confirmation, an environmental assessment. As the Department does not have in-house resources to do that work, which is very complex and technical, it procures consultants to carry it out on its behalf. That process has taken place on the Glashaboy scheme and the consultants have done their assessment. As part of that, they wrote to the Office of Public Works setting out what additional information they needed. We responded in October of this year with that additional information. That has gone back to the Department of Public Expenditure and Reform. The confirmation process should be completed fairly shortly. There are many processes to go through. Once the confirmation comes through, the detailed design and the tender process will be completed. We estimate and expect construction should start late next year.

Deputy Colm Burke: When was the project submitted and when does the OPW expect to get a decision back from the Department?

Mr. John Sydenham: It is already with the Department and I expect a decision early next year.

Deputy Colm Burke: Some €2 million has been spent on this project, without a stone being turned. Two environmental impact studies have been completed and now we are having a third one done. Is that correct?

Mr. John Sydenham: That would be correct, yes, indirectly. We carried out one and the Department of Public Expenditure and Reform is required to carry out one. That being said, these are inordinately complex undertakings and cost money.

Deputy Colm Burke: That was a cost of €2 million. Where are we on the Blackpool project?

Mr. John Sydenham: Blackpool is progressing. I have not got detailed information in front of me but I can get back to the Deputy on that.

Deputy Colm Burke: Again, I need to know if it has been submitted to the Department and if it was, when it was submitted, and when will we get an answer?

Mr. Maurice Buckley: I might just have that information but Mr. Sydenham will check. It is hoped that a grant of confirmation will be received in the first quarter of 2021.

Mr. John Sydenham: That is correct.

Mr. Maurice Buckley: In its response, additional questions were asked during the consent process at the Department of Public Expenditure and Reform and these were responded to at the end of October.

Deputy Colm Burke: I asked a question earlier as to whether there was just one person in that Department dealing with projects submitted by OPW.

Mr. Maurice Buckley: I would not know that.

Deputy Colm Burke: Can we get clarification on that, please?

Mr. John Sydenham: I will answer that. I have heard that but I cannot say definitively. The Department has limited resources in that area but the issue is that it outsources the technical segments as it does not have this expertise in-house. The fact that there may be a small number of administrative staff is not an issue. If I might, and I know the Deputy's time is constrained-----

Deputy Colm Burke: It is an issue. If the outsourcing does not take place, because there is only one person dealing with it, then delays are occurring. These are projects of ten years and eight years duration.

Mr. John Sydenham: I can appreciate that the perception is that matters are delayed but these are complex matters and the Department needs additional resources. I agree with the Deputy on that point. We will be working with the Department on the overall structure of the confirmation process to see if there is a quicker way to do this. Everybody who participates in this is conscious of the delay.

Chairman: To stick to the floodworks scheme, I have some questions and the witnesses might give concise answers. On the overall schemes, there is much frustration and disappointment about the length of time it takes to carry out surveys, studies, examination of the sites and the work on the contracts and the tenders. I am talking about the period from when the work starts to seeing the actual physical work commence. The time from when the preparatory work, to use that term, begins, which includes all of that, to when the physical works commence is a huge frustration for people. We get circulars saying that such and such a scheme is starting. Some of this has been articulated by Deputy Colm Burke but it is about the time that elapses between that preparatory work and actually starting the works and spending money. I understand that environmental impact assessments, EIAs, have to be done and that there are many requirements on the OPW but the chairman might deal with that.

I want to ask about some specific schemes. With regard to the Mountmellick scheme, Mountmellick suffered very badly three years ago as a result of very severe flooding. Many houses and businesses were impacted. An excellent engineer in Laois County Council, Paul McLoughlin, is heading up that project but the length of time it takes to get from the starting blocks to the physical works being done seems to be three, three and a half or even four years. When can we hope to see shovels in the ground in Mountmellick and those flood defences being put in place?

Mr. Maurice Buckley: I am looking at Mountmellick here, which has a €3 million to €3.5 million project budget. The public information day took place in November 2019. There was a terrible flood. I was there myself on the morning it flooded and there was a lot of damage done. I feel the Chairman's frustration, and it is a frustration many Deputies feel, and the public. There were two Dáil debates last week on this topic and it was very evident to us that the length of time it is taking to do the environmental work necessary to get approval for planning is causing a lot of concern. It does take time. It takes time in other countries as well. We have to start early. What we are doing in the OPW is bringing forward as many schemes as possible to go in parallel so that we can prevent that.

Chairman: I asked about the likely starting date for the physical works.

