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Tuarascáil maidir leis an athbhreithniú ar chostais a ghabhann le tionscadail chaipitil neamhsheachadta

Nollaig, 2015

Public Accounts Committee

**Report on the review of costs associated with
undelivered capital projects**

December, 2015



Foreword by the Chairman of the Public Accounts Committee, John McGuinness, T.D.

I welcome the publication today of the Committee's report on a number of undelivered capital projects where substantial costs have arisen for the State.

Projects go wrong for many reasons, however when a significant amount of money is lost as a result, we have to have a system in place to comprehensively review the entire project and in particular to:

1. review what when wrong,
2. examine how risks were managed and
3. establish what lessons need to be learned.

At present there is no automatic review mechanism built into the public spending code and that is a weakness that needs to be addressed.

In the two projects examined in this Report, the State has seen no return for expenditure in excess of €85 million. These are the two biggest projects where the outcomes were not delivered but of course there are others.

Under the current system of accounting, there is also a danger that unintended outcomes can be left out of the formal reporting mechanisms and they are then quietly forgotten about: that should never be the case and the report looks at ways of ensuring transparency in terms of accounting for impairments and losses.

I commend this report to Dáil Éireann.

John Mc Guinness TD
Chairman

16 Nollaig 2015.

Introduction

Undelivered outcomes in major capital projects

Capital expenditure by the State peaked in 2008 when €9.3 billion was invested in our infrastructure. Arising from the economic collapse, the State pared back considerably in capital spending and it fell continuously to €3.4 billion in 2013. During the boom years prior to 2008 the State, either on its own or through PPPs, was responsible for the delivery of significant projects in areas such as roads, rail, schools and hospitals. In that time two major infrastructure projects were approved by the Government, namely a national tertiary paediatric hospital which was going to cost €550 million and a new prison to replace Mountjoy which going to cost €60 million. As will be outlined in this Report, €85 million has been spent by the State on these two projects without any benefits being delivered. It is likely that a much of this investment will have to be written-off and in the case of the paediatric hospital, the impairment has already been reported in the 2013 annual accounts on the National Paediatric Hospital Development Board. Whilst the proper accounting of expenditure deals with one aspect of this issue, a far more important aspect is to ensure that a full review takes place so that lessons are learnt and projects are simply not forgotten about.

As capital expenditure normally involves commitments spanning a number of years, a lot of the expenditure since 2008 was directed at finishing off projects that had started prior to the downturn. All those projects that were delivered were subject to an appraisal following completion in accordance with the provisions of the Public Spending Code. A review under the Code has not taken place in respect of the National Paediatric Hospital project at the Mater Hospital or in respect of the prison in Thornton. Full accountability will not be achieved until such a review takes place and the results are published.

Many projects were stalled after 2008 because the required money was no longer available. However, as will be outlined in this Report, the economic downturn may not always be a valid reason for explaining how millions of euros were effectively written off. In some cases, sufficient analysis may not have been undertaken before the decision was made to commit public funds and a solution, that was to be delivered through the proposed project, was eventually found elsewhere. The review of the prison project will examine this issue. In the case of the proposed National Children's Hospital, the failure to deliver the project at the Mater site raises issues around risk management and the need to build in contingency plans where there is a risk that the original proposal will fail the independent planning process.

The Public Spending Code will need to be reviewed in regard to this type of expenditure and it is an issue that is dealt with in Chapter Three. There is also a level of inconsistency in the way such projects are dealt with in the accounts of public bodies and that is something that has to be addressed. This is the subject of Chapter Four.

Chapter One

The National Paediatric Hospital

Introduction

A review of the organisation and delivery of hospital services for children was first recommended in 2002 and the McKinsey Report outlined that there was compelling evidence for one national tertiary paediatric centre based in Dublin to be co-located with an adult academic hospital¹. A Joint HSE/Dept. of Health Task Force advised in May 2006 that this new hospital be built on the site of the Mater Hospital and this became Government policy in June 2006.

The National Paediatric Hospital Development Board [NPHDB] was established in 2007 to oversee the development of a children's hospital at the site of the Mater Hospital. Between 2007 and December 2013, the NPHDB incurred costs of just under €42 million. Funding for the project was provided by the Health Service Executive. All the expenditure incurred by the NPHDB was capitalised as an asset in its balance sheet. In January 2012 a planning application for the hospital was refused by An Bord Pleanála. As a consequence of the failed planning application, the Government decided in November 2012 to change the location of the hospital to St James Hospital in Dublin 8. While a portion of the assets had a reusable value, the financial statements of the Board for 2013 reflect the writing down of €35.5million of accumulated expenditure.

