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Central Bank of Ireland

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Record 5

Mayor Street 'Highlights' Commission Tour

20 September 2022

Mayor Street Highlights Tour (1:45 – 2:30pm)

- Background to Mayor St. in the Amphitheatre - 10 mins
- Collaboration Hub – 10 mins
- 1st Floor – 5 mins
- Lower Ground Floor, Whitaker facility & associated suites – 10 mins
- Ground Floor, meeting room suite – 10 mins





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Mayor Street Building Information

- Mayor Street building has a building energy rating (BER) of A2
- The 2nd Floor 'Hub' consists of a wide variety of spaces of different sizes (500 capacity) designed for formal and more informal gatherings (see Slide 6)
- The open plan spaces and 'drop in' areas are designed to aid collaboration and cross-Bank engagement
- Technology enabled for new ways of working with VC, AV and C-Touch technologies available
- 36 meeting rooms in Mayor Street in total - the meeting room suite on the Ground Level provides 15 meeting rooms of various sizes (bringing total campus meeting rooms to 99)
- 1st Floor -Working floor has circa 200 desks, 10sqm of net usable area per desk, and 3.6sqm per desk – this is the same as NWQ

End of Journey Facilities (Level -1)

- 22 shower/changing cubicles located on basement level, including two fully wheelchair accessible
- Approx. 190 bicycle stands
- 14 car parking spaces, three accessible spaces, and two electric car charging points



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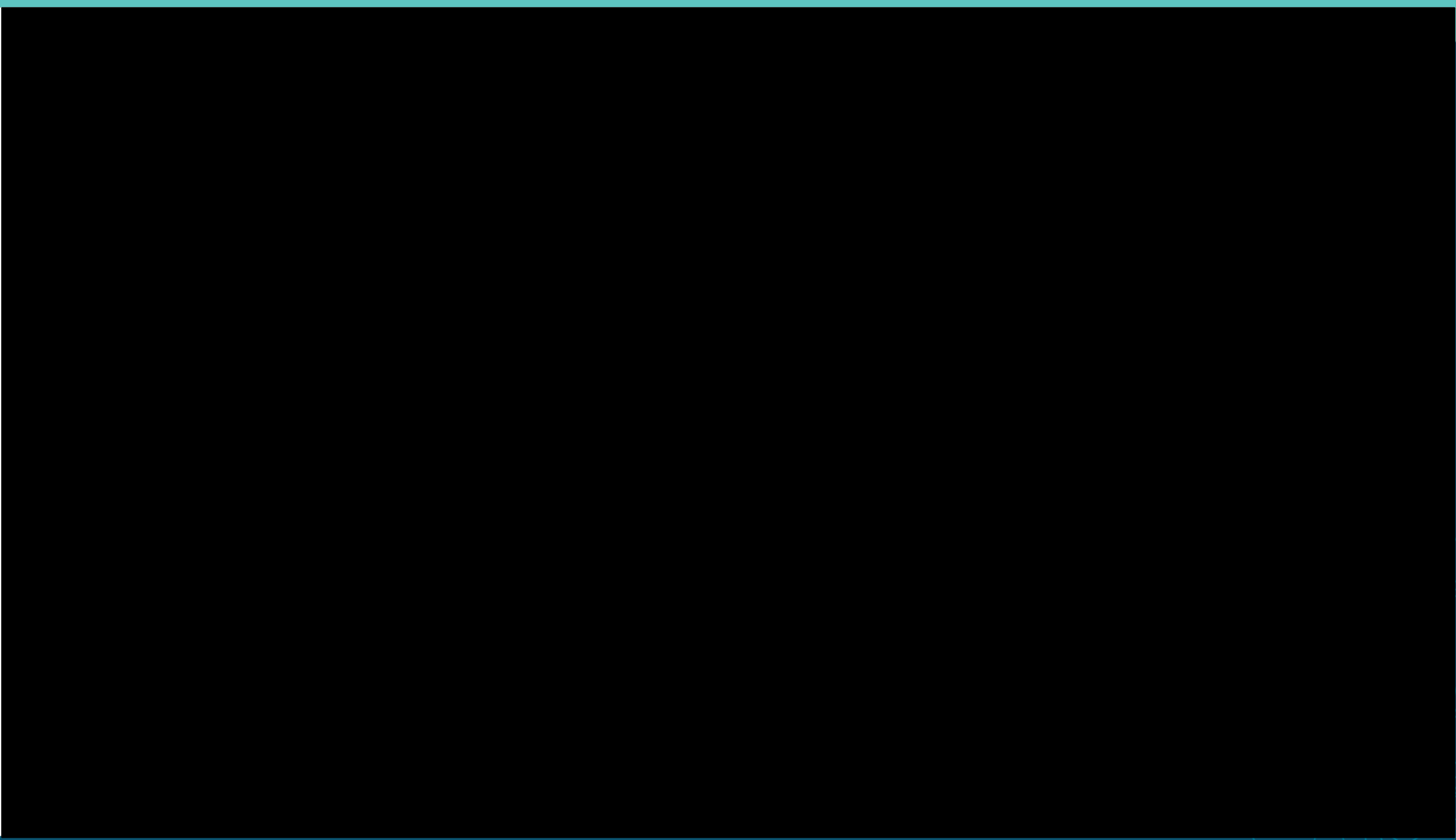
- 1** Amphitheatre
(Ctouch screen)
- 2** The Willow & The
Hazel (Staff
engagement
spaces)
- 3** Tech Free Debate
Space
- 4** Closed Project
Room
- 5** ELT room (Hybrid
mtg)

1. Green = Debate; 2. Pink = Staff Engagement; 3. Orange = Project Work; 4. Yellow = Team Work; 5. Blue = Grow Together; 6. Purple = Drop-In Zone⁶

Room/ Space	What might I use it for?	Do I have to book it?	Technology?	Capacity?	Furniture?
1. The Amphitheatre	Debate/Discussion/ Presentations with Q&A	Yes, booking will be directed via Concierge	Drop-down projector Screen; Clickshare; Video Conferencing; Catch-box	35-40	Fixed Amphitheatre style
1. The Forum	Debate/Discussion/ Brain-storm	Yes, booking will be directed via Concierge	None - deliberate tech-free room	15-20	Fixed multi-layered configuration around large Whiteboard
2. The Hazel Room	Large Team gatherings; team Building	Yes, booking will be directed via Concierge	Large Screens; Clickshare; Video Conferencing	60-70 (can join with Willow Room for larger group)	Flexible for multiple types of configurations
2. The Willow Room	Large Team gatherings; team Building	Yes, booking will be directed via Concierge	Large Screens; Clickshare; Video Conferencing	60-70 (can join with Hazel Room for larger group)	Flexible for multiple types of configurations
2. Other 3 Rooms	Discussion/small group engagement or team-building	Yes	Large Screens; Clickshare; Video Conferencing	3 rooms of different sizes (8, 14 and 16)	Mostly flexible to allow users configure
3. Project Work - Open Spaces (7 spaces)	Cross Division work that you need to be together for	Yes, booking will be directed via Concierge; can book for up to 3 weeks	Most have either fixed or mobile screens with Clickshare	Each space can take 8 people. Multiple spaces can be booked together.	Flexible to allow for configuration of choice. Also has adjacent breakout area.
3. Project Rooms (2 rooms)	Confidential Cross Division work that you need to be together for	Yes, booking will be directed via Concierge; can book for up to 3 weeks	Single Monitors on workstations; Large Screens with Clickshare	Up to 12 in each	Flexible to allow for configuration of choice. Also has in-room breakout areas.
4. Team Work Spaces	Team Meetings/ Gatherings; discussions	No	Most have either fixed or mobile screens with Clickshare	Multiple spaces with capacity from 3 - 10	Varied
5. Grow Together Rooms (2 large and 4 small rooms)	Doing online learning in a small group; mentoring/coaching; performance support	Yes	2 large rooms have screens with Clickshare and Video Conferencing; 4 large rooms have Screens with Clickshare	4	Comfortable seating; larger rooms have a breakout space as well as a 'viewing' space
6. Drop-In Zone	Feel like getting away from regular 'Neighbourhood'; Waiting to join something else.	No	Large Screen and Clickshare (in case you're with colleagues and need to share something)	16	Long sharing-table



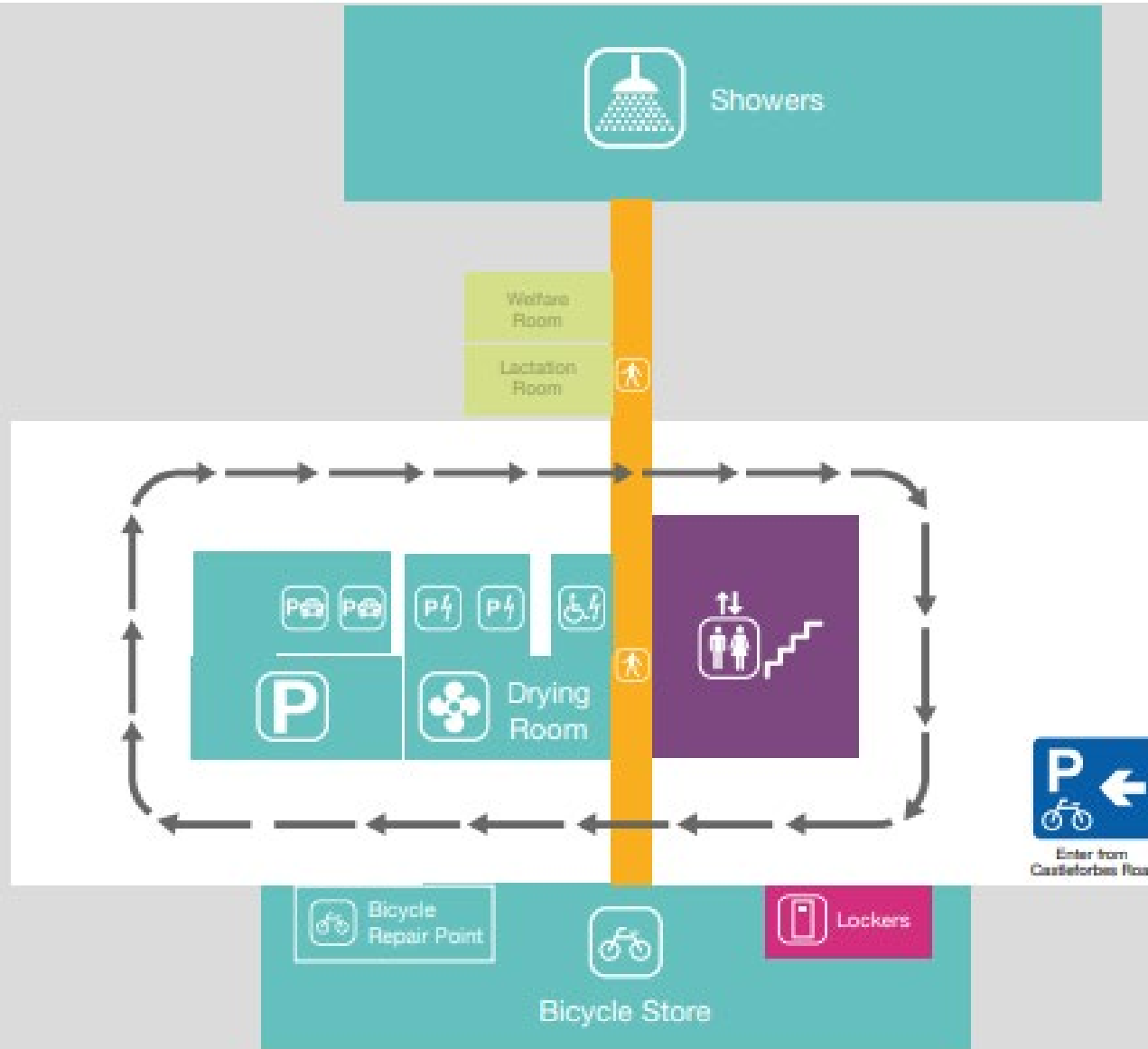




Level -2 – Mayor Street



- End Of Journey Facilities
- Lifts/Stairs
- Lockers
- Wellness



End of Journey Facilities:

- ❖ Car parking
- ❖ Bicycle facilities
- ❖ Shower and changing facilities
- ❖ Drying room
- ❖ Wellness facilities.

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Costs of Mayor Street Building to end-August 2022

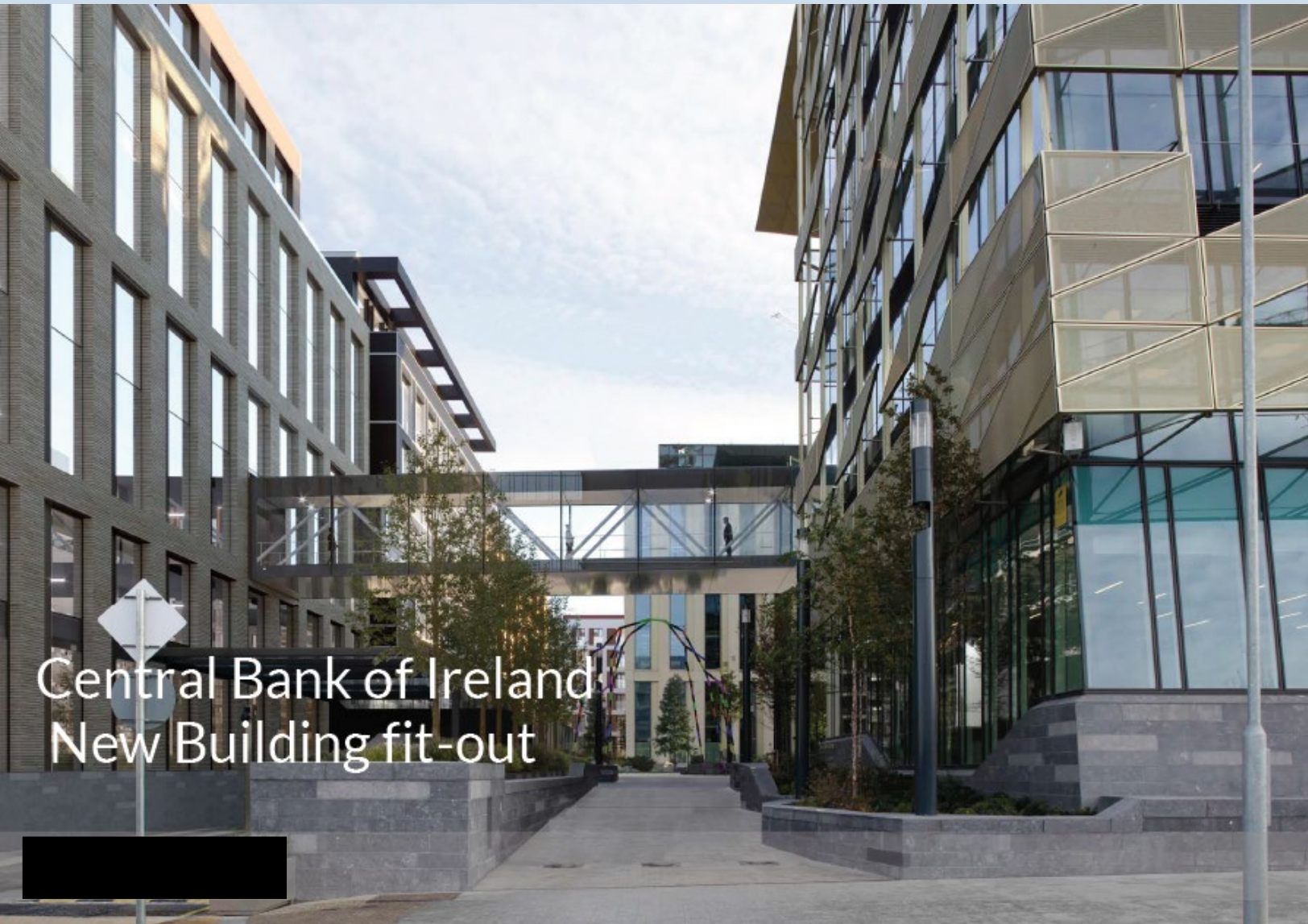
€90.872m has been spent/committed to as at end-August 2022 on the development of the Mayor Street building including technology and furniture, and the professional services, legal advice, etc. associated with the delivery of same. The figure also includes some costs relating to the sale of Spencer Dock which form part of the overall project.