Mr. Maurice Buckley: I do not see a starting date for the works.

Chairman: Mr. Buckley can appreciate that almost 300 properties were flooded. Coming into the winter when there may be periods of heavy rainfall people are anticipating the worst, such as heavy rainfall coming down the from Slieve Bloom mountains. Can Mr. Buckley give me a rough idea of when work is likely to start and the length of time it will take to complete the physical works? Were it not for Laois County Council carrying out extensive channel widening and other works in and around that town over the past two years serious flooding would have occurred in it again on a number of occasions. Can Mr. Buckley give me a rough time for those two works?

Mr. Maurice Buckley: We worked with Laois County Council on that. Unless Mr. Sydenham knows I would have to check on the outcome of that consultation work and if we have a plan for the extent and complexity of the scheme.

Chairman: To save time, can Mr. Buckley revert to me on that?

Mr. Maurice Buckley: We can do that, yes.

Chairman: The other scheme I want to mention is the Mountrath scheme. A scheme was put in for Mountrath and it was not backed by the OPW on the basis of value for money. I am very familiar with the area. I crossed it when I was going to school. A weir was constructed there. There were two weirs. One of them was taken out. The remaining one is causing problems. It is increasing the water levels in the river by about 1 m to 1.2 m. I find it hard to understand the value for money argument because many of the people living in Patrick Street and in Dunne's Terrace, in Mountrath, had to abandon their houses so they would say it does represent value for money. There is a pipe underneath a bridge that has to be removed and something has to be done with the weir. I am aware that minor works have been approved for the Shannon Street area that the council are opening but I am asking that the OPW would go back and look at that issue again. I do not see it being a huge cost issue in terms of resolving the issues on the Whitehorse river, in Mountrath. In terms of value for money, people need peace of mind. There has been very bad flooding in the area since 1967 and it is being caused by a few minor pieces of work that need to be carried out. Can Mr. Buckley give me a brief answer on that now?

Mr. Maurice Buckley: I am not familiar with that scheme. Mr. Sydenham is raising his hand. He may be able to reply.

Mr. John Sydenham: I will give a quick update. I fully appreciate the stresses of the local community. It was assessed and I think the scheme viability came into question. What is currently happening is that the OPW, in consultation with the county council, is doing what

is known as a scheme viability review, which is looking at the whole configuration to see if we can come up with a working system that is viable. Even though it sounds harsh, there is an underlying principle where we look at schemes. We have to look at costs and benefits. In terms of determining the scheme viability, we have to look at the hard economics. There has to be finite limits on what we can spend relative to what we are protecting but in this instance we would be confident that we may be able to come up with a solution by reviewing the scheme in partnership with the council.

Chairman: In the cost benefit analysis can Mr. Sydenham take into consideration the households in Patrick Street, Dunne's Terrace and Stillbrook? It is the residents who are either at risk of flooding or have been flooded in the past.

Mr. John Sydenham: Yes.

Chairman: I do not see it as needing very large works. I do not want to simplify it. When the OPW starts doing a job it may turn out to be not as simple as it looks but we are not moving mountains here. It is relatively minor works that need to be carried out on the Whitehorse river.

My last question relates to the-----

Mr. Maurice Buckley: We will come back to the Chairman with the latest situation on Mountrath.

Chairman: Yes, the two of those. Regarding the works on the Shannon, €7 million was provided for the works roughly in the area of Clonmacnoise down to Lusmagh. I had a response from the witnesses recently on this and that is allocated. I spoke to one man yesterday who has two small houses in Shannon Harbour. Both of them have been flooded. Most of his farmland is under water as we speak. When will we see physical works on that area down along through west Offaly on the River Shannon?

Mr. Maurice Buckley: The work started this year. I do not want to irritate the Chairman by again referring to the assessments that have to be done but that is under way. We are working closely with Waterways Ireland on both of those projects. We certainly hope to get some of the maintenance work started in 2021.

Chairman: The physical works.

Mr. Maurice Buckley: In the callows regions the Chairman is referring to, I will have to check the exact timescale for that. That is quite significant. It is removing obstacles in the river. There is a balance between navigation and agricultural benefits. It may take a couple of years before that is done but it is on the way.

Chairman: I am particularly concerned about Shannon Harbour and Banagher. The people in Shannon Harbour have suffered a great deal from being repeatedly flooded. To confirm what Mr. Buckley is saying, physical works - spades in the ground - on the River Shannon in the area from Clonmacnoise to Lusmagh will happen in 2021.