Requirement for further Review

In 2013 a new board was appointed to deliver the project at the St James Hospital site and the Committee examined the accounts of the NPHDB at its meeting on 8th October, 2015². The Committee recommend that a number of issues raised at that meeting be reviewed before the write-off of €35.5 million is fully accounted for and this will require a full review of this project at the Mater site. That review should be undertaken by the Department of Health in consultation with the Department of Public Expenditure and Reform.

The issues that require review include:-

1. The adequacy of the risk analysis in respect of the entire project, with particular reference to
 - a. The location
 - b. The planning laws
2. The adequacy of contingency planning
3. The extent to which the delivery model for the project was appropriate
4. The management of the entire project from site selection to delivery.

The primary purpose of this proposed review is to ensure lessons can be learned from what went wrong.

¹ [‘Children’s Health First’ McKinsey Report 2006](#)

² [See PAC debate of 8th October 2015.](#)

Risk management issues

The conclusions of An Bord Pleanála into the planning application made by the NPHDB are contained in Appendix One of this Report. The Committee was not in a position to examine this matter comprehensively given that many of the key decisions were made a number of years ago and those involved in the delivery of the project at St James had no involvement in the Mater project. The Committee expects that the records of the HSE, the Department and the previous Board will be available to the review team so as to allow it to conduct an analysis of the entire project including the way potential risks were identified and managed.

The view of the Committee is that the findings of An Board Pleanála highlighted risks which are likely to have been considered in the initial selection of the site and during the five years when the proposal was brought to the stage when a planning application was made. The review should include how the following were expected to be dealt with:-

- a. Adherence to the city development plan and the local area plan
- b. The visual impact of the proposed hospital on the local and wider city area
- c. The adverse nature of the building having regard to the historical architectural character of the local hinterland
- d. Access and facilities such as parking for patients and staff.

In terms of the location, what became evident to the Committee was that the restricted nature of the site itself meant that in order to deliver the hospital, the NPHDB had little choice but to build a structure that was 16 stories high. The review should therefore look at how the site was selected and the options that were considered. In that regard the Committee expects the following matters to be subjected to scrutiny:

- a. The scoring matrix that was used to evaluate different locations
- b. The extent to which those who chose the Mater site had the expertise and appropriate experience to make an informed decision
- c. The risk mitigation processes that were designed to overcome those issues that subsequently caused the planning application to be refused

Based on the evidence given to the Committee the planning officials in Dublin City Council were consulted by the project team as part of the pre-planning process that is normal for any development of significance. It appears that the Board and its range of advisors may have:-

- a. taken comfort from assurances by the Council planners that planning restrictions laid down by the Council in development plans could be overcome
- b. been aware that Dublin City Council was broadly supportive of the project

It further appears that a change whereby the project came under the remit of the strategic infrastructures legislation and thus went directly to An Bord Pleanála was also a critical factor as Dublin City Council fell outside the planning process. These issues now need to be reviewed given that, in order to deliver the hospital of its size within the space available at the Mater site, the NPHDB was going to have to make proposals that broke certain rules and this was a high risk strategy.

Contingency Planning

The review should examine the extent to which the board engaged in contingency planning and the extent to which it directed those companies who were charged with delivering the project to prepare such plans. In that regard it appears that the project was blown completely off track once the planning application was rejected. At that stage, the project had run up costs of almost €24.5 million in business service where a wide range of services were delivered by a consortium of companies appointed in 2008. The Committee understands that some work was done to rescue the project at the Mater site. A revised hospital plan was brought forward that provided for a nine story building on a bigger footprint on the Mater site. However a revised planning application was not made based on this second plan. Evidence given to the Committee indicates that this second plan was a high level design which lacked the detail required for a planning application. It seems surprising that contingency planning was not a part of the project delivery process or that the possibility that more land could be made available at the Mater site was not examined in greater detail when the hospital was being designed. It may well be that this was an “all or nothing” proposal and if that is the case, the dialogue and the records should show how the NPHDB had assessed and managed this high risk strategy. The review proposed by the Committee should therefore examine the extent to which a bigger site was ever an option and the extent to which, in 2012, the NPHDB engaged in a review of the Mater site following on from the rejection of the planning application by An Bord Pleanála.

