

# **Decentralisation Implementation Group (DIG)**

## **Report to the Minister for Finance August 2009**

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# 1. Introduction and Context

## 1.1 Background

### Completed Projects

1.1.1. Considerable progress has been made in relation to the provision of permanent accommodation for projects included in the Decentralisation Programme with permanent accommodation now provided for the organisations in Table A below. The full staffing allocation is now in place in the majority of these locations with staffing assignments continuing in the case of Cork City, Killarney and Clonakilty.

**Table A: Permanent Accommodation Acquired**

Location	Organisation	Total No. of Posts Relocating
Athlone	Dept of Education and Science	93
Ballina	Road Safety Authority	62
Carrick-on-Shannon (Phase I)	Dept of Social and Family Affairs	140
Clonakilty	Dept of Agriculture, Fisheries & Food	86
Clonakilty	BIM	90
Clonakilty	Sea Fisheries Protection Authority	47
Cork City	Health Information Quality Authority	100
Killarney	Dept. of Arts, Sport & Tourism	121
Kilrush	Office of the Revenue Commissioners	57
Limerick	Dept of Foreign Affairs	139
Listowel	Office of the Revenue Commissioners	52
Longford	Irish Prison Service	142
Loughrea	Road Safety Authority	40
Loughrea	Dept of Transport	10
Naas	IAASA	15
Na Forbacha	Dept of Community, Rural and Gaeltacht Affairs	13
Navan	Coroners Service	6
Navan	Garda Civilian HR Division	38
Navan	National Property Services Regulatory Auth	10
Navan	Office of the Director of Probation Service	18
Navan	Office of the Revenue Commissioners	100
Newcastlewest	Office of the Revenue Commissioners	51
Sligo	Dept of Social and Family Affairs	88
Tipperary Town	Private Security Agency	32
Tullamore	Dept of Finance	130
	<b>Total</b>	<b>1757</b>

1.1.2 To date over 2,700 posts have relocated under the current Programme. Of these over 1,400 are in permanent accommodation in the locations listed above with a further 1,300 in advance offices<sup>1</sup>.

### Priority Projects

<sup>1</sup> Advance offices are in place in the following locations: Athy, Birr, Carlow, Cavan, Claremorris, Clifden, Cork, Dundalk, Mullingar, Portlaoise, Roscommon, Roscrea, Shannon, Thomastown, Thurles, Tipperary Town, Trim, Tubbercurry and Wexford.

1.1.3 The Minister for Finance announced in the October 2008 Budget that, of the remaining decentralisation projects, certain projects would be given priority in relation to the provision of permanent accommodation while other projects would be deferred pending an overall review in 2011. These priority projects fell into two categories:

- (i) those already contractually committed, and
- (ii) those where contracts were not yet signed.

**Table B (i):** Permanent accommodation not yet provided but contractually committed

<i>Location</i>	<i>Organisation</i>	<i>Total no. of posts relocating</i>	<i>No. already moved to Advance office</i>
Buncrana	Dept of Social and Family Affairs	118	0
Newbridge	Dept of Defence / Defence Force HQ	244	0
Trim	Office of Public Works	334	36
Wexford	Dept of Environment, Heritage and Local Government	270	45
	<b>Total Table B(i)</b>	<b>966</b>	<b>81</b>

**Table B (ii):** Permanent accommodation not yet contractually committed

<i>Location</i>	<i>Organisation</i>	<i>Total no. of posts relocating</i>	<i>No. already moved to Advance office</i>
<b>PPP midlands bundle</b>			
Mullingar	Dept of Education and Science	297	7
Portlaoise	Dept of Agriculture, Fisheries and Food	595	310
Carlow	Dept of Enterprise, Trade and Employment	257	103
	<i>Sub-total PPP Bundle</i>	<i>1,149</i>	<i>420</i>
<b>Other projects</b>			
Charlestown	Dept of Community, Rural and Gaeltacht Affairs	164	100
Claremorris	Office of Public Works	104	31
Curragh	Defence Forces	413	0
Drogheda	Dept of Social and Family Affairs	499	0
Roscommon	Property Registration Authority of Ireland	230	84
Tipperary Town	Dept of Justice, Equality and Law Reform	186	63
	<b>Total Table B(ii)</b>	<b>2,745</b>	<b>698</b>

### **Changing Environment**

1.1.4 Arising from the current economic environment and the deterioration in the public finances, circumstances in the civil and public service have changed. The property environment has also changed both in relation to the acquisition and disposal of property. The Government has also announced a number of human resource and expenditure measures which raise significant issues for the implementation of the Decentralisation Programme including the following: -

- (i) The introduction of restrictions on the recruitment and promotion of staff in the civil service and in the wider public service.
- (ii) The Minister's announcement in the Supplementary Budget on 7th April 2009 of an overall reduced ceiling for capital expenditure in 2010 and 2011.
- (iii) Changes in the arrangements for delegated sanction from the Department of Finance to the OPW and all other Departments in relation to capital expenditure require that expenditure

above certain expenditure limits must first receive the approval of the Department of Finance. All of the decentralisation projects listed in Table B(ii) are above these limits and will require specific sanction in each case.

(iv) The Report of the Special Group on Public Service Numbers and Expenditure Programmes (the McCarthy Report).