Mr. Maurice Buckley: In that €7 million programme, which is a combination of maintenance and the improvement in the callows area of the workages. I would have to check to see exactly what area will start in 2021, or Mr. Sydenham might know that.

Chairman: Mr. Buckley might submit a more detailed reply on that as well.

Mr. Maurice Buckley: I can, yes.

Deputy Catherine Murphy: The witness might come back to me with the figure in regard to Kevin Street divisional headquarters. It is the question I asked in regard to conciliation.

With regard to Fairgreen, in Galway, an internal 2018 report, one of Mr. Buckley's own reports, found that the agency overpaid by €1.4 million in buying the property in Fairgreen, in the city. The overspend appears to have been a result of the rent being miscalculated. Mr. Buckley might confirm if that was a purchase or a rent but it is costing €141,000 extra. Is that every year or was that a one-off? Has that been rectified? Mr. Buckley might come back to me on that.

I have one other question.

Mr. Maurice Buckley: That was addressed by the Comptroller and Auditor General in 2017. It was long before my time or my colleagues' time but it was fully documented then.

I will check the status of that and come back to the Deputy with the details.

Deputy Catherine Murphy: Mr. Buckley can come back to me with whatever is done on that. Regarding flood insurance, one that comes up repeatedly is that the OPW does work, it holds up and there is a problem with insurance. There is a memorandum of understanding entered into with the insurance sector. Mr. Buckley has it in his report here. The OPW is looking at the possibilities of further development of an agreement, according to Mr. Buckley's report. What is the OPW trying to achieve here? If there is to be public money spent, if the OPW is to do a really good job and if it will resolve the problem, it is unconscionable that there would be still a penalty related to insurance. There seems to be a lag in that in some respects. Will Mr. Buckley give us an idea of exactly what the discussion is between the OPW and the insurance organisations?

Mr. Maurice Buckley: I would 100% agree with the Deputy that there should not be such a delay, but it has taken some time. We are making progress, though. I keep coming back to John Sydenham there. He was involved in the negotiation. He might have the latest position.

Mr. John Sydenham: By way of clarity, the Department of Finance has responsibility for insurance matters but we worked actively with the insurance federation and with the Department. As the Deputy mentioned, the memorandum of understanding, MOU, to distil it down to its basics, is that once we provide schemes, by way of reciprocation the insurance industry provides insurance cover to property owners in the protected area.

There have been issues recently about demountables. These are defences which are put up in advance of a flood. The insurance companies, in a number of cases, have baulked at providing cover in areas protected by demountables because there could be an issue *vis-à-vis* the risks around human intervention, etc. That has been in detailed discussions.

What is happening and what I think is more important is that both we and the Department are going to be looking in detail at the actual level of protection. There are issues around whether everybody who should be getting insurance in the protected areas is getting it and there are differing views as to the veracity of some of the statistics that are available. There is work to be done in that area to make sure that we have hard data so that we can see the area that is being protected by a new system and all the properties. Then we should be a little bit more structured in finding out who is or who is not getting insurance cover in those areas. It is an active process. It is under way.

Deputy Catherine Murphy: I will ask, finally, about the catchment flood risk assessment and management, CFRAM, study, which obviously was a major study. It identified locations or at least where watercourses are. I certainly am repeatedly coming across people who live within a certain distance of a watercourse where they have never experienced flooding, some of them on a hillside. Is the OPW having any discussions with the insurance companies regarding the CFRAM or would that be a matter for the Department of Finance?

Mr. John Sydenham: Technically, it would be the Department of Finance. I cannot comment on how individual insurance companies conduct their business, but anecdotally there is information that people, in the course of obtaining insurance, are asked how close they are to a watercourse, and that seems to affect the level of cover provided or the premium asked for.

On maps, we have a very meticulous CFRAM map of the areas at risk at a community level. We were very clear that those maps cannot legally be used for giving or withholding insurance. It is a private matter between an insurer and their individual customers, but that whole issue of proximity to watercourses is an area that does need to be looked into.

Chairman: I thank Mr. Sydenham.

Deputy Marc MacSharry: The old five minutes is intolerable. We are all stuck in the old Covid world now. It means I cut in on Mr. Buckley and all of that stuff. Apart from the big wins on Miesian Plaza, unfortunately, we are here to talk about the bad news, such is the nature of this committee.

At the previous meeting, Mr. Buckley mentioned that in negotiations the OPW would have to determine whether the other side, Remley, was going to contest or dispute the mistake. What are the indications from it at this point? It is it disputing or contesting the mistake?