Project Delivery Model

The review should examine the effectiveness of the model used to deliver the project. In the case of the Mater site, almost all the services were contracted out and the executive team consisted of one full time and one part time official. The direct oversight exercised by the board was therefore not strong as the key discussions with for instance the council officials at pre planning stage were with consultants who subsequently reported to the board. It is unclear whether project records created by those companies were made available to the executive of the board and whether they remain available.

The model used to deliver the project on the St James site is different in that many of the key professionals are part of a larger permanent executive team and that should enable the board of the NPHDB to exercise more control over the process.

The second key change between the Mater and St James projects is that the Mater project had one board with a dual remit, namely to design, build and equip a new children’s hospital and to manage the medical-clinical integration of the three existing children’ hospitals. In the case of the delivery of the St James hospital, there are two boards and the board that is charged with delivering the building can concentrate on that key task. The review should examine whether there are lessons for the delivery of major infrastructure projects in the future arising from the way two models used here worked or didn’t work effectively.

Management of the entire project

Allied to the points highlighted earlier about location, there is a need to review the process as it appears that those that were charged with delivering the project at the Mater site had no input into the original site selection. The Committee is concerned at the disjointed nature of the project which works against the principle of accountability. It would be preferable if those

who made the key decision to select the Mater site had an involvement during the construction and were fully accountable for the project delivery.

Conclusion

The project to deliver the proposed children's hospital on the grounds of the Mater Hospital in Dublin 7 ultimately failed because the proposals were totally at odds with the planning provisions of the city and the local area. When the initial proposal, which had taken five years to prepare failed, there was no plan B. That failed project has cost the State €35.5 million and there is now a need to have a comprehensive review of the project so as to ensure that lessons are learnt and mistakes are not repeated.

Finding

1. The loss to the State arising from the failed attempt to locate the proposed National Paediatric Hospital on the site of the Mater Hospital has been calculated at €35.5 million.

Recommendation

1. A review of the project to build the National Paediatric Hospital should now be undertaken in accordance with the provisions of the Public Spending Code.

Chapter Two

Proposed New Prison at Thornton Hall

Introduction

Lands were purchased in 2005 and in 2007 by the Department of Justice & Equality in Thornton in North County Dublin to build a prison to replace Mountjoy. As will be outlined below, no prison has been built and, because of other developments, it now looks like a new prison may not be needed. The total cost arising from the purchase and development of these lands is €50 million. The Department has still to account for an impairment arising from decisions made from 2005 onwards and the Committee was told that the lands will remain in State hands. A review is currently underway to determine the future use of Thornton. The Comptroller and Auditor General in Chapter 9 of this Annual Report³ reviewed the current status and the expenditure on Thornton and the Committee examined this Report at its meeting on Thursday 5th November, 2015⁴.

Analysis of the need for a new prison for Dublin

The C&AG, arising from his review of the purchase of the lands that now form the Thornton site, concluded that key decisions were underpinned by inadequate analysis of the likely costs of developing a new prison and the potential to deal cost effectively with the problems at Mountjoy by other means.

Previous examinations by the PAC have looked at how this site in Thornton was acquired and therefore the focus of the Committee's current examination was to review the extent of the expenditure having regard to the fact that a prison is now unlikely to be built at the site in Thornton.

The Accounting Officer outlined to the Committee the basis on which the Department decided to build a new prison in Thornton.

The key points were:

1. There was an overcrowding issue which was leading to what is known as *the revolving door syndrome* where prisoners were being released on an unplanned basis because there was no space for them. Because prisoners were sharing cells, there was overcrowding.
2. The facilities in Mountjoy were not meeting basic prison standards with prisoners having to 'slop out'. The then Inspector of Prisons and the UN Subcommittee on the Prevention of Torture both had found that the prison was not fit for purpose.
3. There was a security issue mainly associated with drugs getting into Mountjoy.
4. The number being committed to prison by the Courts was on a constant upward trajectory

³ [Chapter 9 C&AG Report 2014](#)

⁴ [See PAC debate of 5th November 2015](#)

The Department wanted a long term solution to the prison accommodation in Dublin and at the time it was deemed that refurbishment of Mountjoy would not provide that solution. The Department got Government approval to build a prison capable of holding up to 2,200 prisoners (1,400 cells) and it was proposed that this would be delivered by way of a public private partnership (PPP). The developing financial crisis from 2007 onwards meant that PPP funding was not available and, while the Department considered delivering the project in the traditional manner (at an estimated cost of €526 million), the reality was that the money was not available to the State to deliver such a project from 2009 onwards.

