

**Opening address to the Committee of Public Accounts
By Ciarán Murray, Managing Director
Ballymun Regeneration Limited**

Chairman and members of the Committee, at the outset I would like to thank the Comptroller and Auditor General, Mr Purcell and his staff for the significant time and effort they invested in understanding the scale and complexity of the project from the time their work commenced in October 2005 until the report was ultimately published in March 2008.

Background to Redevelopment proposals

The Ballymun high rise estate was built in the 1960's as an emergency response to Dublin's housing crisis at that time. The area never attained its planned status as a self-contained town. Unemployment, increasing dependence on social welfare and the nature of the flats complex itself were factors which led to the estates economic and social decline.

In the 1980's, primarily through the Ballymun Community Coalition and subsequently through the Ballymun Housing Task Force, the local community campaigned to have the estate redeveloped. A pilot improvement scheme in one tower block and two spine blocks was completed in 1993 under the then Department of Environment's remedial work scheme at a cost of approximately seven million Punts. Following an evaluation of this pilot scheme and subsequent technical investigations of the structural condition of the blocks, it was concluded that refurbishment on the scale needed to improve the complex was not an economic option. The Government subsequently announced a major redevelopment of Ballymun on the 11th of March, 1997.

Commenting on the redevelopment proposals, Mr Brendan Howlin, TD, Minister for the Environment and Ms Liz McManus, TD, Minister for Housing and Urban renewal said **"This is a new beginning for Ballymun. It is widely agreed that a comprehensive new approach is needed to improve the living circumstances of the residents of the Ballymun estate and that this must be done in a way which will bring lasting benefits to the area as a whole. The aim of this major social project is to get Ballymun working as a town which caters for all local needs, attracts public and private investment, provides employment and secures a better mix of housing in a rejuvenated physical environment. Housing-based policies alone will not achieve this strategic aim but can act as a catalyst which will improve Ballymun for the people who live there, and those who will live and work there in the future"**.

The very challenging programme to create a sustainable town was therefore established from the outset with the Ministers going on to state **"It is now proposed to demolish the tower and spine blocks progressively over eight years, alongside the construction of the new housing to replace the flats"**.

In response to the Government's announcement, Dublin City Council, then Dublin Corporation, established Ballymun Regeneration Limited (BRL) in July, 1997 to act as its agent in planning and implementing the physical, social and economic regeneration brief outlined in the Government's announcement.

Ballymun Regeneration Limited subsequently took on this enormous challenge and following six months of extensive consultation published the masterplan for the new Ballymun in March 1998.

Before commenting on the specific findings in the C&AG's report BRL considers it important to emphasize the following points in order to set the context for many of the issues which have arisen namely: -

- The commitment to re-housing for all was a very radical departure from normal practice and is almost unknown anywhere else in Europe. In this regard it should be noted that there was no template or "script" to follow and inevitably the learning curve was always going to be immense.
- The masterplan for which the original estimates were based is similar to a local area plan and the original estimates were therefore based on a high level feasibility study rather than a detailed design as would apply in conventional projects.
- Unlike conventional capital projects such as a major motorway scheme or a single major piece of infrastructure, this project involved numerous complex and inter-related developments all of which had the risk of causing a domino effect throughout the entire programme.
- Unlike conventional capital projects which normally have one design, one planning and one procurement process, this project consists of a rolling programme of works involving multiple separate design, planning and procurement processes with obvious increased exposure to delay and cost risks.
- Unlike conventional projects where vacant possession is available once the planning phase is completed, this project had to proceed with the existing 17,000 population in 'situ'.
- The original estimates were prepared on a conventional unit cost basis which did not permit the inclusion of a contingency for abnormalities which were a standard occurrence under the old form of GDLA contract.
- The regeneration project to date has in the main taken place during the height of the economic boom, which made it very difficult to achieve competitive tendering.
- Each and every individual masterplan funded scheme was subject to individual D.O.E.L.G. approval at cost plan and tender stage, thereby ensuring best practice cost control within the limitations of the public procurement process.

The C&AG's examination concentrated mainly on the arrangements for the delivery of the measures set out in the Masterplan and focussed on: -

- The outturn so far in terms of time, cost and delivery.
- Progress in the areas of economic and social renewal.
- The Challenges that remain from the viewpoint of the successful completion of the programme.

Ballymun Regeneration Limited welcomes the findings in the report which acknowledge: -

- The complex and interconnected nature of the project.
- The high standard of physical redevelopment achieved to date.
- The success of the main street in attracting public and private investment.
- The fall in the unemployment rate by 30%.
- The increases in land values relative to the rest of the city since 1998.
- The arrival of IKEA as a major employment creation opportunity.
- The initiatives in place to tackle crime and anti-social problems.
- The management of the community and voluntary sector through service level agreements.
- The progress being made in establishing performance indicators to measure the success of the project.

Main Findings

The main findings highlighted in the report relate to time and cost overruns which the report recognised were caused by a number of complex and inter-related matters as follows: -

- The time taken to complete the planning process including appeals and high court challenges.
- Lack of mapping of existing utility services and delays in the provision of services by some utility companies.
- Changes in methods of demolition arising from the discovery of asbestos in wall/ceiling coatings and adhesives in the high rise flats.
- Scope changes in infrastructure and in some housing schemes.
- The time taken to complete the consultation process with tenants and owner-occupiers as well as the community and voluntary sector.
- Delays in decanting – in some cases not all tenants from a flat block can be moved together as one scheme may not accommodate them all and tenants are reluctant to move to temporary accommodation pending completion of their new homes. This has resulted in partially occupied flat blocks which delays demolitions.

- Procurement problems, for example having to re-tender projects when the initial tenders were considered too high.
- Liquidation of a number of contracted companies which involved delays while replacements were sourced.
- Health and safety issues which led to temporary closure of construction sites.
- The impact of an industrial dispute on housing construction work at Balcurris.
- The fact that delays which occurred in one project area often had knock-on effects on other project areas.

BRL fully accepts that initial estimates could have been more robust had a more evidence based approach been adopted to their preparation, however such an approach would certainly have delayed the project significantly. Such delays would have severely undermined community confidence and in any event would not have saved money.

BRL has fully taken on board all the recommendations contained in the report in so far as they relate to its activities and are already in the process of actioning all the recommended measures.

BRL would like to thank the Chairman and members of the Committee for taking the time out of their busy schedule to visit Ballymun yesterday and see at first hand the progress to date and the scale and complexity of the undertaking.

Ciarán Murray
Managing Director
Ballymun Regeneration Limited