Mr. Maurice Buckley: As the Deputy knows probably more than most because of his experience in the property sector, while the negotiations are going on, it would not be best practice for me to discuss them publicly like this. So, if the Deputy does not mind, there is a discussion under way. I am optimistic we will get a result out of it. We have not been able to get a result as quickly as I hoped. I would like to leave it at that, please.

Deputy Marc MacSharry: I just have to comment on it, again, because of the experience I have in it. It does not surprise me that engagement is cordial. I would be surprised if they are not wheeling out the Château Pétrus every time the OPW comes around because they are getting €344,000 extra a month. We are on the hook and I worry that money is gone. We will still be here, halfway through the lease, talking to whoever is in this seat. In any event, I will have to park that one for now.

There are a number of questions I have specific to big projects that the OPW is working on at present, but in the interest of time here today, what I will do, with the permission of the committee when we were in private session on a previous occasion, is put those in writing to the OPW relevant to the specific project and Mr. Buckley can reply in writing. Otherwise, we will not be able to do any beneficial work. Is that okay?

Mr. Maurice Buckley: Sure.

Deputy Marc MacSharry: On another issue, and while I appreciate Mr. Buckley is bound by the directions of the Department that is looking for various properties, we bought a site at Caltragh in Sligo for a new Garda station which was to be part of a bundle of three Garda sta-

tions with Clonmel and Macroom in Cork. Is it the Garda Commissioner who directs that we do not need anymore? Is it the Secretary General of the Department of Justice? Is it the Minister? Who is it?

Mr. Maurice Buckley: It would be the Garda Commissioner.

Deputy Marc MacSharry: Did the Garda Commissioner lift the phone to say that we are not going ahead with that?

Mr. Maurice Buckley: Essentially, yes. The Garda did a restructuring and reprogramming in recent years, as the Deputy knows.

Deputy Marc MacSharry: I understand all that.

Mr. Maurice Buckley: It has changed its priorities, which are very important to the State, obviously. It is for us to work to those priorities.

Deputy Marc MacSharry: Understood. Were Clonmel and Macroom thrown under the bus as well?

Mr. Maurice Buckley: No. Clonmel is going ahead and it is at planning at the moment. Macroom is actually being redesigned to be much larger - double the size that was originally foreseen, again because of the operational needs of the Garda Síochána.

Deputy Marc MacSharry: So the loser is Sligo. Was there any mention in the discussions that they wanted to divert the resources relevant to the proposed Sligo development in favour of a development at Portlaoise?

Mr. Maurice Buckley: No. I do not think there was any - I am certainly not aware of any - discussions like that.

Deputy Marc MacSharry: It is just because it will help us when we have the Garda in. It was just a clear, "We are not going ahead with that project."

Mr. Maurice Buckley: The public private partnership, PPP, bundle actually was originally meant to be three Garda stations plus other property exhibit management system, PEMS, work, but it had already been reduced to the three Garda stations, and it was further reduced to just Macroom and Clonmel.

Deputy Marc MacSharry: I suppose Mr. Watt would put the purchase of the site, at €1.35 million, down as another learning experience, would he?

Mr. Maurice Buckley: I myself was very centrally involved in that. We purchased that site at the request of the Garda Síochána and the Department of Justice to expedite the PPP programme, seen at that time as involving all three.

Deputy Marc MacSharry: Sure. There was much lobbying from me and others for the same. What is the plan for that site now?

Mr. Maurice Buckley: May I finish the answer-----

Deputy Marc MacSharry: Sorry, yes.

Mr. Maurice Buckley: -----because the Deputy referred to it as an error? It is not. Of

course, we have a site that we no longer need for that Garda station, but in terms of a loss of €1.3 million, that is not the case.

Deputy Marc MacSharry: I did not say it was a loss. I just asked what are we going to do with it now.

Mr. Maurice Buckley: For the moment, we are holding that site. Part of it is a car park for some Government offices nearby. We will review that. We are looking to see if it is suitable for any other developments. It may be that we sell on that site or part of that site. We will manage that as a property project.

Mr. Martin Bourke: I wonder would it be useful if I could pass a comment on that.

Mr. Maurice Buckley: Martin Bourke is the head of property estates.

Mr. Martin Bourke: The biggest focus in acquiring that site was the buying out of leases for use with the adjoining Government building. The €1.34 million was to buy out three leases that were on the car parking, and then the additional land, as it transpired, was going to be suitable for the Garda station that the Deputy is talking about. In terms of a payback on the purchase price of €1.34 million, we will have recouped the price of that site over six years. We will have recouped much of it already at this stage.