Solution to the prison problems in Dublin

When the option of building a new prison was no longer available, the Department undertook development work in Mountjoy costing €28.7 million which provided in-cell sanitation and dealt with security issues around drugs getting into the prison. In addition, a new wing, housing 300 prisoners, was built to the Midlands prison in Portlaoise at a cost of €25 million. The solution was also facilitated by a drop in the prison population that fell from a peak of 4390 in 2011 to 3915 in 2014. The prison population has continued to decline and in late 2015, the population stood at 3,700 whereas the capacity available is approximately 4,000. The Committee accepts that this downward trend could not have been anticipated in 2005 when the trend was in fact moving in the opposite direction.

Future use of the Thornton Hall site

The Department of Justice & Equality is currently reviewing what can be done with the Thornton site which is fully serviced. Whilst options including the building of advance factories/industrial outlets and relocating the Dublin metropolitan area headquarters of An Garda Síochána are being examined, the view of the Committee is that these are unlikely to materialise in the medium term. The Committee was informed that the Department does not intend to sell the Thornton and long-term, the need for a new prison may arise and it can be built out there.

Further Review

Notwithstanding the fact a new prison in Thornton appeared to offer the best long-term solution to the challenges facing the prison service especially given the increasing pressure facing the authorities with an ever increasing prison population, the fact is that an impairment arises from the decision not to build the prison and a review of the spend is necessary as part of this process. That review should examine the extent of the analysis that was undertaken with specific reference to the option to refurbish Mountjoy and to extend the prison in Portlaoise. Those charged with making decisions in the future about major capital projects will learn from the analytical and judgement issues that arise in respect of the Thornton prison project.

Conclusion

The State has allocated the Department of Justice & Equality just over €50 million as part of the cost of delivering a solution to challenges facing the prison service in Dublin. A 1400 cell prison costing approximately €25 million was to be developed on this site, however that has not happened. The Department now owns a fully service site in Thornton in North County Dublin and it's unlikely that a return will ever materialise in respect of expenditure of €50

million. A full review, that can show what lessons can be learned from this project, should now take place.

Finding

1. The State has spent €50 million on a site for a new prison for Dublin and it is highly unlikely that a prison will be developed as it is not required as a solution to the capacity problems facing the Prison Service

Recommendation

1. A review of the Thornton project should now be undertaken, in accordance with the provisions of the Public Spending Code, given the fact that solutions to the problems facing the system were delivered without the need for a new prison.

Chapter Three

Review of the Public Spending Code

Introduction

The Public Spending Code outlines the obligations that those who are responsible for spending money must to adhere to and also provides guidance on how to comply with such obligations. The Code covers the full spectrum of the spend from appraisal of future spending, monitoring of current spending and evaluation of expenditure incurred. The Department of Public Expenditure and Reform has a Central Expenditure Evaluation Unit that has built up expertise on conducting such reviews.

Application of the Code to abandoned projects

The Code applies to all stages of the lifecycle of a project and introduces methods and concepts on the conduct of appraisals. Included in the guidance are provisions for abandoning projects where they no longer deliver value for money. It is extremely important that abandoned projects are the subject of a rigorous appraisal in accordance with the provisions of the Code and that such appraisals are, where possible, published so that other public bodies can learn from the issues that arose in the project being reviewed. At the Committee meeting on 8th October, 2015, the Committee was surprised to learn that a formal review had not been planned in respect of the delivery of the National Paediatric Tertiary Hospital at the Mater. As outlined in Chapter One, the review referred to should be undertaken in accordance with the provisions of the Code. In that regard, also the Committee considers that the review should have a direct involvement from the Department of Public Expenditure and Reform.

Likewise, a review should be undertaken in respect of the Thornton Hall prison project using the full provisions of the Code.