Record 7

NWQ Campus Development Programme

Presentation to Staff

July 2020



Central Bank of Ireland
New Building fit-out



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Objectives of this session

- Provide you with information about the NWQ Campus Development
- Give you the chance to ask questions



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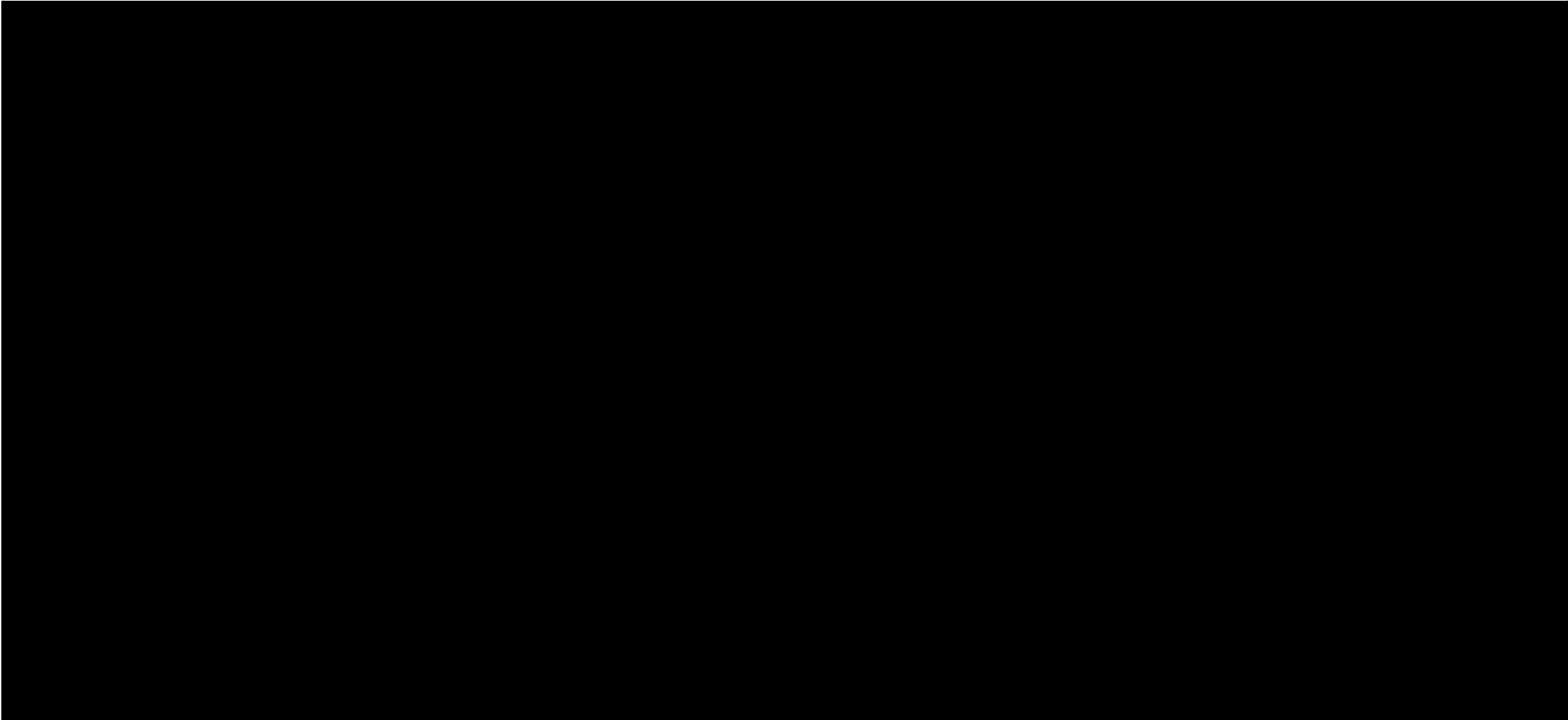
Background to the decision

- The Bank had choices to make re future accommodation needs
- Choice was for 1 building (DL5) or 2 (DL4 and 5) – decision was for 2 – to provide an equivalence of experience for staff across the Campus – horizontal fit-out across the 2 buildings, flexibility, agility, atrium, extension of WorkCHOICE etc
- The decision required a strong business case for Commission approval, including the leasing of top 3 floors to tenants
- Like NWQ, the new building will maximise opportunities for collaboration and sharing across the organisation; achieve very high energy and sustainability targets; and provide a flexible, modern workplace.



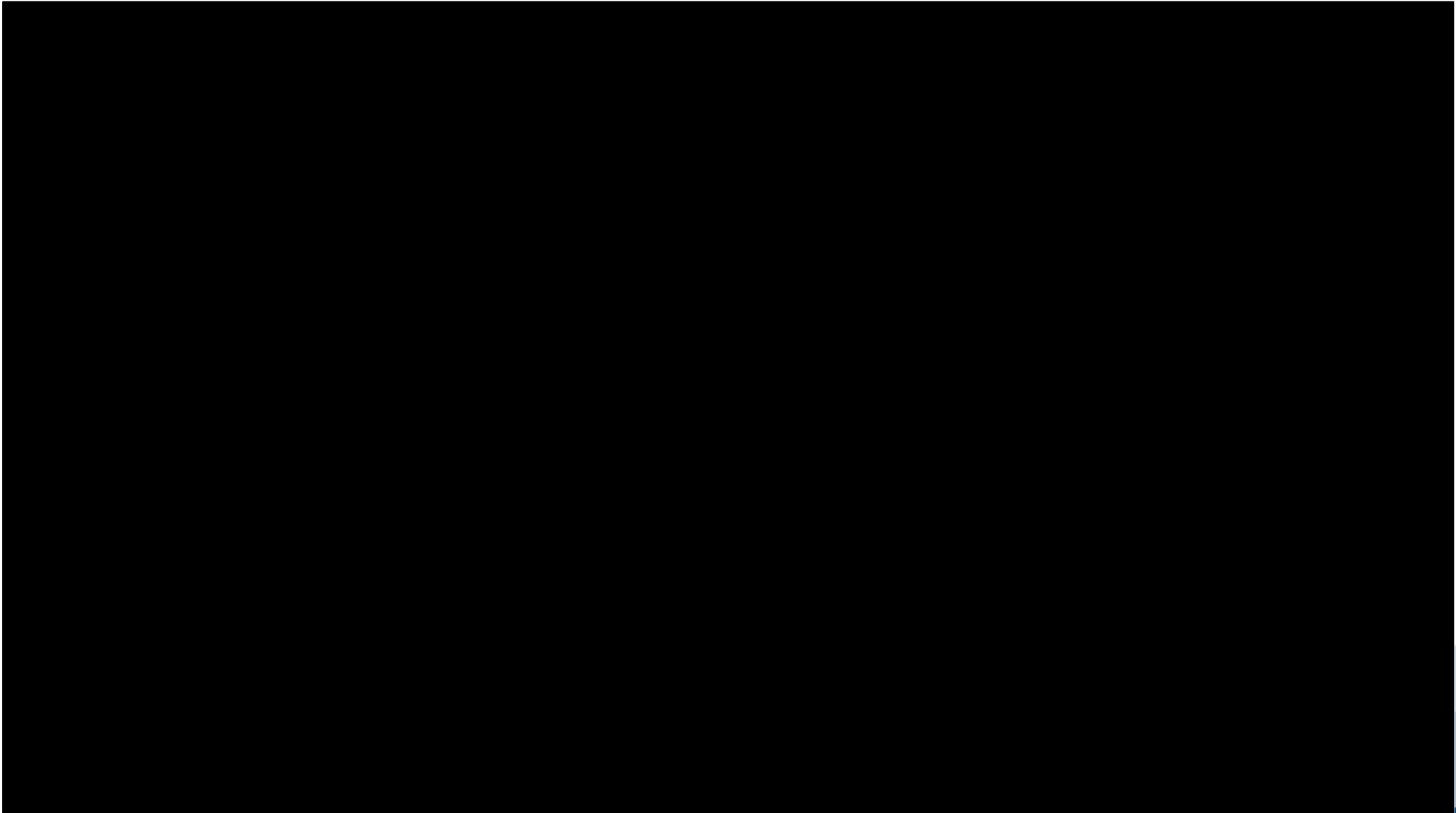
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NWQ, 1st to 2nd Floor staircase – leading to Link Bridge



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Link Bridge



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IT Hub, 2nd Floor of New Building



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2nd Floor -
From the
Bridge into
the Atrium





The Atrium



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Office Layout



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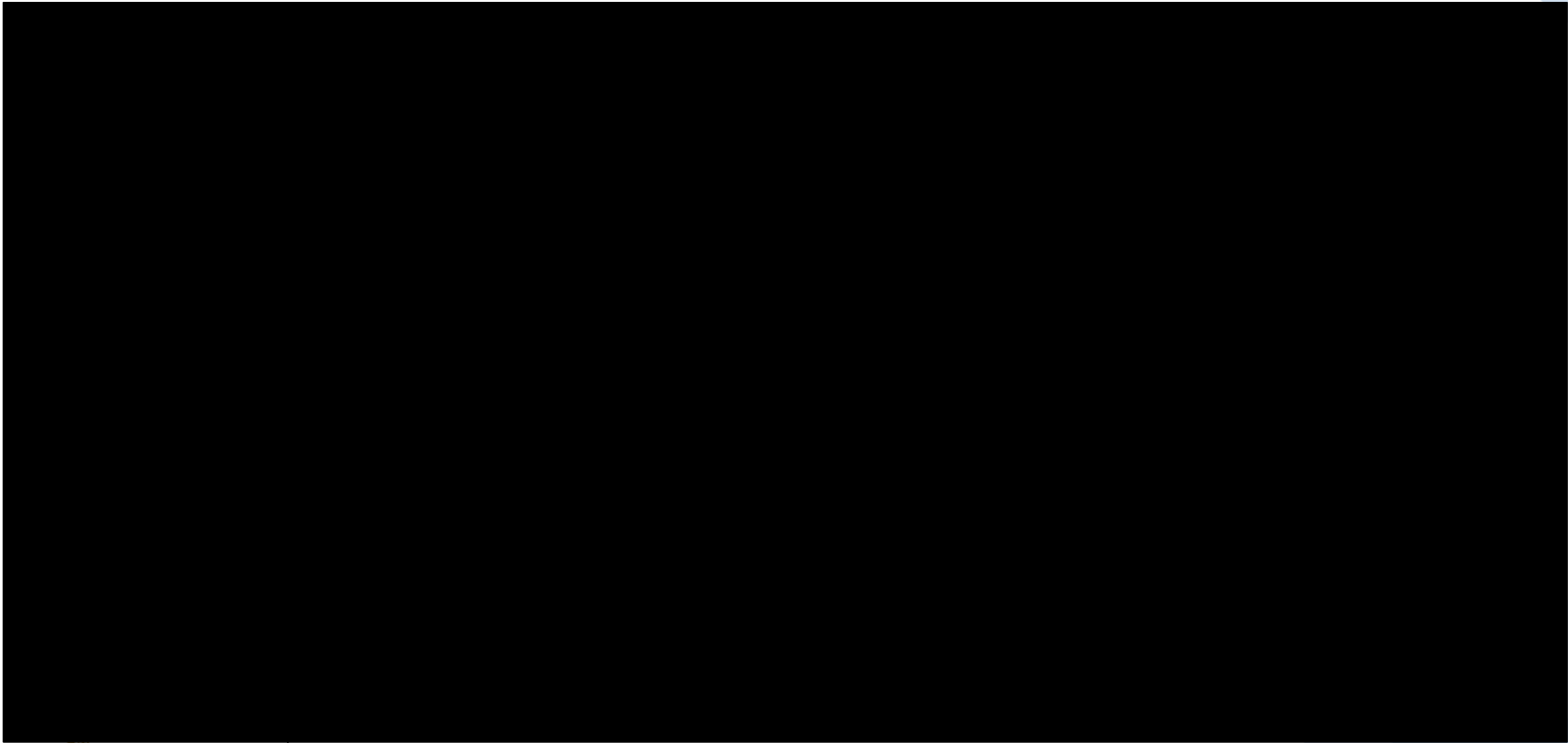
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Tea Station



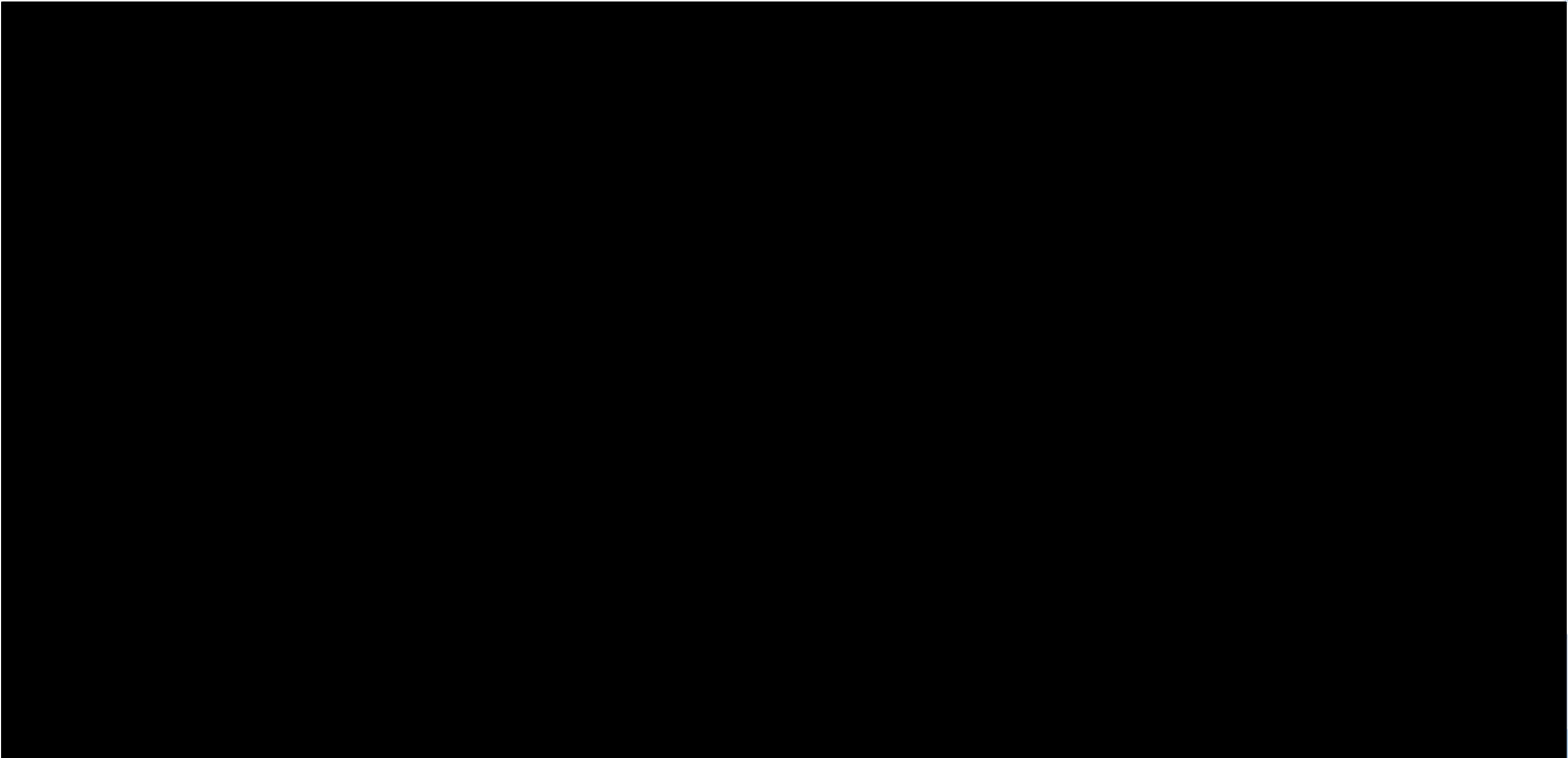
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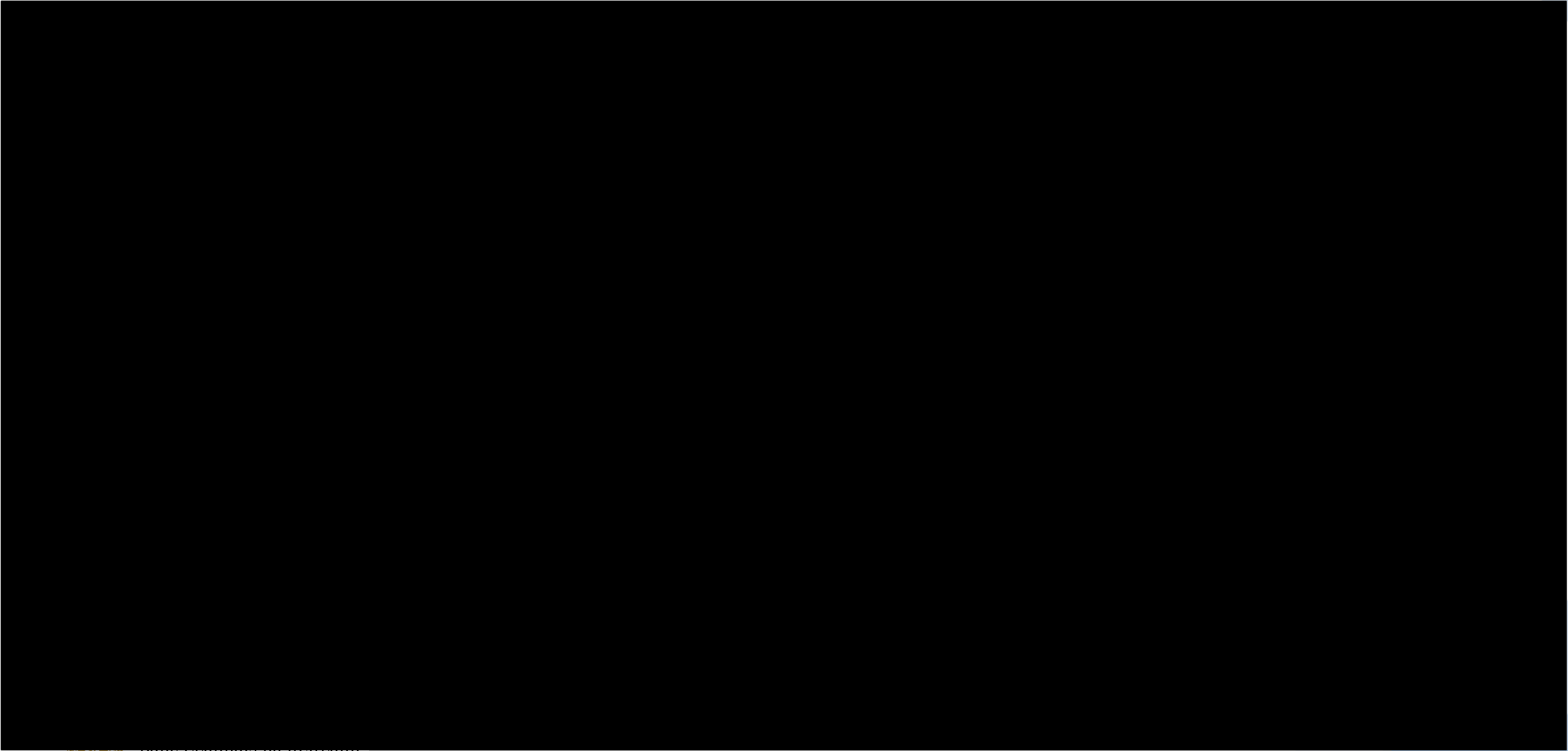
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Reception at Central Bank Staff Entrance



Reception at Tenant Staff Entrance



Central Bank Staff Entrance



Tenant Entrance



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Eating in the New Building – lower ground floor



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What else is there to tell at this stage?