(v) The downward pressure on numbers arising from the announcement of an Incentivised Scheme for Early Retirement and an Incentivised Career Break Scheme.

1.1.5 In light of these changed circumstances and the passage of time the Group saw the need to review again the property, staffing and business position of each of the priority locations where contractual commitments have not yet been made. Such an analysis is necessary in the current environment and would be of assistance in advising the Minister of the up to date position in each case prior to any contractual arrangements being finalised.

1.1.6 The Group understands that the Minister for Finance advised the Government at its meeting of 19<sup>th</sup> May, 2009 that the DIG would be undertaking (i) a review with Departments and Offices of the staffing, property and business position in relation to projects not yet contractually committed and (ii) would be working with the OPW to assess current and proposed utilisation of space in Dublin and in decentralised locations. The Group also understands that the Government were advised that the DIG would report back to the Minister on its findings.

## **1.2 Task**

1.2.1 The Group agreed that the scope of its task would be twofold:

***(i) Review of Decentralisation Projects where contractual commitments have not yet been made***

1.2.2. The projects reviewed by the DIG are those set out in Table B (ii) above:

Carlow – Department of Enterprise, Trade and Employment  
Charlestown - Department of Community, Rural and Gaeltacht Affairs  
Claremorris – Office of Public Works  
Curragh – Defence Forces  
Drogheda – Department of Social and Family Affairs  
Mullingar – Department of Education and Science  
Portlaoise – Department of Agriculture, Fisheries and Food  
Tipperary Town – Department of Justice, Equality and Law Reform

1.2.3 The Carlow, Mullingar and Portlaoise projects are taken together as one PPP project for procurement purposes i.e the PPP midlands project.

1.2.4 The Group wrote to each of the Departments/Offices above seeking an update in relation to the property and staffing elements and business readiness of each organisation to decentralise. In each case the design or tendering process for permanent accommodation was underway but final contracts had not yet been signed.

1.2.5 The Group carried out an analysis of the responses from Departments to enable it to make an assessment in each case of timing issues, numbers and staffing issues, cost factors arising, business and management issues and the related property issues.

1.2.6 The Group is now in a position to report its findings in respect of each location based on the updated circumstances in each case.

***(ii) Review of utilisation of space in Dublin and in existing decentralised offices***

1.2.7 The Group has asked the OPW to review both the current use and the scope for rationalisation of space in Dublin and in decentralised locations. As a first step the Group has asked the OPW to report to it on:

(a) options to ensure optimum use of space in Dublin and in decentralised locations under the overall decentralisation Programme, and

(b) the impact on the financial model of the deferral of elements of the Programme and any changes to the original assumptions made in relation to the disposal of or use of space in Dublin.

1.2.8 The Group will review the material received from the OPW and will report separately on this issue over the coming months. The focus of this report therefore is on item (i) above, i.e. priority decentralisation projects where contractual commitments have not been made.

1.2.9 On a general note, the Group welcomes the recommendations in the McCarthy report in relation to strengthening the role of the OPW in managing surplus property and removing any veto Departments may feel they have over property proposals relating to them made by the OPW.

## **2. The Task**

### ***Approach of the Group***

2.1 Given the passage of time since the Group last examined these projects in detail and the changes to Government policy in the interim, particularly in relation to the recruitment and promotion of staff, each Department/Office was invited to submit an update to the Group in relation to their decentralisation project.

2.2. Departments were asked to include the following information, as appropriate, in their updates:

a) confirmation of the number and breakdown of posts which the Department is now proposing to relocate to *Location X*;

b) details of the business unit(s) and functions to be relocated to that location;

c) confirmation of the number of accommodation spaces sought by the Department in the design brief finalised with the OPW;

d) the current staffing position including (i) CAF applicants assigned to date (ii) Agriculture surplus staff assigned to date (iii) staff who have been recruited or promoted with a decentralisation condition attached to their appointment (iv) first preference CAF applicants yet to be assigned, and (v) an update on the position regarding completion of 2-10 CAF trawls at each grade level;

e) the remaining staffing gap to be filled by number and grade and the phased intake required at each grade level to fill that gap;

f) the anticipated impact of Government policy on recruitment and promotion in filling the remaining gap and the likely timeframe required to complete the move to *Location X*;

g) progress made to date in placing staff who wish to remain in Dublin and the remaining staff to be placed in Dublin including the plans for phased exit of staff at each grade level;

h) taking account of the progress achieved to date on the staffing, property and business fronts, each organisation's assessment of the timeframe for moving including (a) the phases already moved to Location X, (b) any further phases planned for 2009, and (c) the timeframe for completion of the full relocation of the Department's functions to Location X;

i) details of advance accommodation leased by the Department in Location X i.e. duration of the lease, renewal terms, number of spaces available, number of spaces occupied and details of the business unit(s) and functions operating in the advance office;

j) details of space freed up in Dublin arising from the advance move

k) details of anticipated further space to be freed up in Dublin on completion of the full move

l) any other views which the Department wished to bring to the attention of the DIG at this time including any comments on service delivery issues.