Review of the Code

In view of the fact that a write-down of €35.5 million appears not to have triggered an automatic review, the Committee is concerned that projects that cost significant sums of money can evade review and scrutiny. The Committee will recommend that the Department of Public Expenditure and Reform review the Code so that, where necessary, enhanced provisions are put into the Code in respect of projects that are abandoned or are simply deferred indefinitely. Where the State spends significant sums and the expected outturn does not materialise in the timeframe envisaged, the Code should kick-in by way of a review. In the case of the Paediatric Hospital at the Mater [and the Forensic Laboratory for the State Pathologist in Marino, the review is of an abandoned project. In the case of Thornton Hall, an impairment is likely to arise given the lapse of time since the expenditure was incurred and it is appropriate that a review under the code take place.

Conclusion

There are provisions in the Public Spending Code to review capital expenditure projects. There is a danger however that projects that are abandoned but have cost the State a lot of

money are not subject to review. The Committee wants to ensure that such a situation is not allowed to materialise in the future and to that end it has called for a review of the Code.

Finding

- 1 A review under the Public Spending Code was not planned in respect of the National Paediatric Hospital project at the Mater or in respect of the Thornton Hall prison proposal.

Recommendation

- 1 The Department of Public Expenditure and Reform should review the provisions of the Spending Code so as to ensure that reviews are mandatory in cases where a project is abandoned or where a significant lapse of time has occurred without the predicted outcome being delivered.

Chapter Four

Accounting for unintended outcomes

Introduction

The financial statements of a public body should contain information on all aspect of expenditure including a reference to expenditure that has been incurred in previous years that has not generated a return. That reference should remain until a formal write-down has taken place. In that regard, the two projects referred to in this Report are dealt with differently in terms of accounting standards. The financial statement of the National Paediatric Hospital Development Board for 2013 recognises an impairment charge arising from a review undertaken as a result of the decision to abandon the project for the Mater Hospital Site. The Appropriation Account of the Prison Service, in its balance sheet, values the Thornton asset at the amount spent on it which now overstates the value of this property. This Chapter examines the way State bodies account for projects that have unintended outcomes.

The National Paediatric Hospital Board Accounts

Between 2007 and December 2013, the board incurred costs of €2million in project costs and all expenditure was capitalised and recognised as an asset in the balance sheet of the Board. When in 2012, the Government decided to develop the hospital at St. James, the new board that was appointed in August 2013 had to review the level of impairment that arose in respect of the expenditure incurred in the Mater site. That review was carried out based on guidelines in *FRS11* which requires that any impairment is measured and recognised.

The review resulted in impairment of €35.5 million related to the provision of services that were specific to the activities and services supporting the Mater site which could not be utilised or transferred to the project on the St. James site. The Committee was informed that the proposed impairment was subjected to a review by the Audit Committee of the Board, the HSE, the Department of Health and the Department of Public Expenditure. An independent review also confirmed that the process used by the Board in determining the impairment was in accordance with the GAAP accounting principles.

The Committee is satisfied that a thorough review was undertaken to determine those costs that were salvageable and transferrable to the St. James site. The outcome of the impairment review, as reported in the financial statements of the Board, also assists in ensuring enhanced scrutiny and accountability.

The Appropriation Accounts of the Prison Service.

The appropriation accounts of Government Departments and certain bodies (such as the Irish Prison Service) are prepared on a cash basis and therefore record the money that was paid out during the course of the year as well as the sources of non-exchequer monies. In the case of the monies spent on acquiring and developing lands at Thornton, the Appropriation Account of the Prison Service (Vote 21) gives the following information

“Land at Thornton continues to be valued at cost, including investment in infrastructure and services, pending a review of its potential value and benefit to the State.”

While that position is in compliance with government financial procedures, the question arises as to whether a true and accurate account of the assets and liabilities of a State body is being reflected in the accounts. The Committee is of the view that where a critical decision is made that is likely to give rise to an impairment that event should be highlighted in the account of the body. In this case, the Prison Service should have conducted a valuation of the property after the decision was made not to go ahead with the prison and any impairment arising should have been reported to the Oireachtas.

In addition and in order to improve transparency around the acquisition of assets, appropriation accounts should include a note on the level of impairment of any asset remaining on its books until such time as the asset is disposed of. Where there is a write-off of an asset, as was the case of in the State Pathology Office in 2012, a formal process should be undertaken to quantify the full value of the write-off akin to what happened with the National Paediatric Hospital project at the Mater Hospital site. The Committee will recommend that government accounting procedures be reviewed so as to achieve this end.