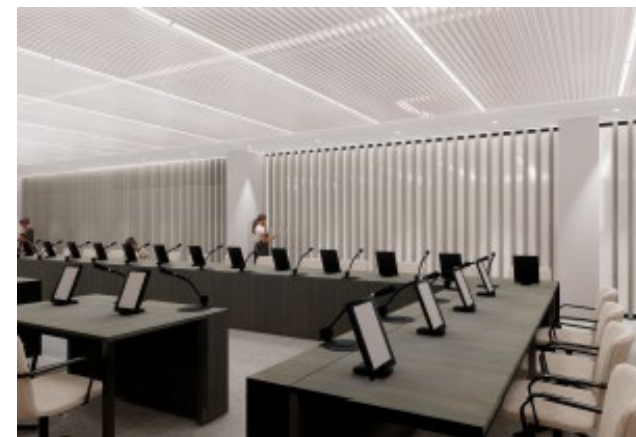
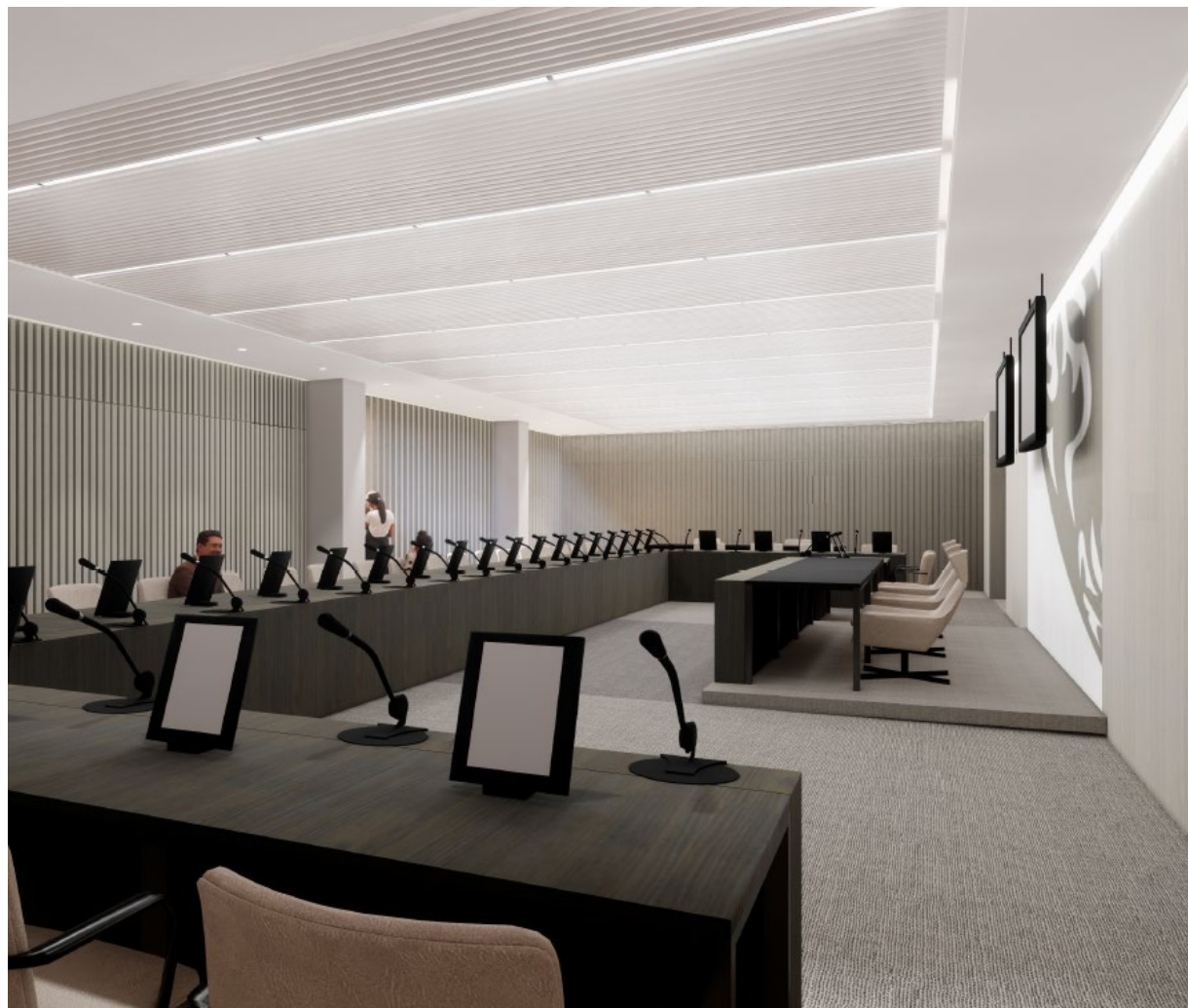
- Basement - Bicycle Parking and Car parking (limited)
- End of Journey facilities – showers, lockers, drying room, changing facilities
- Meeting Rooms – The Ground Floor will be a suite of rooms for internal meetings
- Administrative Sanctions Procedures (ASP) Hearings will move from Blackhall Place to the New Building (flexible space)



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ASPSpace



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Timelines

Construction

- Building handover was anticipated for end Q2 2021 –now awaiting clarification

Occupation

- Decision on occupation across entire Campus will probably not be made before Q3 2021 – could be directorate/divisional moves across the campus.
- Occupation is could commence in Q2 2022 but subject to clarification when we get a new Programme



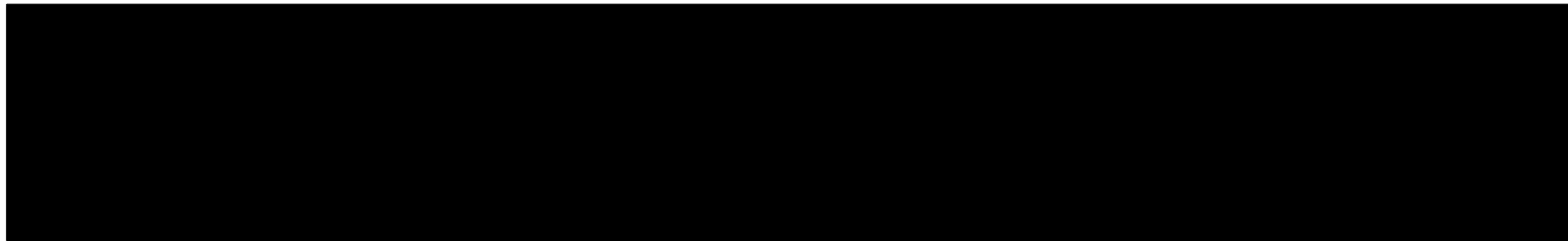
Programme of Work

- The Programme is comprised of two distinct but interlinked projects:

- (i) Buildings and Premises [REDACTED]

- Build and fit-out of New Building
[REDACTED]

- Leasing of tenant floors in New Building



- The projects are being supported by the Campus Development Programme Office [REDACTED]



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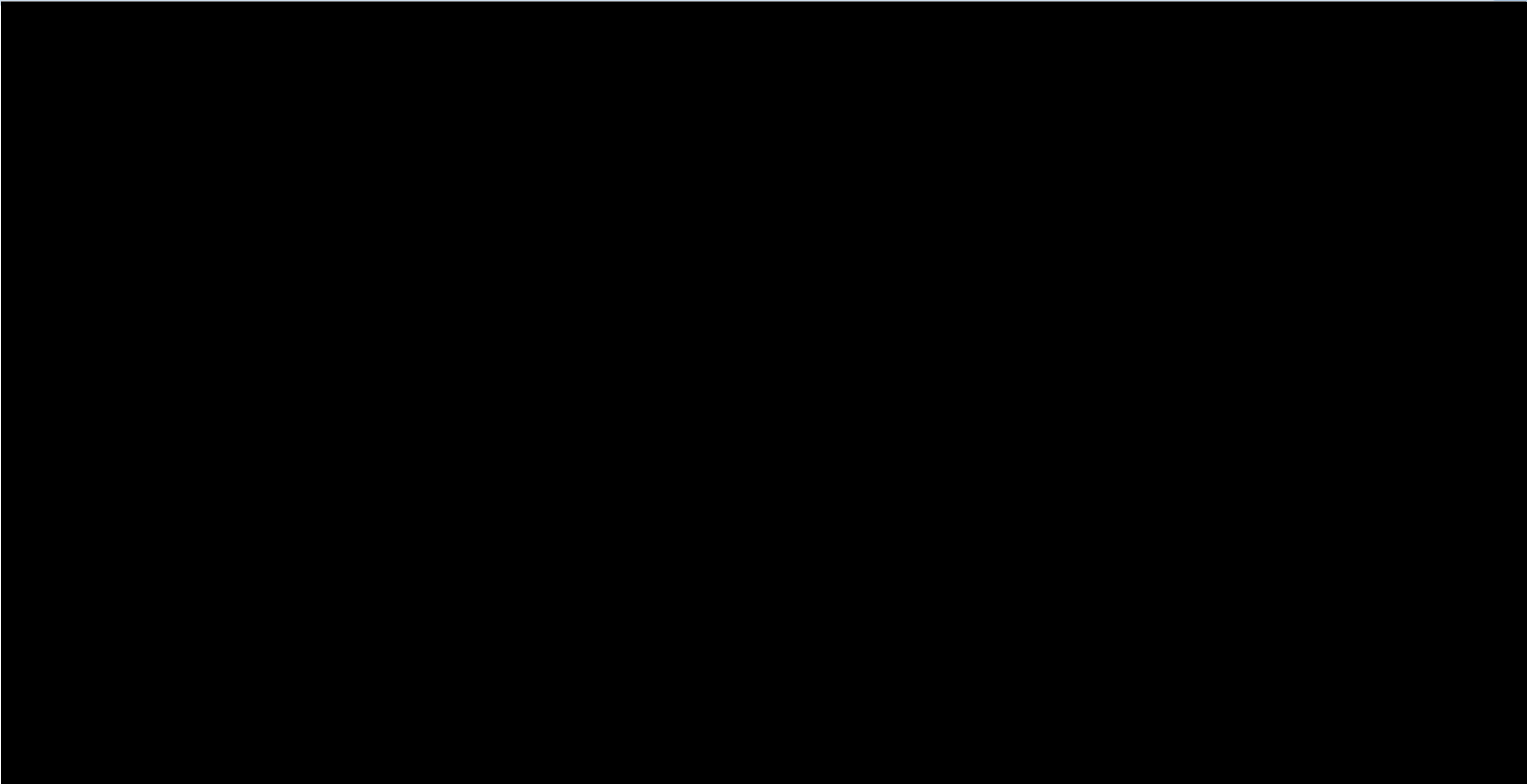
Questions