Deputy Colm Burke: I will speak again if there is time.

Chairman: I thank Mr. Bourke. One of the other projects mentioned in the report is the Morrison's Island project in Cork city and I know the delay in that regard is beyond the OPW's control. My understanding is that there are legal proceedings in train, on which I know the witnesses cannot comment. Will this matter be dealt with in the courts shortly? What stage are we at with this? That is one issue I wish to raise.

The second issue is totally different and concerns Glanmire Garda station. The OPW agreed to purchase the building in 2011 and it was not closed until 2017 and 2018. Interest was paid, however, for more than six years. My understanding is that a binding contract was signed by both the vendors and the State, which was the purchaser, yet it went to a full High Court hearing. The High Court held against the State. The building was bought and we paid out more than €360,000 between legal costs and interest on a building that only cost €760,000. In other words, we paid an additional 50% on top of the purchase price because someone decided there was no contract. I am aware the OPW did not make that decision but why decide not to go ahead with a purchase then six years later go ahead with it and deliver the Garda station? In the meantime, there was an inadequate facility for a Garda station in Glanmire for a further six years.

Mr. Maurice Buckley: We provided the information on that Glanmire Garda station some time ago. I will ask Mr. McMahon to comment on that in a moment.

I will come to the Deputy's first question which was on the Cork city flood relief scheme and Morrison's Island. He is perfectly correct that Morrison's Island is the first element of a large scheme. It is being progressed by Cork City Council with the OPW. It has received planning and has been approved by An Bord Pleanála. To our disappointment, a judicial review has been requested by the Save Cork City group. We are, therefore, at the mercy of the judicial system as to whether or when that will be heard and how long it will take. We have just gone through a similar process in County Kildare, which delayed the scheme by two full years.

The Minister of State, Deputy O'Donovan, who has responsibility for the OPW and flood relief, has asked Save Cork City to consider withdrawing that judicial review in the interests of the wider community. Business people in Cork have echoed that, as has Cork County Council. As an official, my interest is to proceed with the work. I met the Save Cork City group along with the then Minister of State, Kevin Boxer Moran.

I believe it is time to go ahead. We have addressed Save Cork City openly and responsibly and taken all its concerns seriously and answered them all one by one. They are passionate people. I respect all those people who hold passionate views on things but really, it is time to proceed with that. We will engage wholeheartedly with that and any other group when we come to the next phase. That is only phase 1. It is a huge project all the way from Ballincollig down to the sea in Cork. It will cost €140 million in total. It is enormous. It is the biggest flood relief project in the State and to some extent, the most important in terms of the risk of property and to people. We all saw what happened in 2009. It was a miracle lives were not lost.

Deputy Colm Burke: And again recently.

Mr. Maurice Buckley: And again, recently, what happened to business people. It was appalling to see that in the last few days before level 5 restrictions came in. We certainly will engage with everybody and will consult widely. Much benefit has been brought to the Morrison's Island scheme because of the suggestions Save Cork City, the International Council on Monuments and Sites, ICOMOS, and others have made along the way. Up to €20 million in public realm investment is taking place now and many of the historical aspects which are most important to them are being preserved carefully. We have responded and we will certainly engage further on the wider scheme.

Deputy Colm Burke: And Glanmire?

Mr. Maurice Buckley: I am sorry, Commissioner McMahon will come in to comment on that.

Mr. John McMahon: I thank the Chairman and the Deputy. The purchase of the site at Glanmire is quite an historic case now. The contract was signed, as the Chairman said, for a value of €760,000 in 2011. A delay ensued in terms of the completion of the contract. It became disputatious and at the time that-----

Deputy Colm Burke: I am sorry, but my understanding is that the vendor's solicitor served a 28-day notice which, for some reason or other, expired on Christmas Day 2011. The State solicitor then advised around 22 December that it was ready, willing and able to close. Because the vendor's solicitors did not close before the end of the 28 days, it wrote to the vendor's solicitor on 29 December saying the contract no longer existed. That went on for six years.

Chairman: We have gone a couple of minutes over time. I must watch the Covid-19 regulations. Is Deputy Burke happy to get a written reply from the OPW?

Deputy Colm Burke: It is an important issue that a 28-day notice was served and someone decided a contract did not exist. Six years later, it turned out the High Court held that a contract did exist and we paid out the interest and all the legal costs of €195,000.

Chairman: We will look for a written reply specifically on that for Deputy Burke.