2.3 *Criteria used:* The Group agreed that in examining each location the essential criteria remained the business, staffing and property elements of the project. In making recommendations to the Minister, the Group noted that any pending wider policy decisions outside its remit of, which could impact on individual projects, would also have to be taken into account by the Minister. In this regard, the Group notes the recent McCarthy Report, its overall recommendations in relation to suggested reductions in numbers and also its specific recommendations in relation to the functions of Departments, both of which could have significant impacts on the decentralisation projects. While decisions on the implementation of the McCarthy Report are a matter for Government, the Group has made reference to relevant recommendations where it believes that they could impact on individual projects.

2.4 After examining the organisations' initial responses, the Group wrote to a number of organisations to seek clarification on various issues arising. Having considered the responses received from each Department/Office, the Group finalised its findings and recommendations at its meeting on 11<sup>th</sup> August, 2009.

### **Review of Decentralisation Projects where contractual commitments have not yet been made**

2.5 The following section contains a summary of the up to date position in relation to each project based on the information received from each Department / Office, and from the OPW. If a decision is taken to proceed with some or all of these projects, the Group recommends that the OPW be asked to confirm, in each case, whether there are properties already built that could be leased or purchased as an alternative to construction.

## **2.1 Charlestown: Department of Community, Rural and Gaeltacht Affairs (HQ)**

### ***Scope of the Project***

2.1.1 Under the Government's Decentralisation Programme, the Department of Community, Rural and Gaeltacht Affairs (D/CRGA) is due to relocate 165 posts, including its Headquarter functions, to Charlestown, Co. Mayo.

### ***Staffing***

2.1.2 *Staffing update:* The Department has made substantial progress on the staffing front with approximately 100 staff having already moved to an advance office in Tubbercurry.

2.1.3 D/CRGA advises that there is no change to the number of its posts due to relocate to Charlestown. However, the Department is still considering how best to provide an efficient and effective service to the Department's stakeholders in Dublin, including meeting the needs of the Minister, the Minister of State and the Houses of the Oireachtas.

2.1.4 The Department has raised the prospect of the availability of the Incentivised Scheme of Early Retirement impacting negatively on the number of staff serving in the advance office.

2.1.5 *Staffing gap:* The Department is concerned that the moratorium on promotion will impact on the timeframe required to complete the move to Charlestown given that the gaps are in promotion grades as follows: PO (4), AP (9), HEO (4).

### ***Property***

2.1.6 D/CRGA advises that there is no change to the number of accommodation spaces sought in the design brief (165).

2.1.7 The latest information from the OPW regarding the Charlestown project is as follows:

- Expressions of interest have been assessed.
- Site purchase documents are with the Chief State Solicitor's Office.
- The OPW is ready to invite tenders for the construction of accommodation.

2.1.8 However, the Department of Finance has recently received a proposal in relation to an alternative turn-key property solution for the HQ of the D/CRGA in Kiltimagh, Co. Mayo. The OPW are examining this option and will investigate the costs/benefits of proceeding with this as a possible alternative to constructing a new building in Charlestown. The Group understands that the Government were advised of this development in the Minister for Finance's quarterly report in May, 2009.

### ***Business Issues***

2.1.9 As a relocating HQ Department, D/CRGA has advised the Group that an assessment of how best to provide an efficient and effective service to the Department's stakeholders in Dublin, has not yet been concluded. However, it is likely that the 165 spaces will be used to accommodate approximately 140 staff who will relocate to Charlestown on a permanent basis, together with shared spaces for staff who will also provide support to the Minister and its stakeholders in Dublin. The Department envisages that space would be required in Dublin for Ministerial Offices staff, Press Office, local support, and dual provision, including for senior

management and staff from Charlestown as may arise from time to time by reference to work priorities of the Department.

2.1.10 The Group is concerned that this requirement will have implications for the utilisation of space in the decentralised location and for the overall costs of the Programme. The Group has set out some overall views in relation to the impact of decisions taken in relation to Headquarter Departments at section 3 below

### ***DIG Findings and Recommendation***

2.1.11 In a settled policy and organisational environment, the Group would be quite supportive of this project proceeding to site purchase stage and / or construction or acquisition of permanent accommodation. The Department has made excellent progress to date in establishing and operating a large advance office and has demonstrated its commitment to delivering on the full decentralisation project.

2.1.12 However, there are a number of pending decisions in the policy and property areas which the Group feels must be decided upon before any decision to proceed with the project is taken. Firstly the Kiltimagh property option needs to be fully assessed and costed by the OPW and a final decision taken by the Government on the location of the Department.

2.1.13 In addition, the Group notes that the McCarthy Report has recommended that D/CRGA should be closed and its various functions either redistributed to other Departments or discontinued, as appropriate. While the implementation of the Report's recommendations is a matter for Government, the DIG considers it desirable that a decision be taken in relation to the organisational structure of the Department in the longer term, its functions and its staffing levels before any commitments are entered into by the OPW on the acquisition of property in either Charlestown or Kiltimagh. Any decision should have due regard to the interests of staff already in the advance office in Tubbercurry.

## **2.2 Claremorris: Office of Public Works**

### ***Scope of the Project***

2.2.1 Under the Government's Decentralisation Programme, the Office of Public Works (OPW) is due to relocate 104 posts in to Claremorris, Co. Mayo. This project represents phase 1 of the OPW move to Claremorris. The relocation of a further 38 posts has already been deferred pending the overall review of the Programme in 2011.