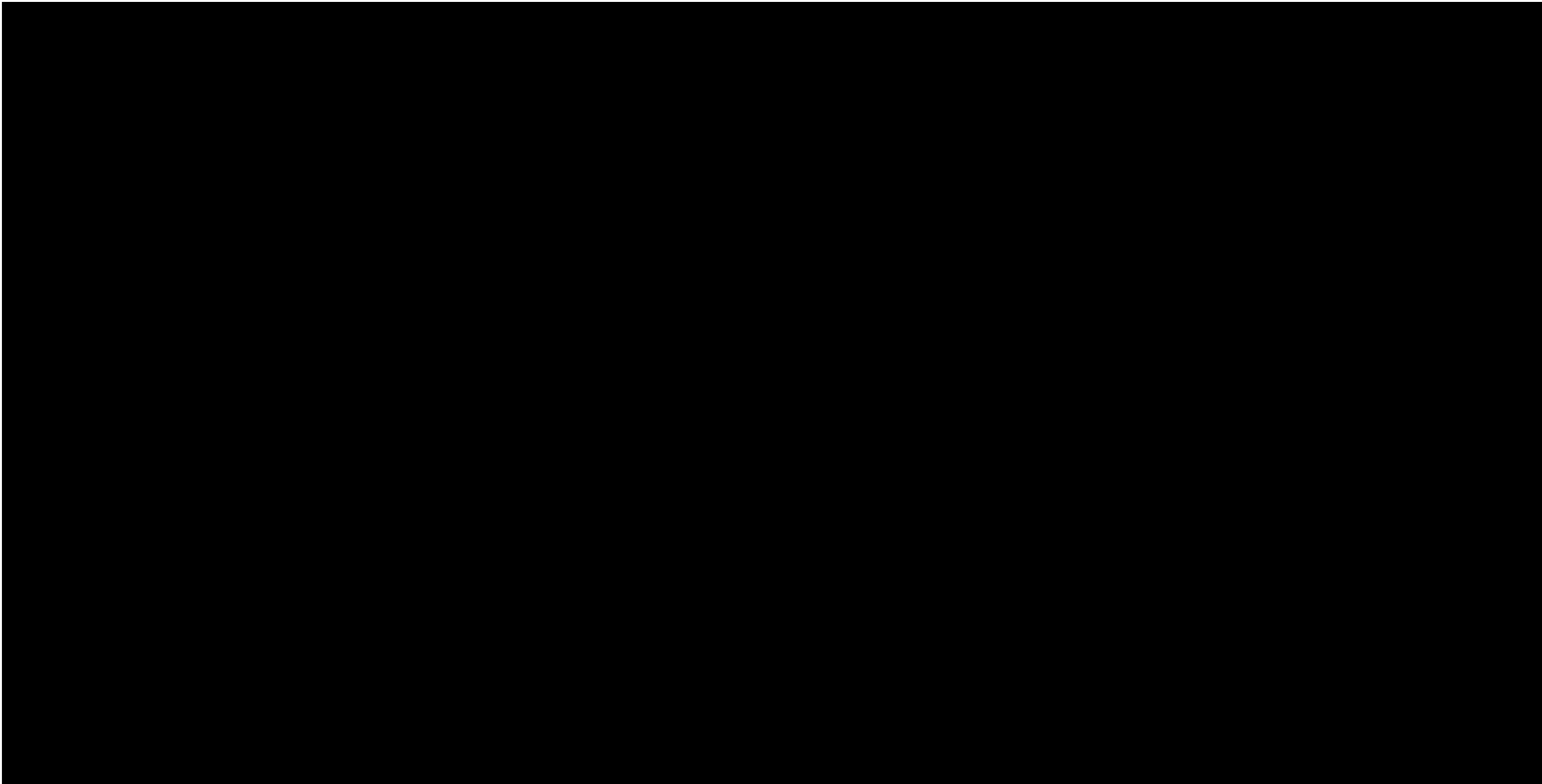


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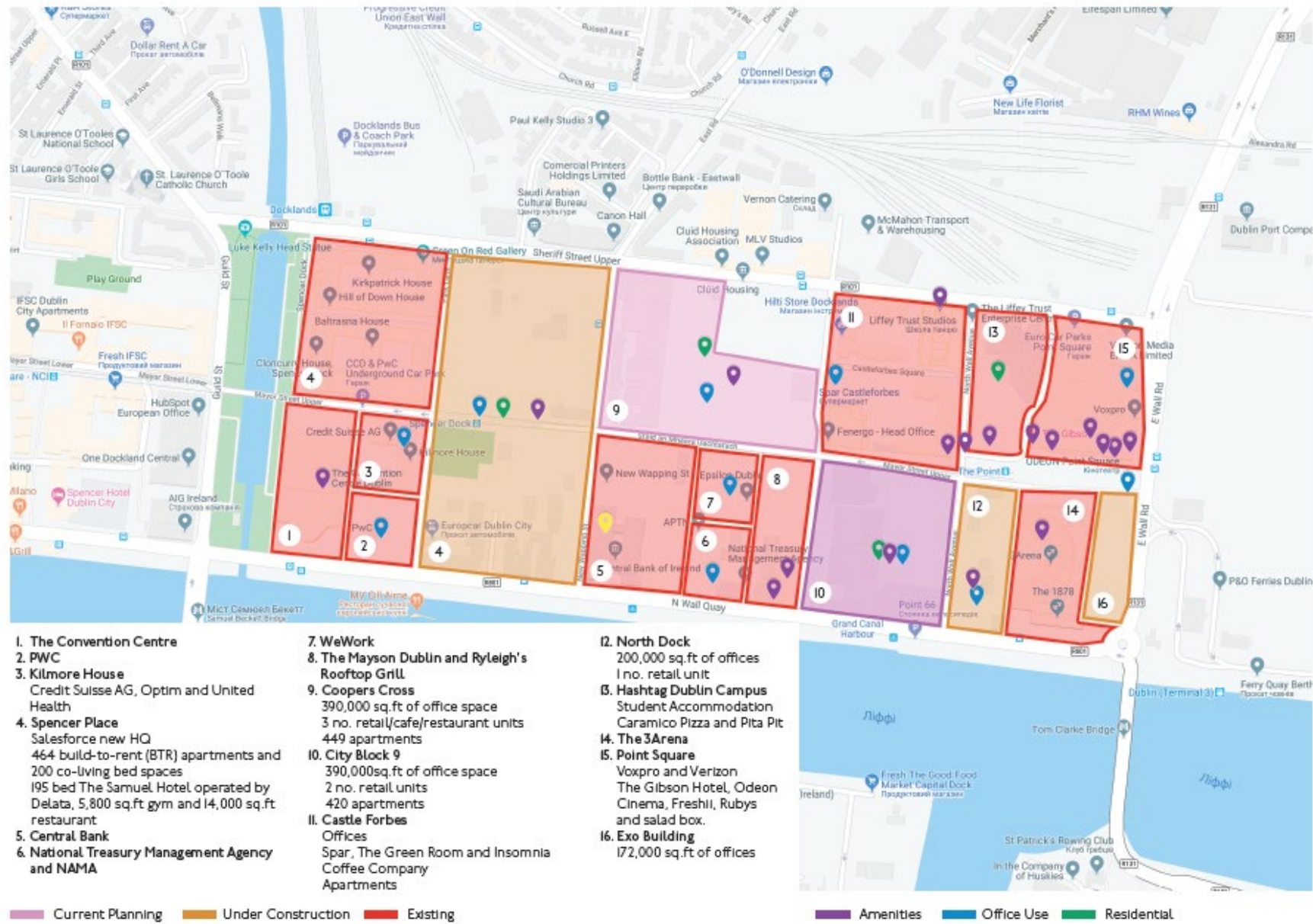
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Local Area Map

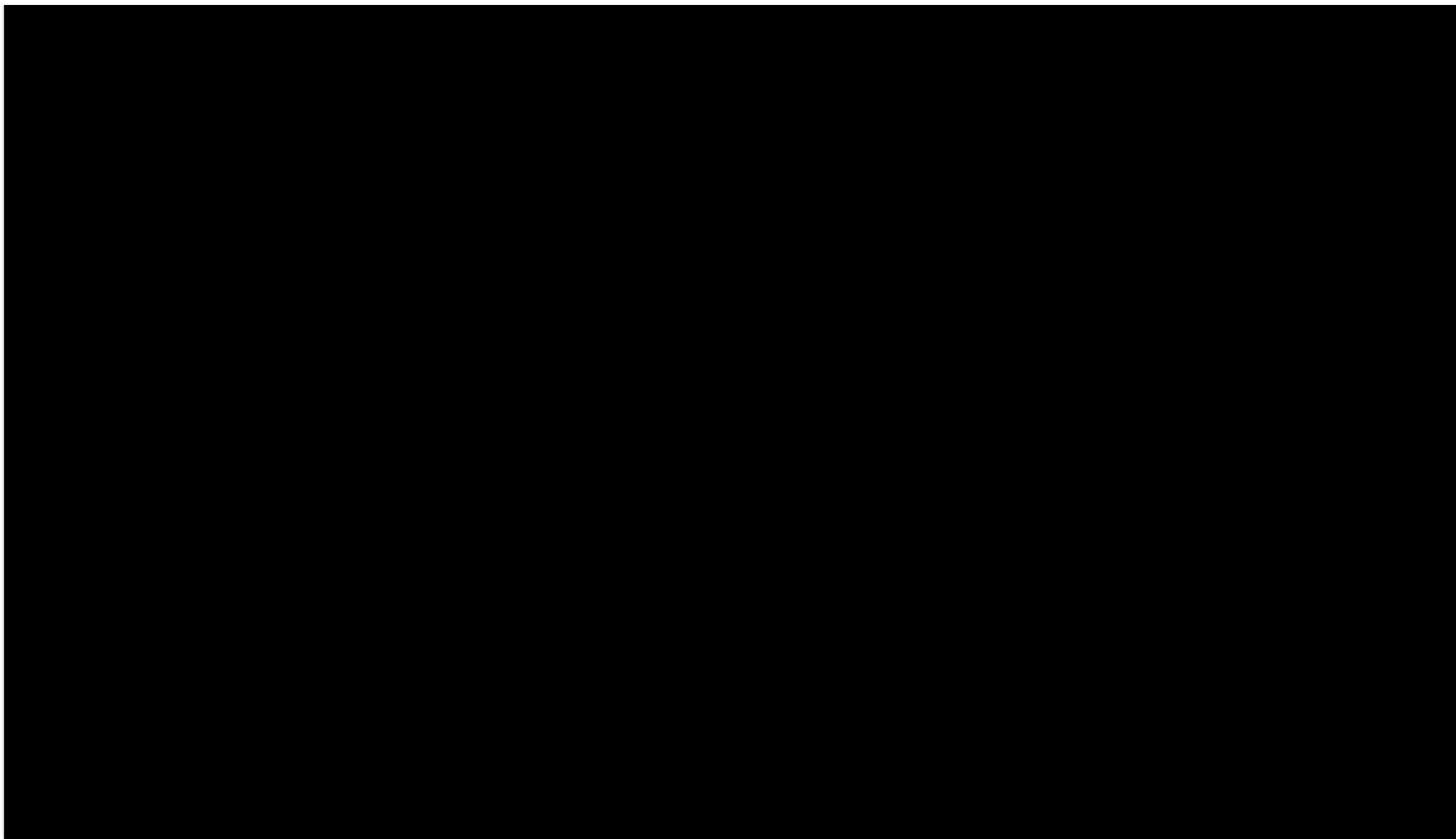


- 1. The Convention Centre**
- 2. PwC**
- 3. Kilmore House**
Credit Suisse AG, Optim and United Health
- 4. Spencer Place**
Salesforce new HQ
464 build-to-rent (BTR) apartments and 200 co-living bed spaces
195 bed The Samuel Hotel operated by Delata, 5,800 sq.ft gym and 14,000 sq.ft restaurant
- 5. Central Bank**
- 6. National Treasury Management Agency and NAMA**
- 7. WeWork**
- 8. The Maysoun Dublin and Ryleigh's Rooftop Grill**
- 9. Coopers Cross**
390,000 sq.ft of office space
3 no. retail/cafe/restaurant units
449 apartments
- 10. City Block 9**
390,000sq.ft of office space
2 no. retail units
420 apartments
- 11. Castle Forbes**
Offices
Spar, The Green Room and Insomnia Coffee Company
Apartments
- 12. North Dock**
200,000 sq.ft of offices
1 no. retail unit
- 13. Hashtag Dublin Campus**
Student Accommodation
Caramico Pizza and Pita Pit
- 14. The 3Arena**
- 15. Point Square**
Voxpro and Verizon
The Gibson Hotel, Odeon Cinema, Freshii, Rubys and salad box.
- 16. Exo Building**
172,000 sq.ft of offices

■ Current Planning
 ■ Under Construction
 ■ Existing
 ■ Amenities
 ■ Office Use
 ■ Residential

Local Area Map





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FOR DECISION

PREMISES AND ACCOMMODATION STRATEGY

Facilities Management / Organisation Risk / Financial Control / Financial Markets

Authors: [REDACTED] [REDACTED] (supported by Facilities Management, Financial Control, Organisation Risk, Financial Markets)

PURCHASE OF COMMERCIAL PROPERTY AT 'DUBLIN LANDINGS' AS A STRATEGIC INVESTMENT

Executive Summary


An opportunity has arisen to purchase a commercial property (or potentially two properties), currently under construction adjacent to the Bank's North Wall Quay premises, as a strategic investment. The property forms part of the Dublin Landings development and construction is expected to be completed by end 2019. There remains continued uncertainty regarding the likely growth in the Bank's demands for accommodation for resources (staff, contractor and consultants) over the medium to long term. Considering this uncertainty, the expected investment returns, and the optionality this opportunity provides for future accommodation requirements, it is proposed that the Bank purchase a property immediately adjacent to NWQ premises as a strategic investment. The potential to purchase two properties at Dublin Landings, and enter into a series of short-term leases and medium term leases which gives the Bank greater optionality in the long term, has also been considered.

The options presented with a strategic investment in a single building, and entering into a series of short term leases, gives the Bank the option of occupying the property at a future date on a phased basis in response to increasing demand for accommodation.


If it is decided to progress this investment opportunity the immediate next steps include engaging with the vendor to agree a price, subject to full technical and legal due diligence, and assemble a team to complete due diligence.

The proposed strategic investment seeks to safeguard the Bank's city centre occupational position, provides the Bank with greater optionality and flexibility in terms of future usage of premises and the choice of timeframe for when usage would occur, while the investment is expected to generate positive returns via rental income through lease arrangements.

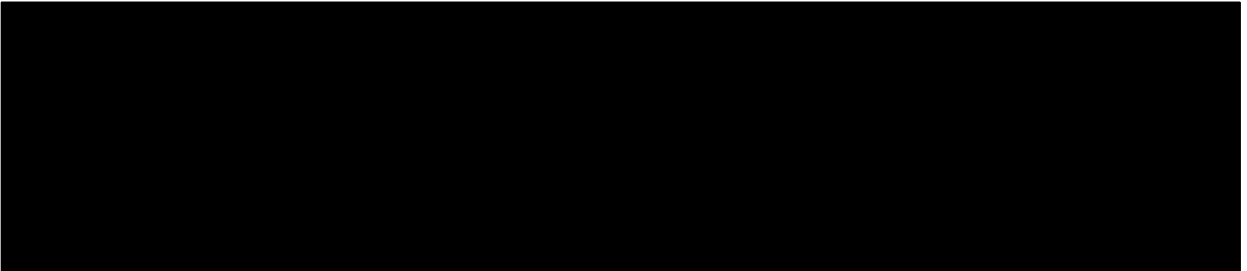
The Commission is requested to:

- support the proposal and to agree in principle that the Bank would place a bid subject to a full technical and legal due diligence and subject to contract, for Dublin Landings property 5 up to a sum of circa €120m;
- note that in the event of the bid being successful and subject to satisfactory due diligence that the Bank proposes to enter into negotiations in relation to a contract for the purchase of Dublin Landings property 5;
- note that on the assumption that such negotiations are successful and the Governor approves the decision to proceed, the Bank will enter into a binding contract for the purchase of Dublin Landings property 5 and carry out all matters and execute all documents (whether under hand or under the Bank's seal) to complete the acquisition of Dublin Landings property 5;
- 
- give views on the opportunity for the Bank to bid, subject to a full technical and legal due diligence and subject to contract for Dublin Landings properties 4 as a long-term investment up to a sum of circa €106.5m.

1. Background

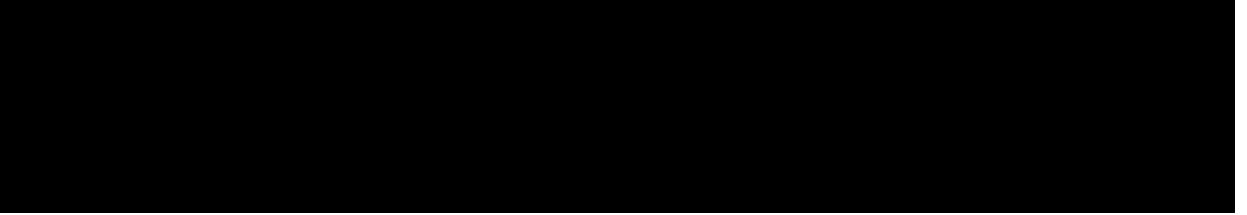


An opportunity has arisen to purchase a commercial property (or potentially two properties), currently under construction adjacent to the Bank's North Wall Quay premises, as a strategic investment. The properties form part of the Dublin Landings development¹ and their construction is expected to be completed by end 2019. Considering the uncertainty of the Bank's long-term accommodation requirements, the potential for investment returns and the optionality this opportunity provides for potential future accommodation requirements including exiting Spencer Dock and consolidating city centre accommodation in adjacent buildings, it is proposed that the Bank purchase one of the properties² as a strategic investment. The potential to purchase two properties at Dublin Landings has also been considered and while not specifically proposed the strategic long term benefits are noted. Reflecting current market dynamics in the Docklands area, the Dublin Landings properties are reportedly subject to significant interest³. As such, there is a limited window of opportunity available to reach a decision as to whether to proceed with a proposal to purchase one or both of these properties.



¹ Ballymore Oxley, with NAMA as a 20% silent partner, are currently developing five commercial properties as part of the Dublin Landings scheme - see Appendix 1 and Appendix 2 for details.

²The premises which are the subject of this proposal are known as DL 4 and DL 5 - see Appendix 2



2. Strategic Investment Proposal

2.1 Business Rationale

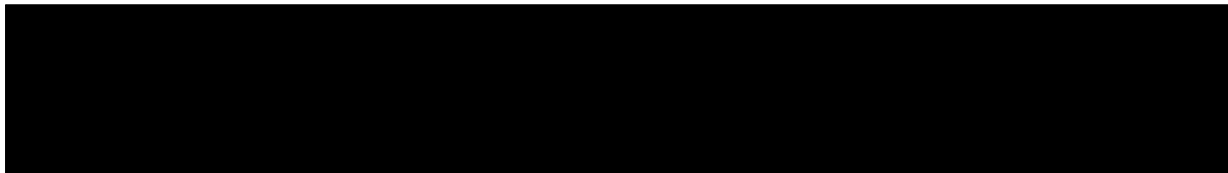
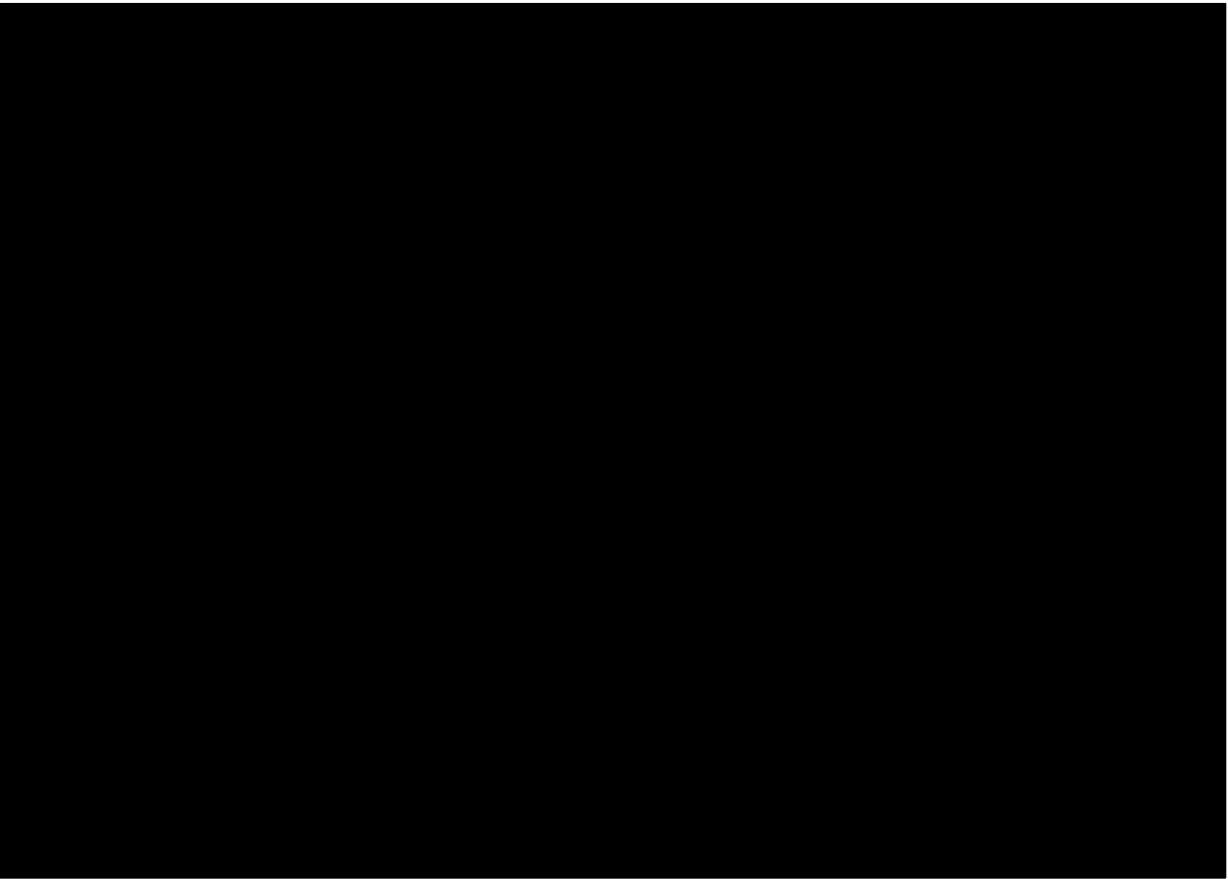
There are a number of arguments that support the purchase of the property or properties, and provide a financial business case for the proposed strategic investment. These include:

1. [REDACTED] an opportunity to purchase property this close to the Bank's North Wall Quay premises is unlikely to present itself again for many years.
2. The proposed strategic investment provides the Bank with optionality and flexibility in terms of future usage of premises and the choice of timeframe for when usage would occur. Considering the growth and development of the Bank, there remains continued uncertainty regarding the likely growth in demands for accommodation for resources (staff, contractor and consultants) over the medium to long term.
3. As a response to uncertainty of long-term accommodation requirements, ownership of adjoining buildings provides excellent optionality to accommodate future expansion of the Bank.
4. The proposed strategic investment provides opportunity to consolidate all resources in close proximity at North Wall Quay buildings, [REDACTED]
5. The proposed strategic investment is expected to generate positive returns via rental income through lease arrangements for the foreseeable future.
6. The operational and organisational benefits associated with a consolidated premises in the Docklands Campus may be undermined if suitable accommodation were unavailable at a time in the future when it were required.