I will ask this briefly because Deputy MacSharry has a question. Deputy Catherine Mur-

phy asked a question near the end of her contribution earlier about the final arbitration cost for Kevin Street Garda station. Will the OPW supply that to her in writing, please?

Mr. Maurice Buckley: I can tell the Chairman now. The final project price for Kevin Street was €38.2 million.

Chairman: That was the final cost of Kevin Street.

Mr. Maurice Buckley: That was the final cost of Kevin Street Garda station after the conciliation.

Chairman: I will ask about decentralisation. One of the questions we submitted on the list for today was on the number of premises in Portlaoise the OPW has leased to Departments. What is the number of overall premises owned and leased? Are there plans to consolidate them further? The Department of Agriculture, Food and the Marine at one stage was in seven different locations, some of which were quite close to me. Can Mr. Buckley give me an answer to that, please?

Mr. Maurice Buckley: I will ask Mr. Bourke again as he will have more precise detail on that.

Mr. Martin Bourke: Yes, and we can certainly follow up with a table I have in front of me. There are a number of buildings. We have long-standing conversations with the Department of Agriculture, Food and the Marine to try to agree a scheme whereby we can actually consolidate a number of its buildings into one. We believe we can make progress on that-----

Chairman: How many is it in at the moment?

Mr. Martin Bourke: -----and certainly, in the context of remote working and 20% remote working, there are many opportunities. I am happy to give the Chairman the actual detail of the specific buildings in a written table if that is okay with him.

Chairman: Very well. The other question I wish to ask is on the vacant site that was bought for the Department of Agriculture, Food and the Marine on the Mountrath Road. How much was paid for it and what will happen to it now? There are pylons and a power line has now gone across the middle of that site. How much did that site cost? It has been lying idle now for a good few years.

Mr. Maurice Buckley: I believe that site cost €1.03 million. Mr. Bourke might correct me.

Mr. Martin Bourke: I can get that detail for the Chairman. We are engaging with the State architect on a master plan for that site and a number of options are being considered.

Chairman: Mr. Bourke might give us more information on that. I do not want to get into it now. Will he come back, specifically, with the number of premises occupied by Departments in Portlaoise and the annual cost of the leases on those?

Deputy Marc MacSharry: Will I lash through questions and let the witnesses respond?

Chairman: Yes, briefly, because I am tied with time.

Deputy Marc MacSharry: Can I read out four questions? The witnesses can revert.

Chairman: Of course.

Deputy Marc MacSharry: Hammond Lane was leased out under licence to a construction company. Did the OPW require planning permission to do that for a change of use? Was it applied for? What is the situation? Obviously, as a result of that move, the OPW was able to avoid the vacant site levy.

I am aware the Hawkins House site has planning permission for a ten-story building. The Apollo House site next door recently got planning permission for 21 storeys. On that basis, will the OPW resubmit in order that it will increase its yield, be it for use by the State or, as speculated in the newspapers, in the event it may be for sale?

I will also ask two flooding-related questions. Given the robust design process that would have been relevant to the Middleton town scheme, it jumped from €20 million to €40 million in a year in terms of its estimate. If we consider the usual cost of inflation that occurs at the tender stage and by the end of construction, a final figure of about €60 million could be expected, which is a multiple of three. With that in mind, in respect of the ring-fenced €1.6 billion the Government will commit, will it be a higher bill and is the Government aware of that?

Regarding the Ennis south scheme, the local authority requested €4.5 million from the OPW. In 2019, the expected completed cost of the scheme under construction was about €11 million but just a year later, the projected cost is €18 million, which would be a factor of four. Could the witnesses give us an update on both of those? What penalties will accrue to the State as a result of the Harcourt Street overrun in terms of gardaí having to stay on longer?

Chairman: I ask the witnesses to send on written replies because we are up against a deadline.

Deputy Marc MacSharry: The transcript can be sent on.

Chairman: I thank Ms Clifford, Mr. Buckley and the other witnesses from the OPW who joined us remotely for all the information provided. We covered a wide range of issues in the past two hours. I also thank the Comptroller and Auditor General, as always, for attending and assisting the committee with its work today. Is it agreed that the Clerk will seek any follow-up information and carry out any actions agreed here and matters arising from the meeting? Is that agreed? Agreed. Is it also agreed that we note and publish the opening statements and briefings provided for today's meeting. Is that agreed? Agreed.

The witnesses withdrew.

The committee adjourned at 6.32 p.m. until 11.30 a.m. on Thursday, 12 November 2020.