Conclusion

It is important that the current value of any asset is accurately reflected in the accounts of a State body. In that regard, impairments should be recognised when they arise and the Oireachtas notified through the appropriation account or the financial statement of that body. This does not always happen which gives rise to the risk that losses associated with decisions are not captured or brought fully to account. The Government Financial Procedures should be reviewed so as to ensure that appropriate changes are made to reflect a greater level of transparency which in turn will lead to better accountability.

Finding

1. The Appropriation Account of the Irish Prison Service places a value on its asset at Thornton which reflect the amount invested rather than the current value of the asset.

Recommendation

1. A review of Government Financial Procedures should be undertaken so as to ensure that decisions that give rise to impairments are fully reflected in the appropriation account of a public body. In addition, a review of the value of the lands at Thornton should not take place and the outcome of that review should be reported to Dáil Éireann in the appropriation account of the Irish Prison Service.

APPENDIX 1 – Extract from An Bord Pleanála Inspectors Report

REASONS AND CONSIDERATIONS

Reason No. 1

The proposed development is located on a site specifically designated in the Phibsborough/Mountjoy Local Area Plan as a key development site and for which there are key site objectives. It is considered that the design, scale and height of the proposed development, is contrary to the objectives of the Phibsborough/Mountjoy Local Area Plan having regard in particular to the design, height and length of the ward block element, the extent of which is twice the length of the highest landmark element envisaged in the 'Indicative Urban Form/Building Heights' layout. Furthermore, the development as proposed fails to incorporate the design and layout elements included in the indicative site layout to absorb and mitigate the high landmark element envisaged for this site in the Phibsborough/Mountjoy Local Area Plan, thereby militating against the successful integration of a landmark high building on this key site. The development as proposed would therefore, adversely impact on the amenity of the local area, the skyline of the city and the setting of protected structures and the historic city centre. Furthermore, failure to provide any open space at ground level and the absence of a defined pedestrian route network through the site militate against the objective to create a clearly defined arrangement of open spaces which integrate into the emerging pedestrian route network for the area and provide north-south and east-west permeability through the site. The proposal would therefore fail to comply with the specific objectives for this site as set out in the Phibsborough/Mountjoy Local Area Plan. In addition, the development as proposed fails to incorporate the vision for the site in the design proposed which requires the development of a permeable campus environment which integrates with the wider urban structure and is 'centred' on reinstating and enhancing the existing courtyard structure and introducing permeability. The proposal would, therefore, militate against the successful achievement of the objectives for the site as outlined in the Phibsborough/Mountjoy Local Area Plan and would, therefore, be contrary to the proper planning and sustainable development of the area.

Reason No. 2

The proposed development by reason of its height, design, scale, bulk and mass, located on an elevated site within the Mater Campus, would comprise a dominant and visually incongruous structure which would have a profound negative effect on the appearance and visual amenity of the local and wider city area. The development as proposed would be inconsistent with and would adversely impact on the existing scale and established character of the local area and the existing scale and established character of Dublin City from key strategic citywide views. The proposal would contravene Policy SC18 of the Dublin City Development Plan 2011-2017 which seeks to protect and enhance the skyline of the inner city and which seeks to ensure that all proposals for mid-rise and taller buildings make a positive contribution to the urban character of the city. Policy

SC18 also requires that proposals demonstrate sensitivity to areas including the historic city centre, the river Liffey and quays, the historic squares and the city canals, and to established residential areas, open recreation areas and civic spaces of local and citywide importance. The proposed development contravenes this policy having regard to the adverse visual impact which would arise in respect of significant streetscapes and landmarks in the historic city centre and on open recreation areas and on civic spaces of local and citywide importance. In addition, the documentation submitted to the Board fails to adequately present an assessment of strategic citywide views as required by key site objective 6 for the Mater Site as set out in the Phibsborough/Mountjoy Local Area Plan. Furthermore, the proposal of itself and also when taken in conjunction with the Adult Hospital currently under construction would have an adversely overbearing visual impact on neighbouring residential properties in the vicinity of the site. The proposed development would therefore be contrary to the proper planning and sustainable development of the area.