7. Ownership of adjacent properties would afford a high degree of future flexibility and ensure an integrated operating model under the One Bank principle.

2.2 Direct Investment in Property

It is proposed that the Bank purchases Dublin Landings property 5 (DL5) on its own as strategic investment property at a cost of no more than €120m⁸. This purchase provides the Bank with options consolidate city centre accommodation at NWQ buildings commencing in 2020 coupled with additional capacity to accommodate growth in resources or generate returns via rental income through lease arrangements for the until the Bank utilises part or all of the premises to accommodate future growth in resources.



⁸ These are the asking prices as issued by Knight Frank estate agent on behalf of Ballymore/Oxley.

While the option to purchase the premises as investment properties includes assumptions to lease the property over 26 years, it also provides optionality that the Bank itself may utilise part or all of the premises within that period. The rationale behind the purchase is important in terms of (a) the accounting treatment of the asset (b) the management of the asset and (c) the communication of the rationale for the purchase.

2.3 Strategic Investment options

Premises Details

Building	Approximate Size ¹⁴	Asking Price	Approx. Desk Capacity	Asking Price per Sq. Ft.	Date of Practical Completion
DL5	107,154 sq. ft.	€120m	900	€1,120	Q4 2019
DL4 ¹⁵	94,450 sq. ft.	€106.5m	800	€1,128	Q3 2019

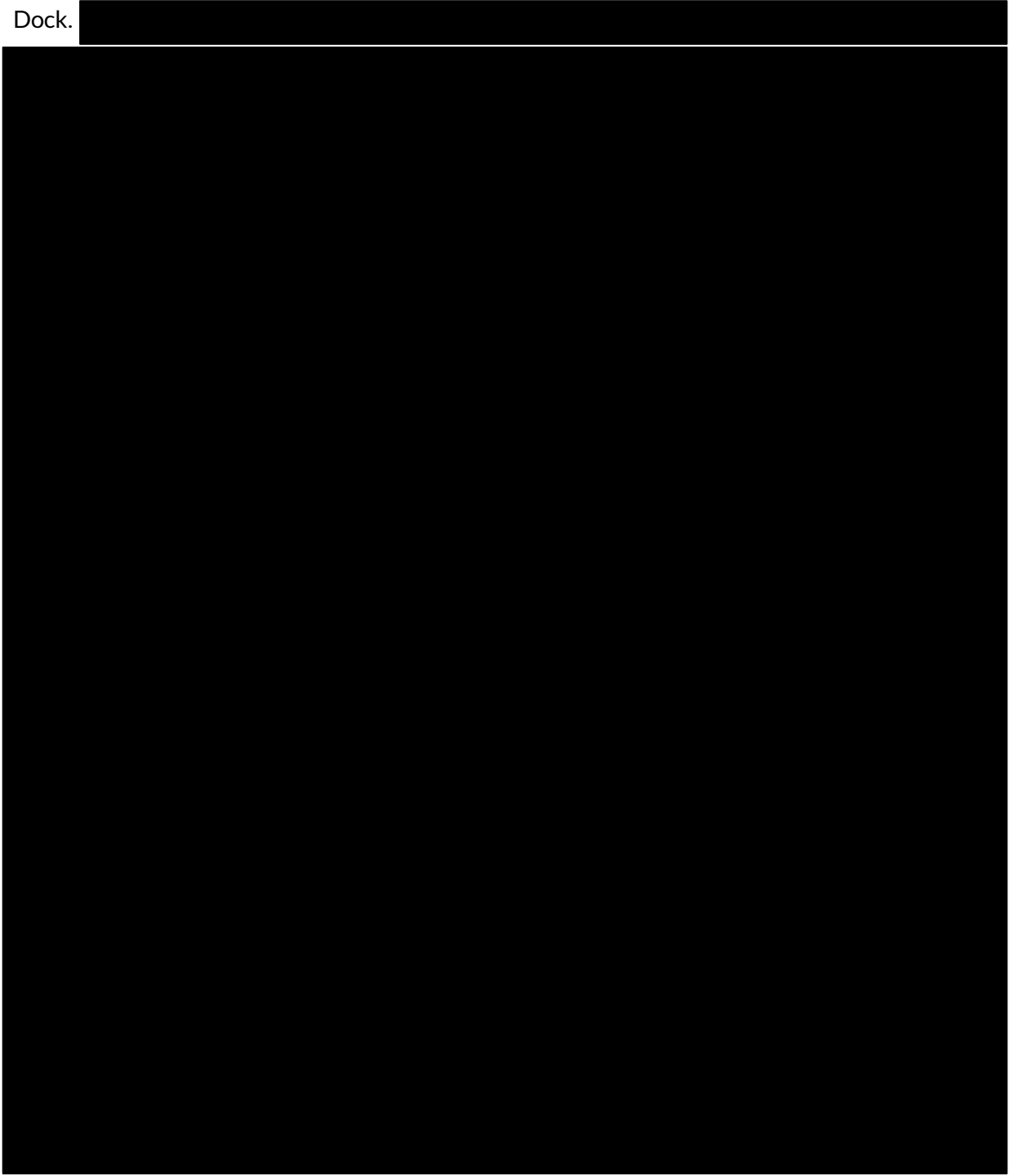
Some of the options presented by this strategic investment include:

¹⁴ Actual sizes may be marginally different on completion.

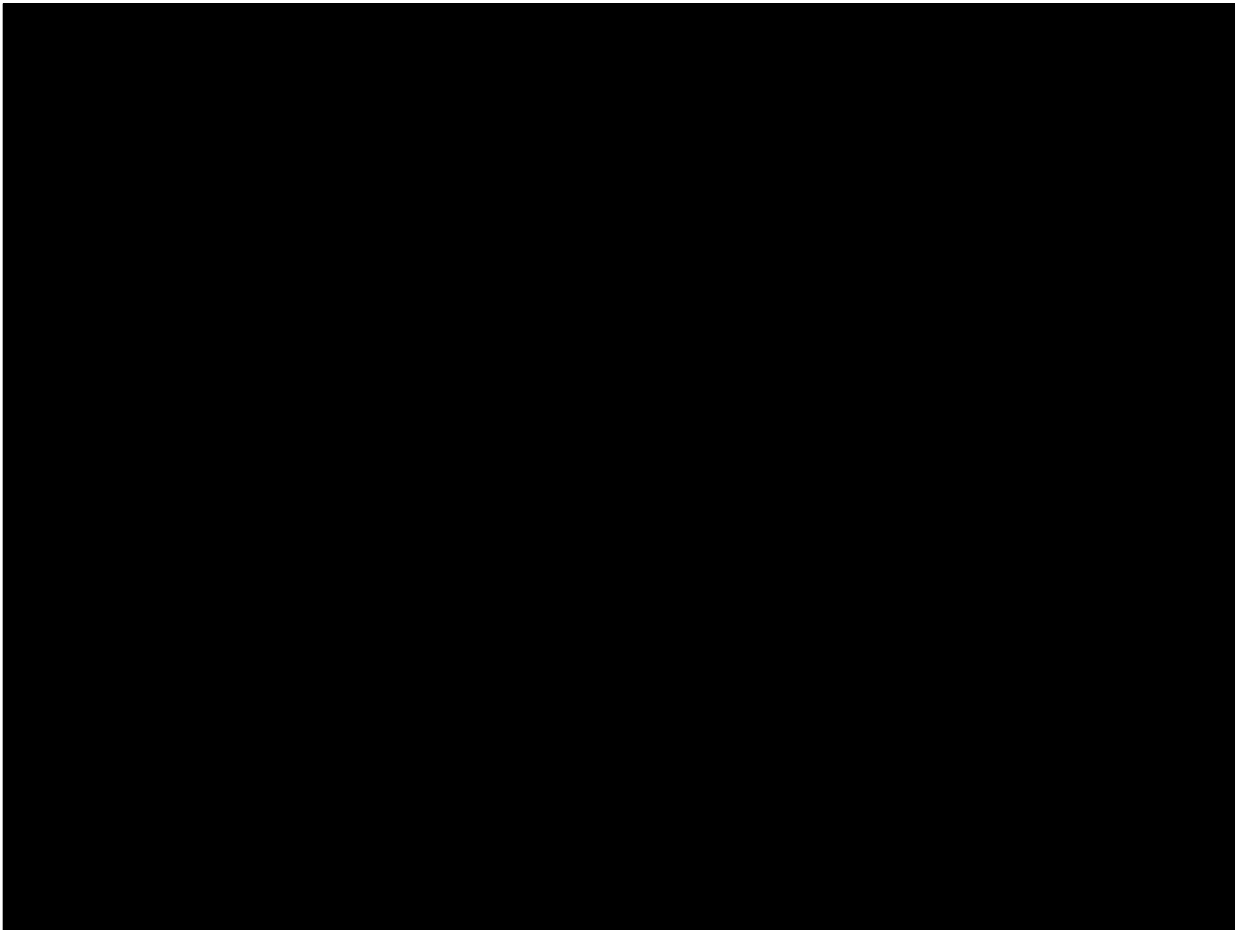
¹⁵ Details of DL4 are provided for noting

Purchase DL5 to occupy and exit occupation of Spencer Dock

This option assumes purchasing DL5, and exit Spencer Dock premises to consolidate the Campus in buildings side by side in NWQ leveraging existing and shared facilities and associated benefits. DL5 provides c100k square feet of office accommodation. This is an additional c35k square feet or additional capacity for circa 300 desks over what we currently occupy in Spencer Dock.



Risks



Strategic Investment Proposal

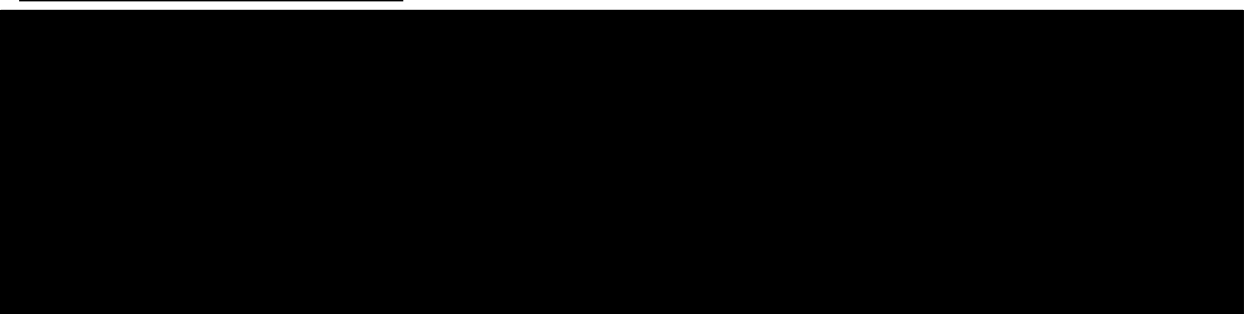
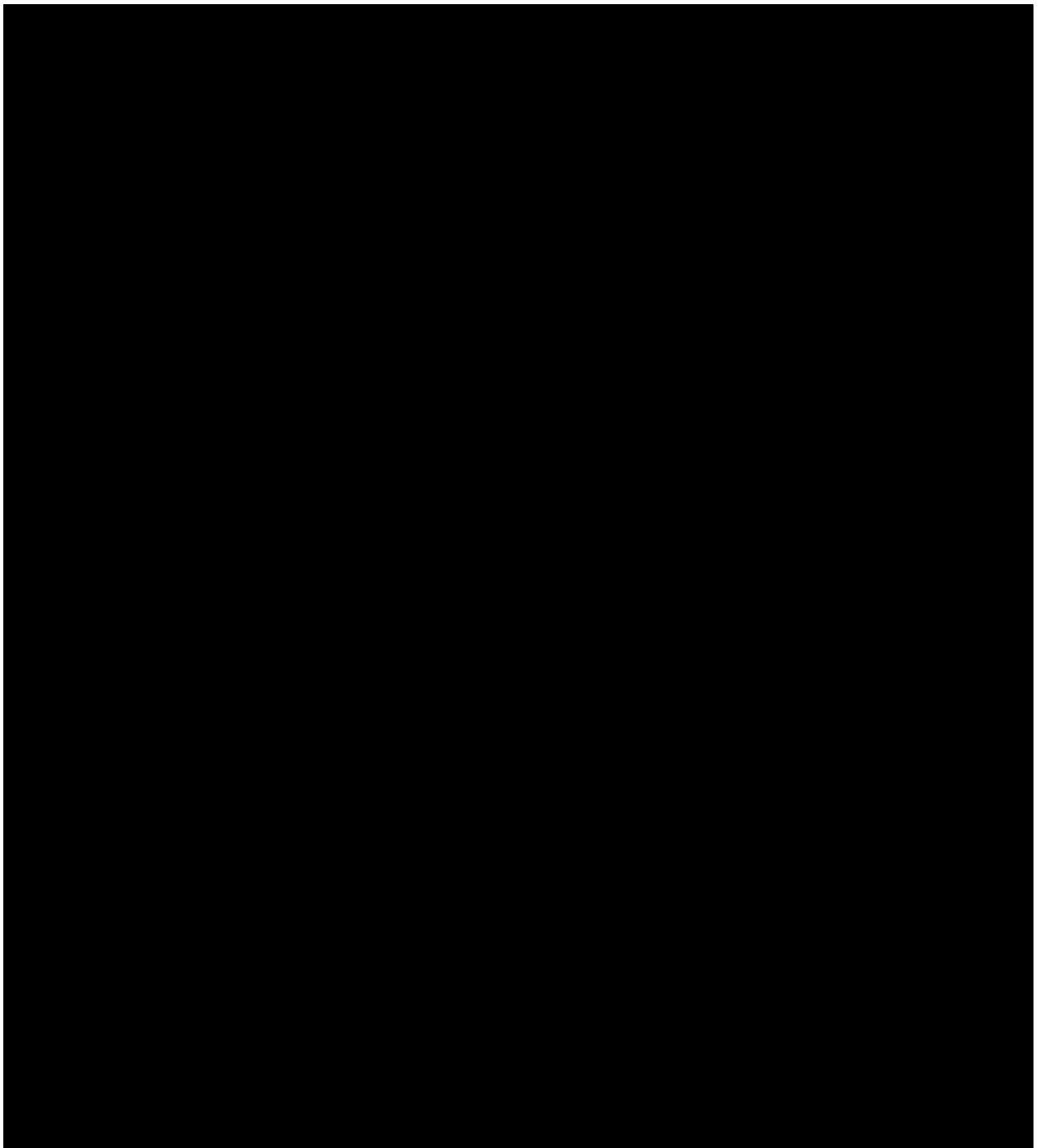


Investment in DL5 provides the Bank with optionality and flexibility in terms of consolidation of the Campus at NWQ, and/or future usage of the premises and the choice of timeframe for when usage would occur. Having regard for the benefits and risks, the proposed strategic investment is to purchase DL5. When purchase of DL5 is secured the options for timings for consolidation of accommodation at NWQ



The option to purchase DL4 as a long-term strategic investment is not proposed at the juncture; however, the Commission is invited to give views on this option.