### ***Staffing***

2.2.2 The OPW has confirmed that the number of posts proposed for Claremorris remains unchanged. The Office has made good progress in placing an advance office with 31 staff in situ in the location to date.

2.2.3 *Staffing gap:* Of the 104 posts, 72 are general service grades. The CAF is well subscribed at these grades. However, 32 of the posts are Professional and Technical posts for which there is only 1 CAF applicant at present. The OPW advises, therefore, that it has a difficulty in completing the Professional and Technical elements of the project within the timeframes envisaged.

## ***Property***

2.2.4 The OPW is proposing to proceed to tender on a design / build basis for the provision of the decentralised offices in Claremorris for the OPW. The accommodation will also provide space for the D/SFA (13 posts) and D/AFF (4 posts). A separate District Courthouse building (financed by the Courts Services) is also proposed on the site acquired.

2.2.5 The OPW has confirmed that there are no current demands from other Departments or Agencies for office accommodation in Claremorris, other than those already included in the project.

## ***Business Issues***

2.2.6 As there is a sizeable interest in the Claremorris location from the administrative staff on the CAF, the OPW has explored whether it may be possible to facilitate the relocation of a larger number of staff from this cohort. The OPW has concluded that the business model is structured to cover the OPW responsibilities in the Northwest region and would require a balance of general service and Professional and Technical staff to be maintained to enable it to operate an effective regional service from that location.

2.2.7 The OPW is not, therefore, in favour of the construction of a smaller office to cater for 70 general service posts only as this would place severe limitations on their long-term use of that facility and such a move would not support a full range of regional functions being based there. The OPW are of the view that it remains in the long-term business interest of the OPW that a Claremorris Office be constructed to cater for 104 OPW posts. This would enable the Professional and Technical posts to be located there, albeit over a very lengthy period of time, and would enable it to avail of redeployment options from other organisations if they arise. Having regard to the moratorium on promotion and recruitment, the OPW has advised that it would consider outsourcing of professional / technical work locally, on a case by case basis, until such time as staff can be employed to the unfilled posts. The OPW also advises that it would allocate resources from the body of staff under its employ in Dublin and Trim when necessary to supplement the Claremorris staff. In that regard, the Office would propose to use the 30% of vacant office space for temporary and visiting staff.

## ***DIG Findings and Recommendations***

2.2.8 In view of the concerns about the filling of the Professional and Technical posts which represent 30% of the overall OPW complement of posts -concerns which are increased by current restrictions on promotion- the Group is of the view that the Claremorris project should not proceed at this time.

2.2.9 While the Group understands the case made by the OPW the Group does not recommend proceeding with a building on this scale in present circumstances. The Group has concerns also that the proposed outsourcing of professional / technical work would lead to unnecessary duplication of roles and could be cost increasing in the absence of viable alternative redeployment options for the staff currently undertaking those functions in Dublin.

2.2.10 The Group notes that the McCarthy Report recommends that the OPW take on a more central role in managing the State's property portfolio and also contains a recommendation to reduce numbers in that Office. A definitive decision on this project could be made when these recommendations have been considered by Government and taking account of the impact of such decisions on the future structure and functions of the OPW. This project should, in any event, be included in the 2011 review, if no decision is taken before then.

## **2.3 The Curragh: Defence Forces**

### ***Scope of the Project***

2.3.1 Under the Government's Decentralisation Programme, the Defence Forces are due to relocate 413 posts to the Curragh, Co. Kildare.

### ***Staffing***

2.3.2 There is no change to the 413 Defence Forces posts due to relocate to the Curragh<sup>2</sup>. The Department of Defence does not envisage that Government policy on recruitment and promotion will impact on the timeframe required to complete the move to the Curragh. The civilian staff wishing to remain in Dublin can be redeployed to other work in the Dublin area.

### ***Property***

2.3.3 The DIG previously considered a request to proceed to tender stage for the building in the Curragh, on the 24<sup>th</sup> of April 2008 and recommended that the project proceed.

2.3.4 The Defence Force Headquarters (DFHQ) building will accommodate 335 personnel. The OPW has sought sanction to proceed to tender stage for that building. In addition, separate accommodation is proposed for the DFHQ Communications and Information Services (53 personnel) based on its ICT and security requirements. A Defence Forces Printing Press housing 25 additional personnel will be constructed as an industrial type premises. The OPW is examining the procurement options available in relation to these two latter facilities.

2.3.5 The Department of Defence has confirmed that there is no change to the business units/functions to be relocated or to the number of accommodation spaces sought in the design brief.

### ***Business Issues***

2.3.6 The Department of Defence has drawn attention to the anticipated time lag between completion of this project and the completion of the relocation of the Department's HQ and elements of the Defence Forces HQ to Newbridge in early 2010. The Department advises that this time lag will create significant difficulties from a business perspective given the day to day interaction and communication that is an important element of their work.

### ***DIG Findings and Recommendations***

2.3.7 The DIG is satisfied that this project should proceed in full. In light of the business issues raised by the Secretary General of the Department of Defence, the DIG would recommend that the OPW be asked to prioritise this project, subject to the Minister for Finance's view on the wider policy issues raised above.