Reason No. 3

Having regard to adverse impact on:

- (a) the Mater Misericordiae Hospital and protected structures on Eccles Street, whereby the proposal would adversely alter the character of the street, the setting of the protected structures and seriously and detrimentally interrupt the views east and west along this street.
- (b) The setting of the internationally significant St George's Church on Hardwicke Place, and the significant conflict arising with the existing dominance of the set-piece of St George's Church within the surrounding streetscapes where the proposal would dominate the skyline.
- (c) on O'Connell Street, an architectural conservation area, where it would create a significant visual interruption within the skyline of O'Connell Street at the north end with the new form dominating the view, appearing high above the broadly coherent roofline of the principal and iconic boulevard of the Capital City. Furthermore, having regard to the significant impact on the setting of the General Post Office, a protected structure whose pedimented breakfront and portico would no longer be the dominant punctuation along the parapet line of the west side of the street.
- (d) Mountjoy Square within the North Georgian Core and the significant number of protected structures within this planned Georgian Square. It is considered that an adverse impact would arise from the presence of the proposal within the view of the Square and would constitute a significant interruption on the skyline of the Square.
- (e) The important set piece of Belvedere House on Great Denmark Street which is currently framed by the formal brick terraces on North Great George's Street and which enjoys a currently uninterrupted skyline.
- (f) The setting of the conservation areas in the vicinity of the site and protected structures located on same, such as Nelson Street, Berkeley Street and Blessington

Street in addition to the adverse impact on the setting of St Joseph's Church on Berkeley Road and the conservation areas located at Blessington Basin, Goldsmith Street, St. Vincent Street, Sarsfield Street, O'Connell Ave, Geraldine Street, on the proposed Architectural Conservation Area at Blessington Basin and environs including Fontenoy Street, and on the proposed Architectural Conservation Area at Great Western Square and Environs.

- (g) The setting of Leo Street and adjoining streets including the protected structures on Synnott Place and the North Circular Road and environs in the vicinity of Leo Street.
- (h) The view along Mountjoy Street and from the Black Church where the proposal can be seen as a termination of a different scale to the existing two, three and four storey urban fabric.

It is considered that the development as proposed would impact adversely on the setting and character of protected structures, including structures of international importance, streetscapes and areas of conservation value outlined above both individually and in terms of their collective architectural significance and historical architectural character and scale. The development as proposed would negatively and adversely impact on the character and heritage of the historic core of the north inner city, the North Georgian core and the historic core of Dublin City. It is therefore considered that the proposed development would, in particular, contravene policies FC26 & FC27 as set out in the Dublin City Plan 2011-2017 in respect of the built heritage which seek respectively to protect and conserve the city's cultural and built heritage; sustaining its unique significance, fabric and character and which seeks the preservation of the built heritage of the city which makes a positive contribution to the character, appearance and quality of local streetscapes. In addition the proposal would contravene policy FC41 which seeks to protect and conserve the special interest and character of Architectural Conservation Areas and conservation areas in the development management process. Furthermore, the proposal fails to comply with the requirements as set out in the Phibsborough/Mountjoy Local Area Plan which require that development on the subject site take due regard of the established historic character of the adjoining buildings. In addition, the development as proposed would fail to have regard to the Guidance set out in the Architectural Heritage Protection Guidelines for Planning Authorities which state that proposals should not have an adverse effect on the special interest of the protected structure or the character of an Architectural Conservation Area. The proposed development would, therefore, be contrary to the proper planning and sustainable development of the area.

Reason No. 4

The Board is not satisfied that the proposed 13% private car modal split for staff, derived from the staff parking allocation proposed, would be reasonable, operable or appropriate having regard in particular to the existing modal split for private car use by staff at the adjoining Mater Misericordiae University Hospital, which is approximately

36% and where staff parking on site is limited to 106 spaces. It is considered that the reliance on the 13% private car modal split for staff underestimates the potential impact of traffic generated by staff on the local road network. In addition, the Board is not satisfied that the staff parking provision at 236 spaces which provides for 13% of peak staff population would provide an appropriate level of parking to facilitate essential staff onsite at this 24/7 facility. Furthermore, the Board is not satisfied that the limited parking provision proposed, would not negatively impact on the availability of public spaces for patients/visitors within the proposed car park, notwithstanding the charges proposed, or would not impact adversely on the adjoining residential areas. The proposed development would, therefore, be contrary to the proper planning and sustainable development of the area.