3. Progressing to Purchase

If it is decided to progress the investment opportunity to purchase DL5 the following are the immediate next steps:

1. Engage, via respective Agents, with the vendor (Ballymore/Oxley) to agree a price, and the price will be subject to full technical and legal due diligence. Given the level of market activity, our Agent Lisney recommend this engagement should commence without delay. The vendor has provided an initial asking price of €120m for DL5 and €106.5m for DL4 however, our Agent advises that final negotiated prices are unlikely to exceed €110m and €97m respectively¹⁹.
2. Seek to enter a period of exclusivity to complete due diligence. It is likely the period of exclusivity would be no more than three weeks.
3. Assemble 'technical team' including disciplines from Legal, Architecture, Mechanical and Electrical, Finance, etc. to conclude due diligence during the period of exclusivity;

Given the level of interest from the market, it may be difficult to attain exclusive discussions, and a timely formal bid is critical to avoid the investment opportunity going to another party. Likewise, establishing a 'technical team' would require immediate attention, as the market for these resources is very active.

4. Conclusion


This paper has set out a proposal to make a strategic investment in a commercial property (known as DL5) adjacent to the Bank's North Wall Quay premises. The proposed strategic investment seeks to safeguard the Bank's city centre occupational position, provides the Bank with greater optionality and flexibility in terms of future usage of premises [REDACTED]

[REDACTED] As a standalone case the investment is expected to generate positive returns via rental income through lease arrangements. Given the uncertainty regarding the likely growth in demands for accommodation for resources over the medium-term a strategic investment in the subject building is considered the prudent cost effective protection for the provision of additional city centre campus accommodation.

¹⁹ These are the prices used in the financial model for expected returns in Appendix 3 and exclude VAT at 13.5%, which is payable where we buy to occupy

The motivations for proposing to purchase property are described as a strategic investment decision, with strategic benefits, rather than a financial investment decision, and proper management of the property has the potential to yield a return to the Bank²⁰.

The Commission is requested to:

- support the proposal and to agree in principle that the Bank would place a bid subject to a full technical and legal due diligence and subject to contract, for Dublin Landings property 5 up to a sum of circa €120m;
- note that in the event of the bid being successful and subject to satisfactory due diligence that the Bank proposes to enter into negotiations in relation to a contract for the purchase of Dublin Landings property 5;
- note that on the assumption that such negotiations are successful and the Governor approves the decision to proceed, the Bank will enter into a binding contract for the purchase of Dublin Landings property 5 and carry out all matters and execute all documents (whether under hand or under the Bank's seal) to complete the acquisition of Dublin Landings property 5;
- 
- give views on the opportunity for the Bank to bid, subject to a full technical and legal due diligence and subject to contract for Dublin Landings properties 4 as a long-term investment up to a sum of circa €106.5m.

²⁰ The Bank should formalise a policy, which outlines how the value and maintenance of the strategic property investments will be managed. This will likely require a combination of a facilities management policy and a property management services policy.

Appendix 1 - Overview of Dublin Landings Development

Ballymore/ Oxley office buildings under development at Dublin Landings are:

- [REDACTED]
- DL5 is the reference for the building, currently under construction, immediately north of our NWQ premises;
- DL4 is the reference for the building in the middle of the three buildings, currently under construction, immediately north of our NWQ premises;
- [REDACTED]
- Through informal contacts, we understand there is considerable market interest in one or all of DL5, DL4, [REDACTED] and the parties evaluating these premises include [REDACTED]

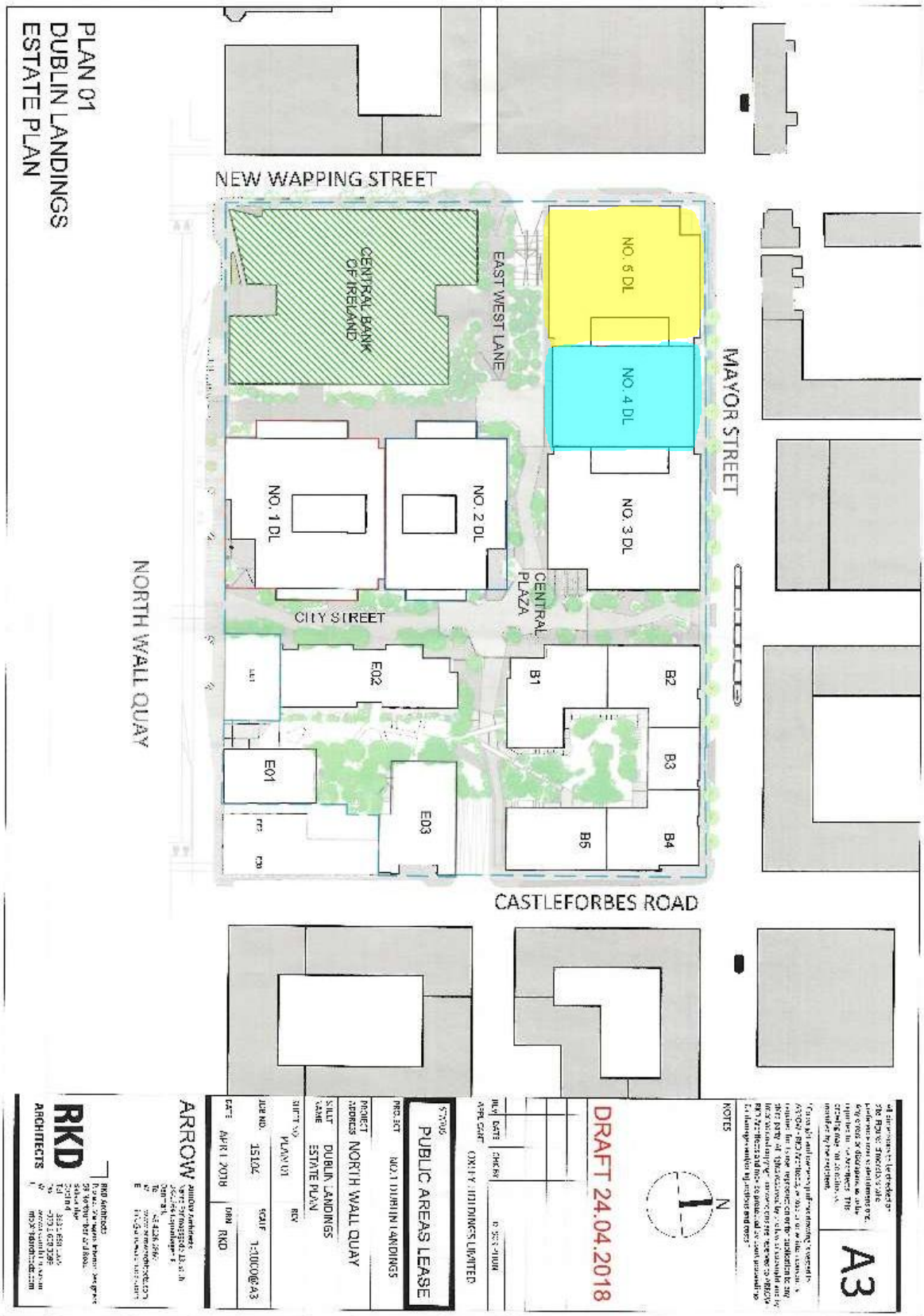
Details of Available Dublin Landing Buildings

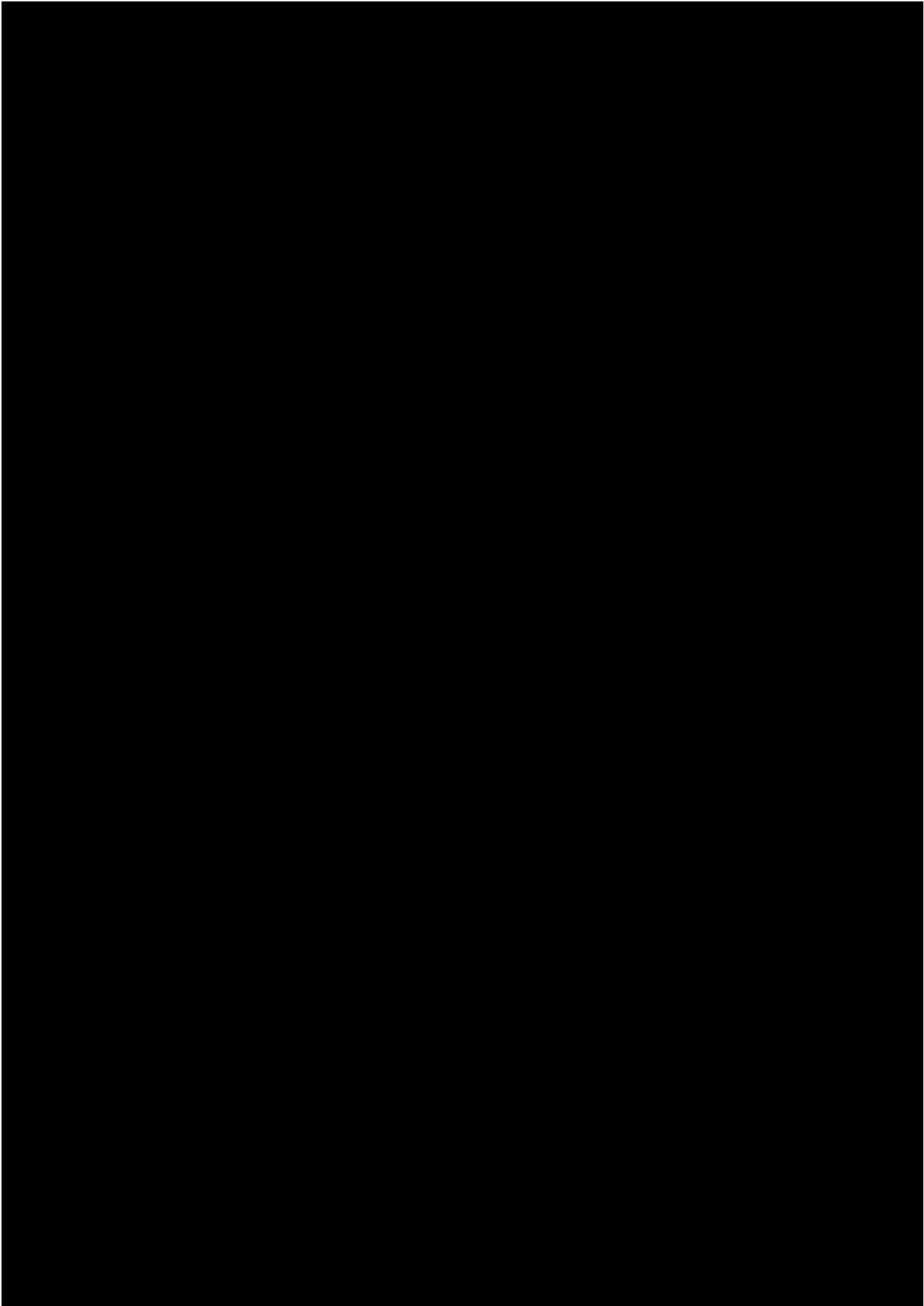
Building	Approximate Size ²³	Date of Practical Completion
[REDACTED]	[REDACTED]	[REDACTED]
DL4	94,450 sq. ft.	Q3 2019
DL5 ²⁴	107,154 sq. ft.	Q4 2019

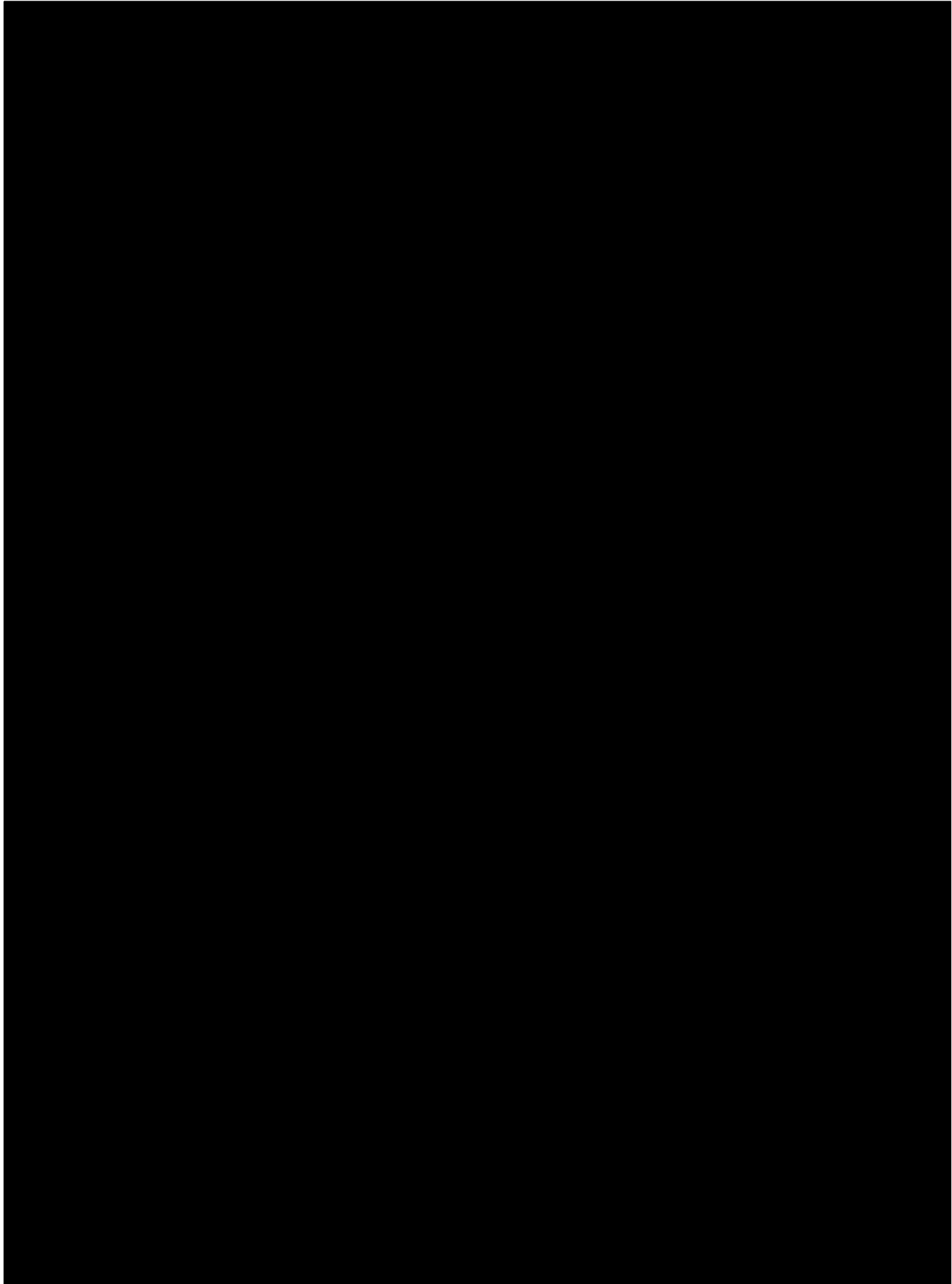
²³ Actual sizes may be different on completion.

²⁴ DL5 is the building directly behind the Bank at NWQ. See Appendix 3 for a map.