2.3.8 The Group wishes to emphasise that its view is based on the Defence Force's current posts and structure and that any pending policy changes which could alter the Defence Force's current configuration must be taken into account by the Minister for Finance. In this regard, the Group notes that the McCarthy Report is of the view that it should be possible to achieve a reduction of 500 in Defence Force strength. The implications of any such decision for the

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<sup>2</sup> As previously advised, the Defence Force personnel relocating to the Curragh will qualify for payment of a "change of station" allowance.

Defence Forces should be considered before any contract is signed but, in the Group's view, should not hold up the issue of appropriate tender documents.

#### **2.4 Drogheda: Department of Social and Family Affairs (HQ)**

##### ***Scope of the Project***

2.4.1 Under the Government's Decentralisation Programme, the Department of Social and Family Affairs (D/SFA) is due to relocate 499 posts, including its Headquarter functions, to Drogheda, Co. Louth. This is comprised of approximately 240 HQ posts and 260 ICT posts.

##### ***Staffing***

2.4.2 The Group has been unable to carry out a comprehensive examination of D/SFA staffing and business issues for Drogheda due to insufficient information from that Department.

2.4.3 The Department has confirmed to the Group that it remains fully committed to the Government's Decentralisation Programme and has pointed to its successful decentralisation to Carrick on Shannon and Sligo under the current Programme. In addition, it expects to complete its relocation to Buncrana by early 2010. However, D/SFA is of the view that the information requested by the Group would require a re-examination of CAF offers and that it would not be possible to undertake this task until later in the year due to other significant work pressures on the Department as a whole arising from the increase in unemployment.

##### ***Property***

2.4.4. The OPW are examining a two-property solution for the accommodation needs of D/SFA in Drogheda. It is intended that a building would be procured through a PPP process on the site purchased by the OPW in central Drogheda. This would accommodate the Department's HQ functions (approx 240 posts) together with its Appeals Office and local D/SFA office. In addition, a leased solution would be sought for the Departments ICT functions (approx 260 posts) elsewhere in Drogheda Town. The DIG is aware that it has been D/SFA's position that ICT staff would move only when the other elements of the Department's relocation from Dublin have been completed.

2.4.5 The OPW has advised the DIG that D/SFA has not yet been in a position to provide a detailed specification of their accommodation requirements in Drogheda. The Group understands that this output specification is essential to enable the PPP procurement process to commence in relation to the Drogheda HQ project.

##### ***DIG Findings and Recommendations***

2.4.6 The Group fully understands that D/SFA is currently under considerable pressure due to the changing economic climate and the significant rise in unemployment figures. In the absence of full information, the Group is not in a position to make a recommendation on this project at this time.

2.4.7 The Group is mindful, however, that Drogheda remains the most popular location on the CAF. The Group considers it essential that, at a minimum, D/SFA is required to update its staffing and business plans for Drogheda, including its ICT plans and to finalise its design brief for the PPP aspect of the project in Drogheda as a matter of urgency.

## **2.5 Roscommon: Property Registration Authority (PRA)**

### ***Scope of the Project***

2.5.1 Under the Government's Decentralisation Programme, the Property Registration Authority (PRA) is due to relocate 230 posts to Roscommon Town.

### ***Staffing***

2.5.2 The PRA has already made good progress and has located an advance office of approximately 80 posts in the town.

### ***Property***

2.5.3 The DIG previously considered a request to proceed to tender stage for the building in Roscommon, on the 29<sup>th</sup> of November 2007, and recommended that the project proceed to tender stage.

2.5.4 The OPW wrote to the Department of Finance on 1 May, 2009 seeking sanction to proceed to sign the contract documentation.

2.5.5 The DIG reviewed material received from the PRA via the Department of Justice, Equality and Law Reform at its meeting on 14<sup>th</sup> May as part of its overall examination of priority projects which are not yet contractually committed.

2.5.6 The Group came to a preliminary view at that meeting that the project was positive in terms of staffing, business and property issues and asked that a small number of issues be followed up with the PRA to enable them to finalise their decision. The DIG was advised on 22 May last that the Minister for Finance would welcome an early view on the Roscommon project.

### ***DIG Findings and Recommendations***

2.5.7 The Group finalised its consideration of the Roscommon project at its meeting on 26<sup>th</sup> May, 2009. The DIG was satisfied that the Roscommon project for the PRA could proceed subject to the following caveats:

- a) The DIG wished to bring to the attention of the Minister for Finance the concerns expressed by the PRA and in particular their views on the likely decrease in the overall staffing levels in the organisation.
- b) Any pending policy changes which may emerge as a result of the work of the McCarthy Group would have to be taken into consideration in deciding on sanction for this project.

2.5.8 The Group understands that the Minister for Finance gave sanction for this project to proceed on 26<sup>th</sup> May 2009 and that the OPW has now finalised an agreement with the successful tenderer. In its current review the DIG noted that the McCarthy Report had recommended that the PRA should be merged with the Valuation Office and Ordnance Survey Ireland. While it did not appear on the information available to the DIG that this proposal could affect the timing or size of the building for Roscommon, the position should be confirmed once final decisions on the McCarthy Report have been taken.