Una Crosse

Senior Planning Inspector

Date: January 2012

APPENDIX 2

Orders of Reference of the Committee of Public Accounts

(1) There shall stand established, following the reassembly of the Dáil subsequent to a General Election, a Standing Committee, to be known as the Committee of Public Accounts, to examine and report to the Dáil upon—

(a) the accounts showing the appropriation of the sums granted by the Dáil to meet the public expenditure and such other accounts as they see fit (not being accounts of persons included in the Second Schedule of the Comptroller and Auditor General (Amendment) Act, 1993) which are audited by the Comptroller and Auditor General and presented to the Dáil, together with any reports by the Comptroller and Auditor General thereon:

Provided that in relation to accounts other than Appropriation Accounts, only accounts for a financial year beginning not earlier than 1 January, 1994, shall be examined by the Committee;

(b) the Comptroller and Auditor General's reports on his or her examinations of economy, efficiency, effectiveness evaluation systems, procedures and practices; and

(c) other reports carried out by the Comptroller and Auditor General under the Act.

(2) The Committee may suggest alterations and improvements in the form of the Estimates submitted to the Dáil.

(3) The Committee may proceed with its examination of an account or a report of the Comptroller and Auditor General at any time after that account or report is presented to Dáil Éireann.

(4) The Committee shall have the following powers:

(a) power to send for persons, papers and records as defined in Standing Order 83(2A) and Standing Order 85;

(b) power to take oral and written evidence as defined in Standing Order 83(1);

(c) power to appoint sub-Committees as defined in Standing Order 83(3);

(d) power to engage consultants as defined in Standing Order 83(8); and

(e) power to travel as defined in Standing Order 83(9).

(5) Every report which the Committee proposes to make shall, on adoption by the Committee, be laid before the Dáil forthwith whereupon the Committee shall be empowered to print and publish such report together with such related documents as it thinks fit.

(6) The Committee shall present an annual progress report to Dáil Éireann on its activities and plans.

(7) The Committee shall refrain from—

(a) enquiring into in public session, or publishing, confidential information regarding the activities and plans of a Government Department or office, or of a body which is subject to audit, examination or inspection by the Comptroller and Auditor General, if so requested either by a member of the Government, or the body concerned; and

(b) enquiring into the merits of a policy or policies of the Government or a member of the Government or the merits of the objectives of such policies.

(8) The Committee may, without prejudice to the independence of the Comptroller and Auditor General in determining the work to be carried out by his or her Office or the manner in which it is carried out, in private communication, make such suggestions to the Comptroller and Auditor General regarding that work as it sees fit.

(9) The Committee shall consist of thirteen members, none of whom shall be a member of the Government or a Minister of State, and five of whom shall constitute a quorum. The Committee and any sub-Committee which it may appoint shall be constituted so as to be impartially representative of the Dáil.

APPENDIX 3
MEMBERS OF COMMITTEE

Áine Collins TD ¹	(Fine Gael)	
Paul J Connaughton TD	(Fine Gael)	
Joe Costello TD ²	(Labour)	
John Deasy TD	(Fine Gael)	Vice Chairman
Robert Dowds TD ³	(Labour)	
Seán Fleming ⁴	(Fianna Fáil)	
Mary Lou McDonald TD	(Sinn Féin)	
Gabrielle McFadden TD ⁵	(Fine Gael)	
John McGuinness TD	(Fianna Fáil)	Chairman
Derek Nolan TD	(Labour)	
Patrick O'Donovan ⁵	(Fine Gael)	
John Perry ⁵	(Fine Gael)	
Shane Ross TD	(Independent)	

NOTES

1. Deputy Áine Collins appointed to the Committee by order of Dáil Éireann on 18 July 2013 in place of Deputy Pascal Donohoe who was discharged on his appointment as Minister of State 12 July 2013.
2. Deputy Joe Costello appointed to the Committee by order of Dáil Éireann on 17 July 2014 in place of Deputy Gerald Nash who was discharged on his appointment as Minister of State 17 July 2014 having replaced Deputy Anne Ferris on 8 May 2012.
3. Deputy Robert Dowds appointed to the Committee by order of Dáil Éireann on 17 January 2013 in place of Deputy Colm Keaveney who was appointed on 28 November 2012 in place of Deputy Michael McCarthy.
4. Deputy Seán Fleming appointed to the Committee by order of Dáil Éireann on 21 June 2011 in place of Deputy Michael McGrath.
5. Deputies Gabrielle McFadden, Patrick O'Donovan and John Perry appointed to the Committee by order of Dáil Éireann on 2 December 2014 in place of Deputies Simon Harris, Eoghan Murphy and Kieran O'Donnell.