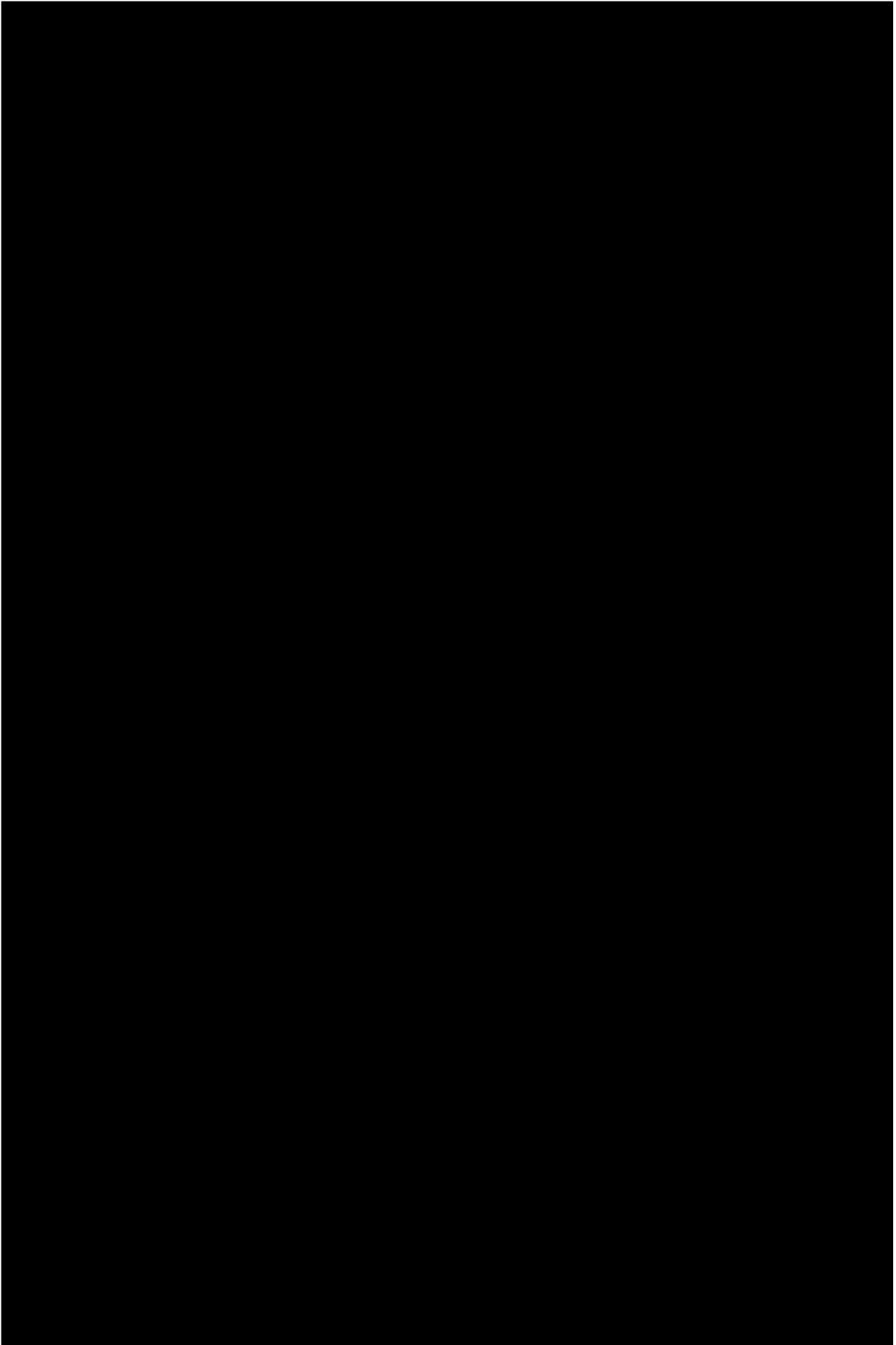
Appendix 2 - Location Map

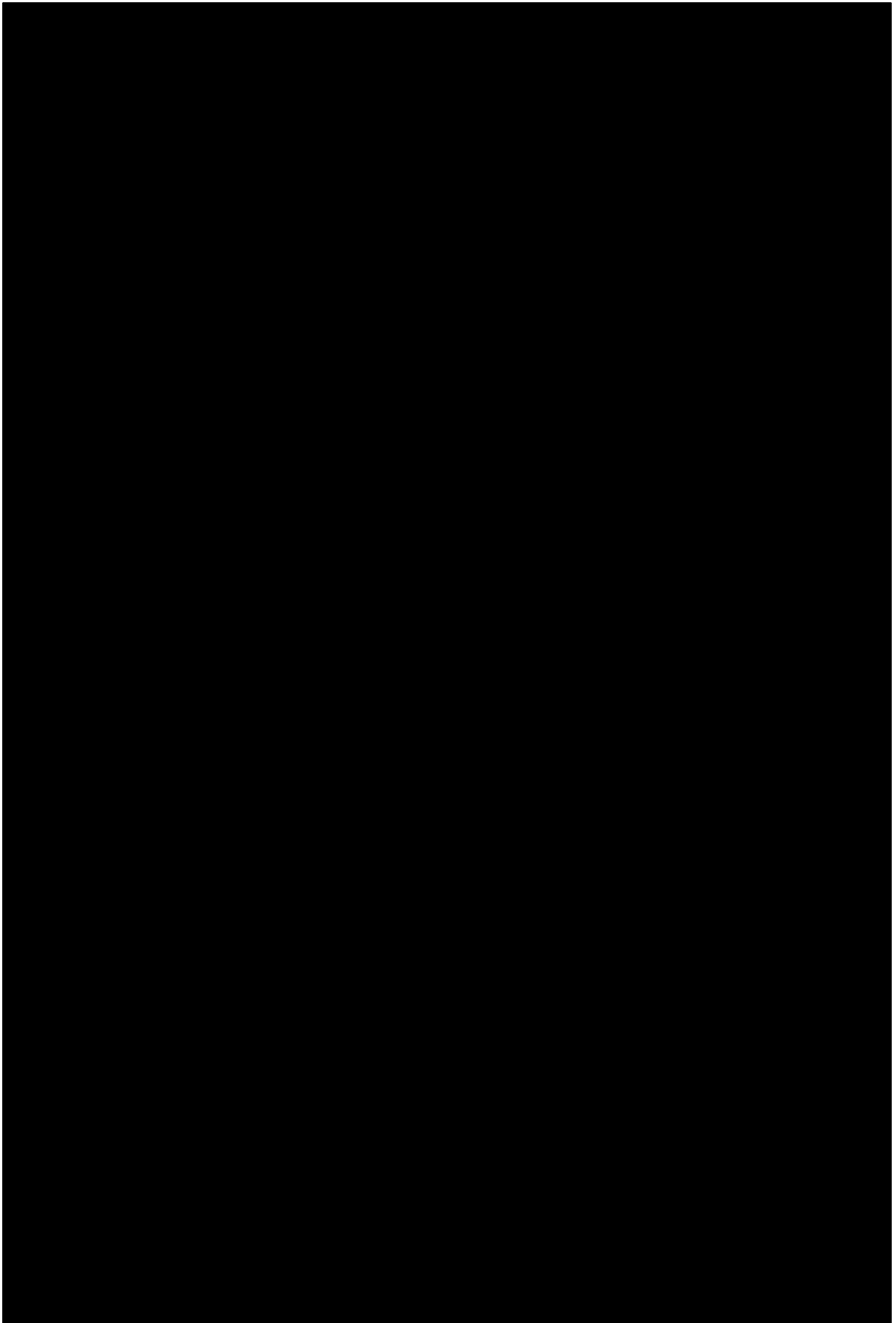












CENTRAL BANK OF IRELAND

Circulated to Commission Members

on 14 June 2018

Paper No. 154 of 2018

FOR DECISION

PREMISES AND ACCOMMODATION STRATEGY

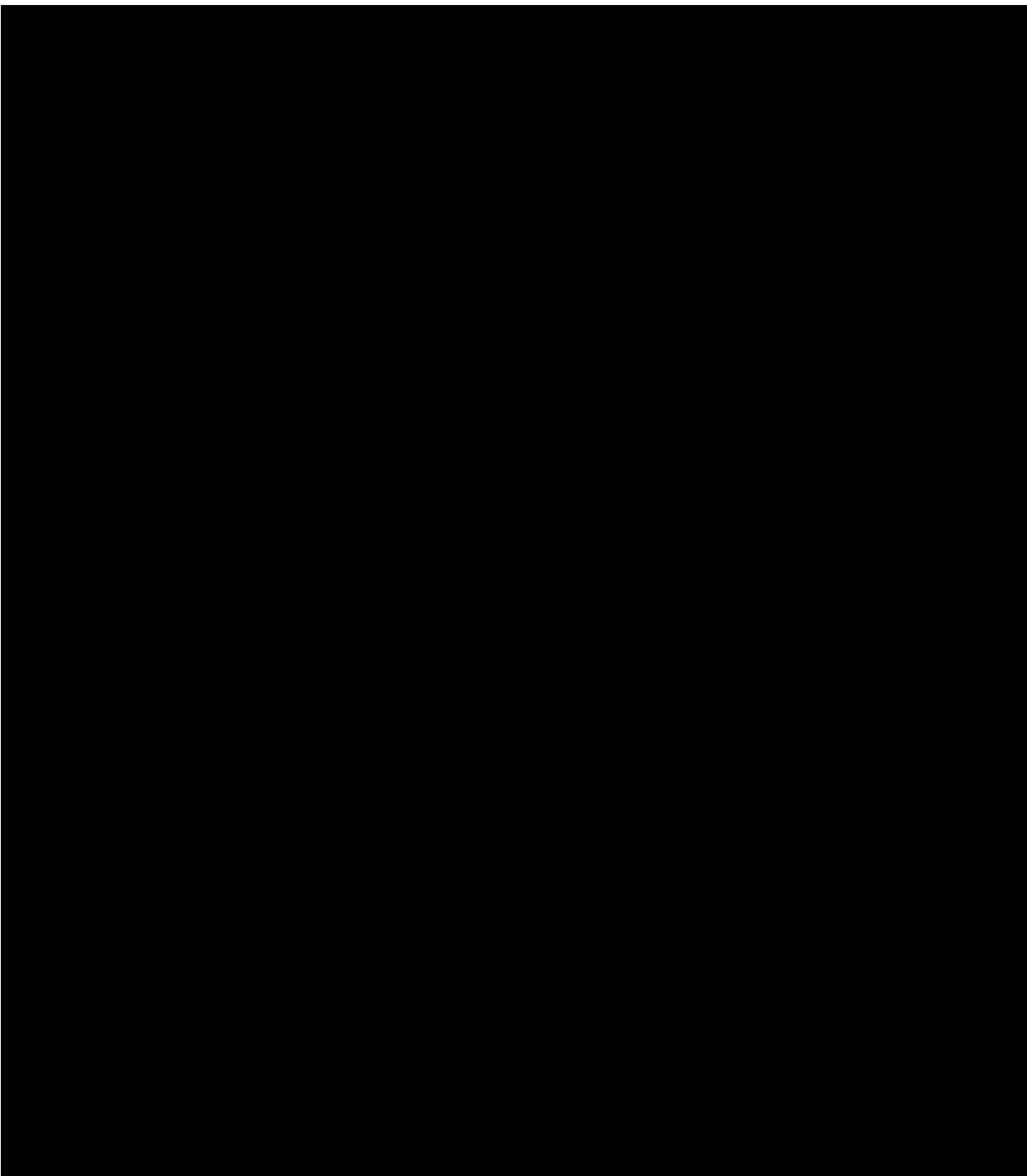
Currency and Facilities Management Directorate

Authors: [REDACTED]

PREMISES AND ACCOMMODATION STRATEGY

Executive Summary

This paper elaborates on and supports Paper 141 – Premises and Accommodation Strategy presented to the Commission on 30 May 2018.



Properties currently under construction adjacent to the Bank's North Wall Quay premises are now available for sale. This provides a prudent opportunity to purchase premises in the context of our objective to maintain the NWQ Campus and the increased capacity, optionality and

proximity such a purchase affords. The proposed approach is to acquire and occupy Dublin Landings Property 5 (DL5) and, in principle, [REDACTED]

[REDACTED] This is expected to provide additional headroom of circa 300 desks (based on NWQ standards) or equivalent facilities, which will help meet our near term and medium term requirements. [REDACTED]

[REDACTED] the recommendation to acquire DL5 is based on selling Spencer Dock (fully pre-leased or otherwise). [REDACTED]

[REDACTED] Our advisors indicate that the purchase price of DL5 is likely to be in the region of €110m however the asking price for is €120m and it is proposed that the Bank purchases DL5 at a cost of no more than €120m, excluding VAT, stamp duty and related professional fees etc. The cost of fitting out DL5 to our standards is estimated at [REDACTED]

While the proposal is not without risk, the risks are considered manageable.

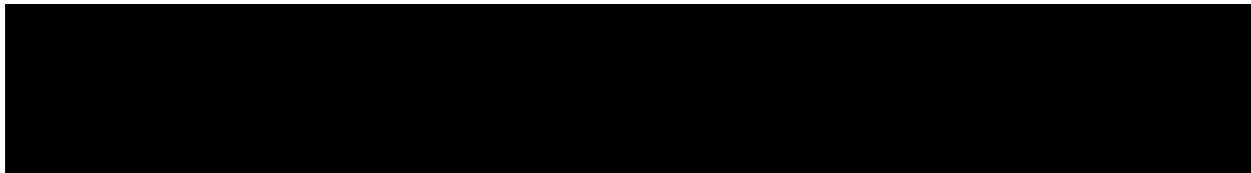
The Commission is requested to:

- agree that the Bank may place a bid, subject to Governor approval, technical due diligence and subject to contract and associated legal due diligence, for Dublin Landings Property 5 up to a sum of circa €120m;
- note that in the event of the bid being successful and subject to satisfactory due diligence that the Bank proposes to enter into negotiations in relation to a contract for the purchase of Dublin Landings Property 5 to occupy;
- note that on the assumption that such negotiations are successful and the Governor approves the decision to proceed, the Bank will enter into a binding contract for the purchase of Dublin Landings Property 5 and carry out all matters and execute all documents (whether under hand or under the Bank's seal) to complete the acquisition of Dublin Landings Property 5;
- note that a due diligence team has been assembled and a due diligence exercise commenced to cover all architectural and engineering matters together with the feasibility of integration and access;
- note that an update paper will be presented for the Commission meeting in July 2018 setting out the outcome of the technical due diligence exercise, progress on the bid and any other related costs arising from the due diligence report; and

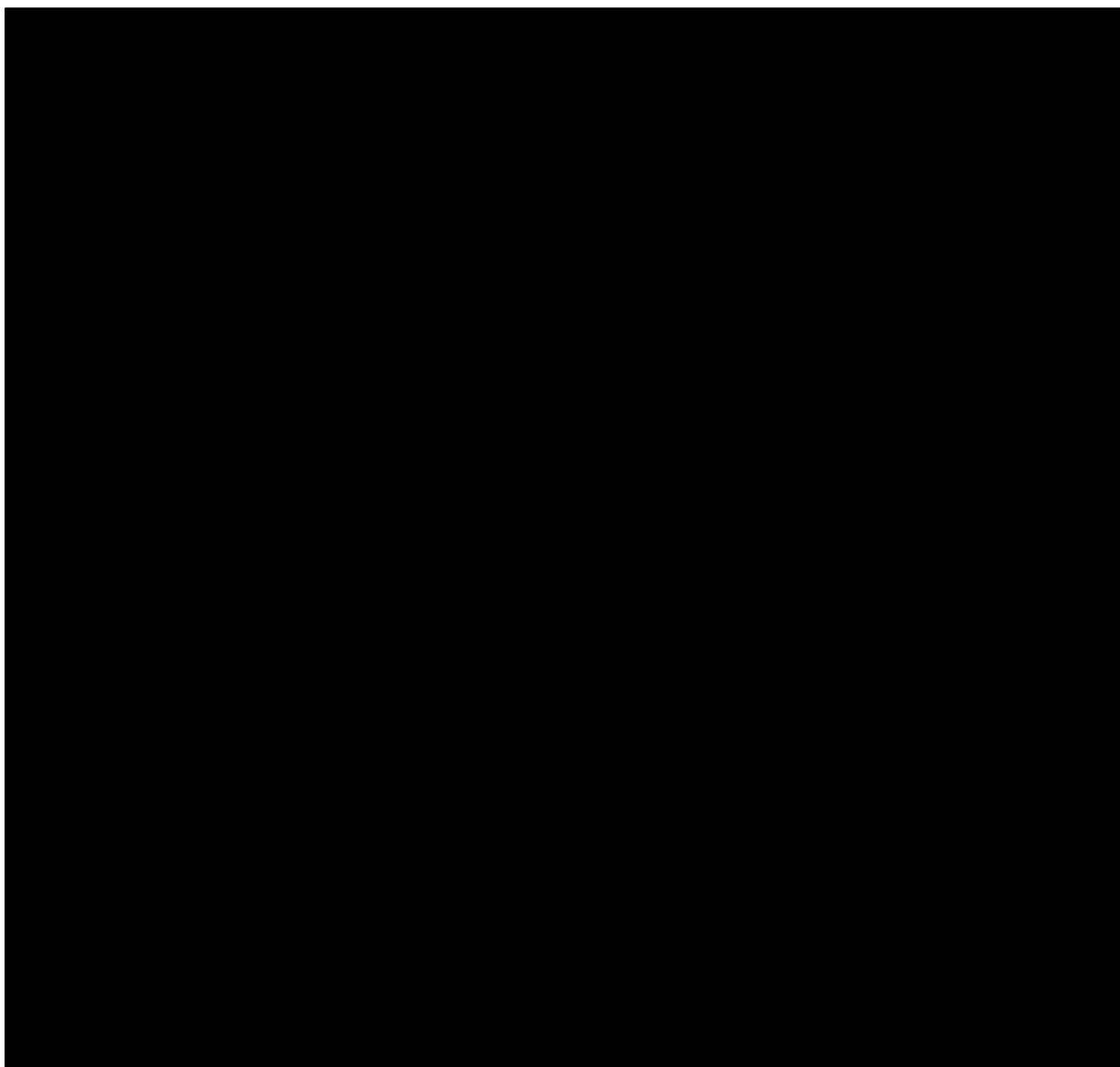
• [REDACTED]