## **2.6 Tipperary: Department of Justice, Equality and Law Reform (INIS Functions)**

### ***Scope of the Project***

2.6.1 Under the Government's Decentralisation Programme, the Department of Justice, Equality and Law Reform (D/JELR) is due to relocate 186 posts to Tipperary Town.

### ***Staffing***

2.6.2 The Department has advised the Group that there is no change to the number of D/JELR posts proposed to relocate to Tipperary i.e. 186 posts in total. There have, however, been changes to the grade mix.

2.6.3 D/JELR has already placed an advance office in Tipperary Town with in excess of 60 posts located there. There are approximately 40 further applicants remaining on the CAF at this time for Tipperary Town and the Department is prepared to move forward with calling these on a phased basis over the remainder of this year.

2.6.4 *Staffing gap:* The new grade mix continues to include a significant shortfall at Clerical Officer level, currently 78, based on the most recent CAF data provided to the Group. The current Government policy on recruitment will impact on the timeframe required to complete the move to Tipperary given that the gaps are at entry level grades: EO, CO and Service Officer.

2.6.5 D/JELR has also suggested that they can look creatively at sourcing the remaining staff closer to the completion of the building. The Secretary General of D/JELR has pointed to that Department's track record in delivering on its decentralisation commitments and has been very positive in assuring the Group that the Department will make the Tipperary project work. He refers for example to the possibility of resources being freed up elsewhere in the public service and in the civil service which could be redeployed and could enable the gap to be bridged without recourse to direct recruitment.

### ***Property***

2.6.6 *Tipperary Town:* The DIG previously considered a request to proceed to tender stage for the permanent building in Tipperary, on the 24<sup>th</sup> of April 2008 and recommended that the project proceed to tender stage.

2.6.7 The OPW advises that tenders have been received and evaluated and a preferred bidder has been identified. The amount of the tender is approximately €9m including VAT. The OPW considers that the tender is competitive in terms of value for money and relative to current market norms.

2.6.8 D/JELR has confirmed that there is no change to the accommodation spaces sought in the design brief notwithstanding the alterations to the grade mix.

2.6.9 If sanction is granted to proceed by the Minister for Finance, the preferred tenderer will be required to obtain planning permission, prepare contract documents, etc. The indicative timeframe for completion of the building is Q3 2011.

### ***Business Issues***

2.6.10 The 186 posts to relocate are in the Irish Naturalisation and Immigration Service. Based on current projections, D/JELR advises that there will be a need for staffing to the levels

envisaged in Tipperary Town for the foreseeable future and the Department does not see the reduction in the backlog of work having any significant implications for the ongoing staffing requirement.

2.6.11 D/JELR is of the view that the creation of a single stand-alone Citizenship Unit in Tipperary Town, capable of meeting current and projected demand for both Citizenship and Long-Term residency, is the best long-term solution.

### ***DIG Findings and Recommendation***

2.6.12 The Group is mindful that D/JELR is strongly of the view that the construction of the new building in Tipperary Town should go ahead. The Group acknowledges the excellent track record to date of D/JELR in completing decentralisation projects in relation to the Irish Prisons Service to Longford, a range of Justice services to Navan, the Data Protection Commissioner's Office to Portarlinton, the Private Security Authority to Tipperary and advance offices for the Equality Authority to Roscrea, the Equality Tribunal to Portarlinton and INIS to Tipperary Town.

2.6.13 In relation to the Tipperary project, the Group is, however, concerned that the remaining gap at Clerical Officer level, combined with the recruitment moratorium which will be in place until 2010, means the timeframe for filling the building may extend for several years beyond the completion of construction.

2.6.14 The Group also notes that the sanction received from the Department of Finance for these posts at end 2007 specifically required that the overall numbers serving in the Department does not exceed the approved numbers for the Justice, Equality and Law Reform Group. The Department is therefore faced with a greater challenge as it must now identify 120 existing posts to relocate from Dublin to complete the Tipperary project rather than rely on new posts as it originally planned.

2.6.15 The Group notes as well that the McCarthy Report has identified scope for a structural reduction of at least 540 staff across the Department and its Agencies. The Report specifically recommends a reduction in the number of staff in the INIS, initially to the 2006 level of core staff (i.e. a reduction of 170), based on the current trends in immigration and asylum applications. While no decisions have yet been taken by Government in relation to the report, DJELR has advised that Tipperary will be unaffected by any downsizing that might occur at INIS as quite a bit of downsizing in that organisation, called for by the McCarthy Group, has already taken place, all of it in Dublin. This position needs to be confirmed with the Department taking account of whatever decisions are made by the Government on overall numbers in the Justice area.

2.6.16 Overall, while the Group has some remaining concerns about proceeding to construction stage in the absence of a clear pathway to completing the staffing complement, it notes the very positive stance adopted by the Department in relation to the project and its commitment to finding solutions to the staffing challenges identified.

2.6.17 On balance, the Group has concerns about the scale of the remaining gap at clerical level but wishes to point also to the strong track record of this Department in successfully delivering on a range of decentralisation projects in the current Programme.

## **2.7 Midlands PPP Projects – Mullingar, Portlaoise and Carlow.**

2.7.1 The OPW advised the Group that they are using a fixed PPP procurement procedure for the Midlands Bundle.

2.7.2 Carlow, Mullingar and Portlaoise comprise the Midlands PPP Bundle and would provide accommodation for approximately 1150 posts. The OPW advises that a preferred bidder has been selected. The Group understands that the PPP consortium selected as the preferred bidder has recently secured financial backing for the proposed development following a lengthy delay. The OPW advises that the completion of contracts may take some months after financial closure and final sanctions, based on previous experience with PPP projects.

2.7.3 The Group has examined each of the three projects, Carlow, Mullingar and Portlaoise, on its individual merits. The Group is mindful, however, that completion of the PPP procurement process would require that all three projects are progressed. While there is flexibility to split the bundle and proceed with either 1 or 2 of the projects in circumstances where planning permission has been refused, this is not the case here. The OPW has advised that planning has been successfully secured in respect of all three locations.

2.7.4 Only limited changes to the specification of the projects could therefore be considered at this advanced stage and the Group understands that any proposed changes would require further legal advice and may also have planning, design and funding implications. This would be the case, for example, if the size of one of the buildings were to be reduced.

## **2.8 Carlow: Department of Enterprise, Trade and Employment**

### ***Scope of the Project***

2.8.1 Under the Government's Decentralisation Programme, the Department of Enterprise, Trade and Employment (D/ETE) is due to relocate 260 posts to Carlow Town.

### ***Staffing***

2.8.2 The Department has already made very good progress in placing an advance office in Carlow comprising of approximately 100 staff.

2.8.3 *Staffing gap:* As the main staffing gap is at Clerical Officer level (49) the current Government policy on recruitment may impact on the Department's ability to complete the move to Carlow. However, D/ETE are of the view that the deferral of some other locations may lead to an increase in CAF applicants opting for Carlow.

### ***Property***

2.8.4 There is no change to the number of accommodation spaces (260) sought in the design brief.

### ***Business Issues***

2.8.5 D/ETE has advised that the only change to the proposed functions to be relocated is that the Work Permits section will not form part of the units to move to Carlow.

## ***DIG Findings and Recommendation***

2.8.6 The DIG is satisfied that this project should proceed in full.

2.8.7 However, the Group notes that the McCarthy Report has identified scope for a structural reduction of at least 594 staff across the Department and its Agencies. Any pending policy changes which could alter the Department's current configuration must be taken into account by the Minister of Finance in deciding on sanction for this project.

## **2.9 Mullingar: Department of Education and Science (HQ)**

### ***Scope of the Project***

2.9.1 Under the Government's Decentralisation Programme, the Department of Education and Science (D/ES) is due to relocate 296 posts, including its Headquarter functions, to Mullingar, Co. Westmeath. The reduction in the number of post from 306 to 296 is as a result of the transfer of the Youth Affairs Section of the Department to the Department of Health and Children.

### ***Staffing***

2.9.2 The overall level of CAF interest in Mullingar is quite positive. However, the pace of assignments has slowed as a number of D/ES staff offered posts in other decentralising organisations have not now been assigned due to budgetary constraints on these other organisations

2.9.3 *Staffing gap:* As a result of the Government's policy on recruitment and promotion vacancies in the Department are being held for longer periods. The total gap to be filled through promotion or recruitment at end March 2009 is 36, of which 15 are in the professional grade of Inspector.

2.9.4 The Department has pointed to some potential challenges in the staffing of the Department's ICT section where a gap of 8 remains for Mullingar out of the total ICT complement of 28 posts.

### ***Business Issues***

2.9.5 As a relocating HQ Department, the Group understands that the Department has signalled a requirement for up to 80 spaces in Dublin to provide support to the Department's stakeholders in Dublin, including meeting the needs of the Minister, the Minister of State and the Houses of the Oireachtas.

2.9.6 The Group is concerned that this significant requirement will have implications for the utilisation of space in the decentralised location and for the overall costs of the Programme. The Group has set out some overall views in relation to the impact of decisions taken in relation to Headquarter Departments at section 3 below.

## ***DIG Findings and Recommendations***

2.9.7 The DIG is satisfied that this project should proceed in full.

2.9.8 The Group wishes to emphasise that its view is based on the Department's current posts and structure and that any pending policy changes which could alter the Department's current configuration must be taken into account by the Minister for Finance before agreeing to sanction

for this project. The Group notes that the McCarthy Report recommends the Department's staff numbers be reduced by 170.

2.9.9 The Group notes the points made by the Department in relation to the filling of ICT posts. The Group wonders if there may be scope for some flexibility in the application of the current moratorium in a very limited number of cases where particular skill sets are deemed essential to a Department's ability to relocate functions.

## **2.10 Portlaoise: Department of Agriculture, Fisheries and Food (HQ)**

### ***Scope of the Project***

2.10.1 Under the Government's Decentralisation Programme, the Department of Agriculture, Fisheries and Food (D/AFF) is due to relocate 595 posts, including its Headquarter functions, to Portlaoise, Co. Laois.

### ***Staffing***

2.10.2 The Department has made excellent progress to date with advance offices in Portlaoise containing approximately 250 staff. A further 220 staff were already in situ in a regional office in Portlaoise bringing its overall current presence in that location to 470.

2.10.3 *Staffing gap:* The most challenging gaps remain in the ICT grades which are a significant part of the posts still to be moved.

2.10.4 The building in Portlaoise will accommodate 800 posts. The Department is in the process of relocating a further 100 to advance accommodation so it will, at a minimum, have 570 staff in situ when the permanent accommodation is in place. In addition, the Department advises that it has a further 220 posts to relocate from Dublin comprising 150 ICT posts and 70 non-ICT posts bringing the total to 790 posts.

2.10.5 The Group has particular concerns, given the significant gap at ICT level, that the movement of the final tranche of 100-150 posts for Portlaoise could take a number of years to complete leaving sizeable unoccupied space in the new building for some time. The Group has urged the Department to enter into early discussions with the Department of Finance to explore options for progressing the ICT relocation.

### ***Business Issues***

2.10.6 The Department has stated its intention to retain a Secretariat of 150 posts in Dublin to support the Minister, the Ministers of State, the Oireachtas and the Department's stakeholders, including the EU. These 150 posts would consist of 30 posts to service the Ministers and Secretary General of the Department, and 120 support posts. The Department advises that this will in no way diminish its commitment to its headquarters in Portlaoise. Under the proposed arrangement, 10 Management Committee posts will have transferred from Dublin (with 4 Assistant Secretary posts remaining in Dublin) and the Portlaoise building will include offices for the Ministers and the Secretary General.

2.10.7 The Group is concerned that this significant requirement will have implications for the utilisation of space in the decentralised location and for the overall costs of the Programme. The Group has set out some overall views in relation to the impact of decisions taken in relation to Headquarter Departments at section 3 below.

## ***DIG Findings and Recommendations***

2.10.8 The Group has concerns about recommending that a building to accommodate 800 posts proceed in Portlaoise at this time. While the Group is reassured by the Department's assessment that it can relocate the full complement of posts to Portlaoise, it remains concerned, in particular, about the significant gap in the take-up of ICT posts for Portlaoise and the consequent prospect of under utilisation of space over a long transition period.

2.10.9 The Group would suggest that the following options be carefully examined before any decision to proceed is finalised: (i) whether flexible arrangements can be agreed which would enable the ICT staff to be assigned for Portlaoise in the short to medium term, (ii) whether the size of the building could be reduced notwithstanding the potential risks to the PPP procurement process underway, (iii) whether the number of posts to be retained in Dublin should be re-examined, or (iv) whether alternative sources can be identified to partly occupy the building, including any functions which might be transferred into the Department on foot of the recommendations of the McCarthy report.

2.10.10 The Group wishes to emphasise that its view is based on the Department's current posts and structure and that any pending policy changes which could alter the Department's current configuration must be taken into account by the Minister of Finance before deciding on sanction for this project. In this regard, the Group notes that the McCarthy Report recommends a significant rationalisation of D/AFF locations and an overall reduction of over 1100 in the Agriculture Vote Group staff numbers. The Report's recommendation in relation to the outsourcing of ICT functions may also be relevant to the Portlaoise project.

### **3. Facilities to support decentralising Headquarters**

3.1 The Group is aware that it was always the intention to provide a centralised suite of offices close to the Houses of Oireachtas to support Ministers of Departments with headquarters outside of Dublin. This need for such a facility was flagged by Minister McCreevy in his Budget Day announcement of the Decentralisation Programme back in December 2003 but the accommodation or posts involved were not quantified at that time.

3.2 As timelines for the construction and occupation of headquarter buildings are now being firmed up, the Group wrote to the Minister for Finance on 28 May, 2009 seeking clarification on the practical issues associated with Departments with headquarters outside of Dublin which are due to decentralise. In particular, the Group wished to take account of any proposals to retain posts and office space in Dublin arising from the need to provide support to their key stakeholders in Dublin, including Ministers and the Oireachtas.

3.3 The Group has noted the information provided by the Minister in relation to the requirements of each Headquarter Department in Dublin.

3.4 The Group understands the business requirement underpinning the provision of support facilities for Ministers and Departments with headquarters outside of Dublin in light of the need to provide support for inter-departmental business, Government and the Oireachtas in Dublin. This need is particularly acute in relation to Departments with a broad policy remit and those having a range of sensitive items on the political agenda. The Group is also aware that the distance of the HQ location from Dublin is a factor in determining the nature and scale of supports required in Dublin.

3.5 The Group notes that the concept of the provision of support in Dublin has evolved since the original decentralisation announcement and that the arrangements now proposed are based on criteria agreed by each Minister in relation to his or her own business needs.

3.6 While the nature and scope of facilities to be provided is solely a matter for Government and for each individual Minister to determine, the Group notes that the arrangements now proposed go considerably beyond the Group's expectations of a "Dublin presence" for Departments with headquarters outside of Dublin. In looking at this issue, the Group is concerned, given the scale of the Dublin facilities, that over time the Headquarters of these Departments may be inevitably drawn towards the Dublin location and away from the decentralised location with consequent implications for the management and structure of those organisations.

3.7 The Group is mindful also that the provision of space and support facilities in Dublin, and possible duplication of space in decentralised offices, will add to the overall cost of the Programme and should now be factored into the financial model setting out the overall costs and revenues associated with the Programme.

3.8 The Group asks that these views be taken into account by OPW and the Department of Finance in reviewing and finalising the space requirements under the contracts still to be placed and noted also in the context of planning future arrangements.