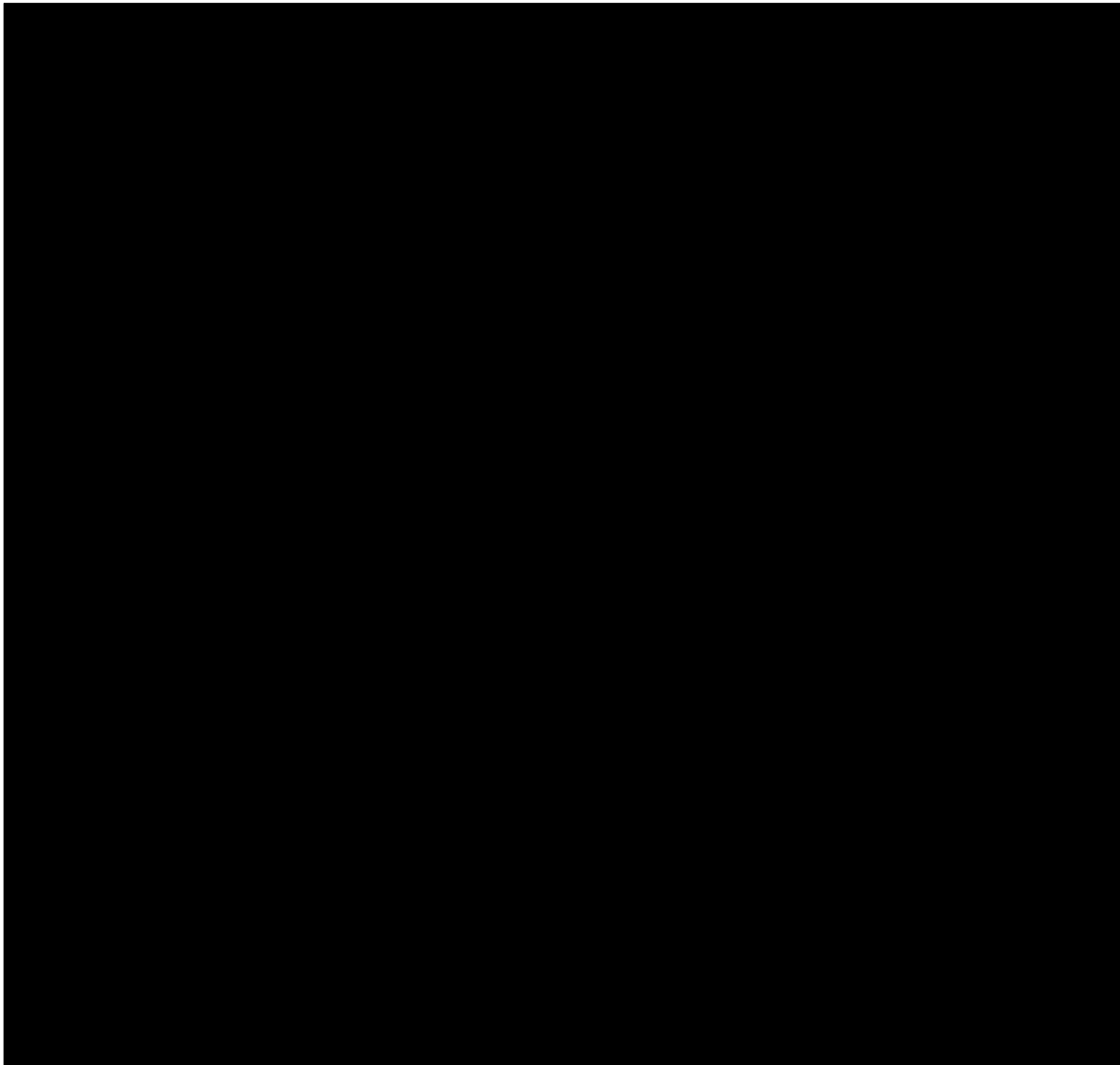
1. Background

This paper elaborates on and supports Paper 141 – Premises and Accommodation Strategy presented to the Commission on 30 May 2018.



The background that has led us to this point and to the current proposal is marked by considerable uncertainty and change with regard to the accommodation needs of the Bank.





The current availability of neighbouring properties under construction provides an opportunity to mitigate that risk but this opportunity is very time limited given prevailing market conditions.

These properties under construction adjacent to the Bank's North Wall Quay premises are now available for sale. This provides an opportunity to purchase in the context of mitigating accommodation risks and the optionality and proximity it affords. The properties form part of the Dublin Landings development³ and construction is expected to be completed by end 2019. Considering the uncertainty of the Bank's long-term accommodation requirements it is proposed that the Bank purchase DL5⁴ in order to secure our short to medium term accommodation requirements and maintain a consolidated city centre campus. The proposed

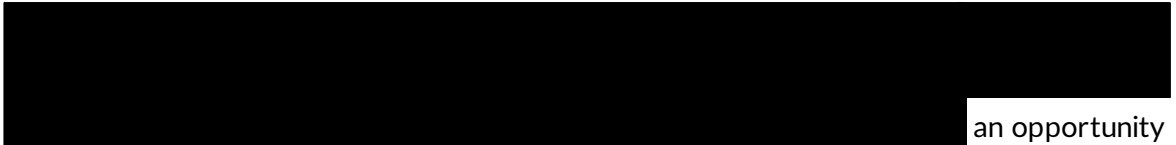
³ Ballymore Oxley, with NAMA as a 20 per cent silent partner, are currently developing five commercial properties as part of the Dublin Landings scheme - see Appendix 1 and Appendix 2 for details.

⁴The premises, which is the subject of this proposal, is known as DL5 - see Appendix 2.

approach is to occupy DL5 and in principle exit Spencer Dock following transfer of existing occupation from Spencer Dock to DL5⁵. This is expected to provide a gain of an additional circa 300 desks⁶, (based on NWQ standards of density etc.) which will help meet our near term and medium term requirements.

2. Business Rationale

The arguments that support the purchase of the property include:

1.  an opportunity to purchase property this close to the Bank's North Wall Quay premises is unlikely to present itself again for many years.
2. There is very limited growth capacity in the current footprint of the Bank's Dockland campus and this risk needs to be mitigated given the uncertainty and history of the Bank's accommodation requirements.
3. The proposed acquisition provides the opportunity to continue to consolidate all resources in close proximity at North Wall Quay and utilise some of the shared facilities with the main NWQ building
4. The operational and organisational benefits associated with a consolidated premises in the Docklands Campus may be undermined if suitable accommodation were unavailable at a time in the future when it were required.
5. Ownership of an adjacent property would afford a degree of future flexibility and ensure an integrated operating model under the One Bank principle.

⁵ Occupation of DL5 is expected to commence in Q2 2020.

⁶This gain of 300 desks will be verified as part of the due diligence, and does not factor in the provision an internal venue for administrative sanctions inquiries or any additional capacity for hospitality and conference facilities.

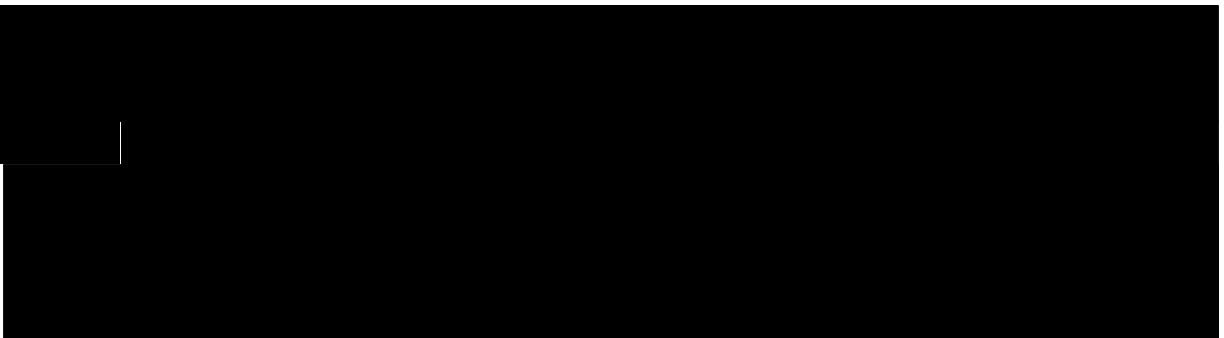
3. Purchase DL5 to Occupy

It is proposed that the Bank purchases Dublin Landings property 5 (DL5), at a cost of no more than €120m,⁷ (our advisors indicate a price of approx. €110 m is more likely). Additional costs include VAT at 13.5 per cent amounting to €14.85m, Stamp Duty and professional fees amounting to €9.4m etc. and a NWQ standard fit-out costing up to [REDACTED] Based on our advisors cost of €110m this totals to a full cost of approx. [REDACTED] VAT inclusive).

This purchase provides the Bank with options to consolidate city centre accommodation at NWQ commencing in 2020 coupled with additional capacity to accommodate expansion in the region of 300 additional desks or equivalent facilities.

Building	Approximate Size ⁸	Asking Price	Approx. Desk Capacity	Asking Price per Sq. Ft.	Date of Practical Completion
DL5	107,154 sq. ft.	€120m	900	€1,120	Q4 2019

This assumes purchasing DL5 to consolidate the Campus in buildings side by side in NWQ leveraging existing and shared facilities and associated benefits. DL5 provides c100k square feet of office accommodation. This is an additional c35k square feet or additional capacity for c300 desks or equivalent facilities over what we currently occupy in Spencer Dock (although Spencer Dock is not currently configured to NWQ standard).



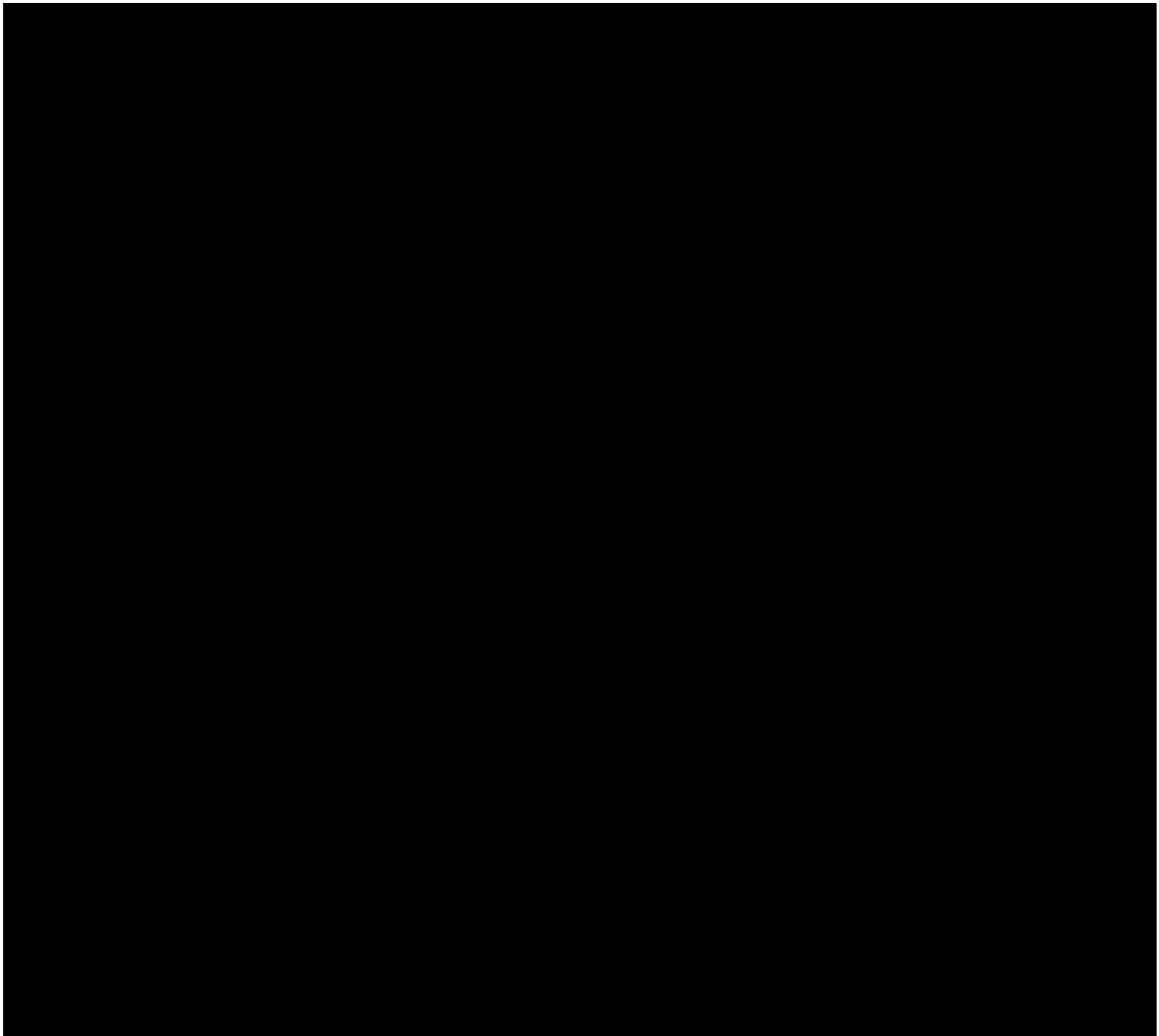
⁷ This is the asking price as issued by Knight Frank estate agent on behalf of Ballymore/Oxley.

⁸ Actual size may be marginally different on completion.

4. Other Options

The following options were considered at a high level:

1.



2.

3.

4.



5. Risks



6. Progressing to Purchase

To progress the opportunity to purchase DL5 the following are the immediate next steps:

1. Engage, via respective Agents, with the vendor (Ballymore/Oxley) to agree a price, and the price will be subject to technical due diligence, Governor approval and subject to contract and associated legal due diligence. Given the level of market activity, our agent Lisney recommend this engagement should commence without delay. The vendor has provided an initial asking price of €120m for DL5 however; our Lisney advises that final negotiated price is unlikely to exceed €110m .
2. Seek to enter a period of exclusivity to complete technical due diligence. It is likely the period of exclusivity would be no more than three weeks.
3. Engage with the 'technical team' including disciplines from Architecture, Mechanical and Electrical, Finance, etc. to consider future requirements of a new premises to allow them

conclude due diligence and identify additional requirements to the target building during the period of exclusivity;

7. Conclusion

This paper has set out a proposal to bid for and acquire the property known as DL5 adjacent to the Bank's North Wall Quay premises subject to technical due diligence, Governor approval and subject to contract and legal due diligence. The proposed acquisition seeks to safeguard the Bank's city centre occupational position and provide the Bank with greater optionality and flexibility in terms of its short to medium term accommodation requirements. Given the uncertainty regarding the likely growth in demands for accommodation for resources over the medium-term, this acquisition is considered a prudent and cost effective protection to safeguard the Bank's city centre occupational position and provide the Bank with greater optionality and flexibility in terms of long-term accommodation requirements. [REDACTED]






The Commission is requested to:

- agree that the Bank may place a bid, subject to Governor approval, technical due diligence and subject to contract and associated legal due diligence, for Dublin Landings Property 5 up to a sum of circa €120m;
- note that in the event of the bid being successful and subject to satisfactory due diligence that the Bank proposes to enter into negotiations in relation to a contract for the purchase of Dublin Landings Property 5 to occupy;
- note that on the assumption that such negotiations are successful and the Governor approves the decision to proceed, the Bank will enter into a binding contract for the purchase of Dublin Landings Property 5 and carry out all matters and execute all documents (whether under hand or under the Bank's seal) to complete the acquisition of Dublin Landings Property 5;
- note that a due diligence team has been assembled and a due diligence exercise commenced to cover all architectural and engineering matters together with the feasibility of integration and access;
- note that an update paper will be presented for the Commission meeting in July 2018 setting out the outcome of the technical due diligence exercise, progress on the bid and any other related costs arising from the due diligence report; and

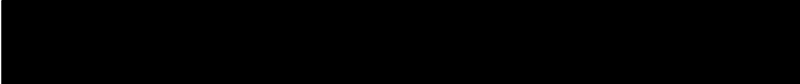
- [REDACTED]

Appendix 1 - Overview of Dublin Landings Development

Ballymore/ Oxley office buildings under development at Dublin Landings⁹ are:

- 
- DL5 is the reference for the building, currently under construction, immediately north of our NWQ premises;
- DL4 is the reference for the building in the middle of the three buildings, currently under construction, immediately north of our NWQ premises;
- 
- Through informal contacts, we understand there is considerable market interest in one or all of DL5, DL4,  and the parties evaluating these premises include 


Details of Available Dublin Landing Buildings

Building ¹⁰	Approximate Size ¹¹	Date of Practical Completion
		
DL4	94,450 sq. ft.	Q3 2019
DL5 ¹²	107,154 sq. ft.	Q4 2019

⁹ NAMA is a 20 per cent silent partner in this development

¹⁰ The Bank occupies space of c65k square feet in Spencer Dock

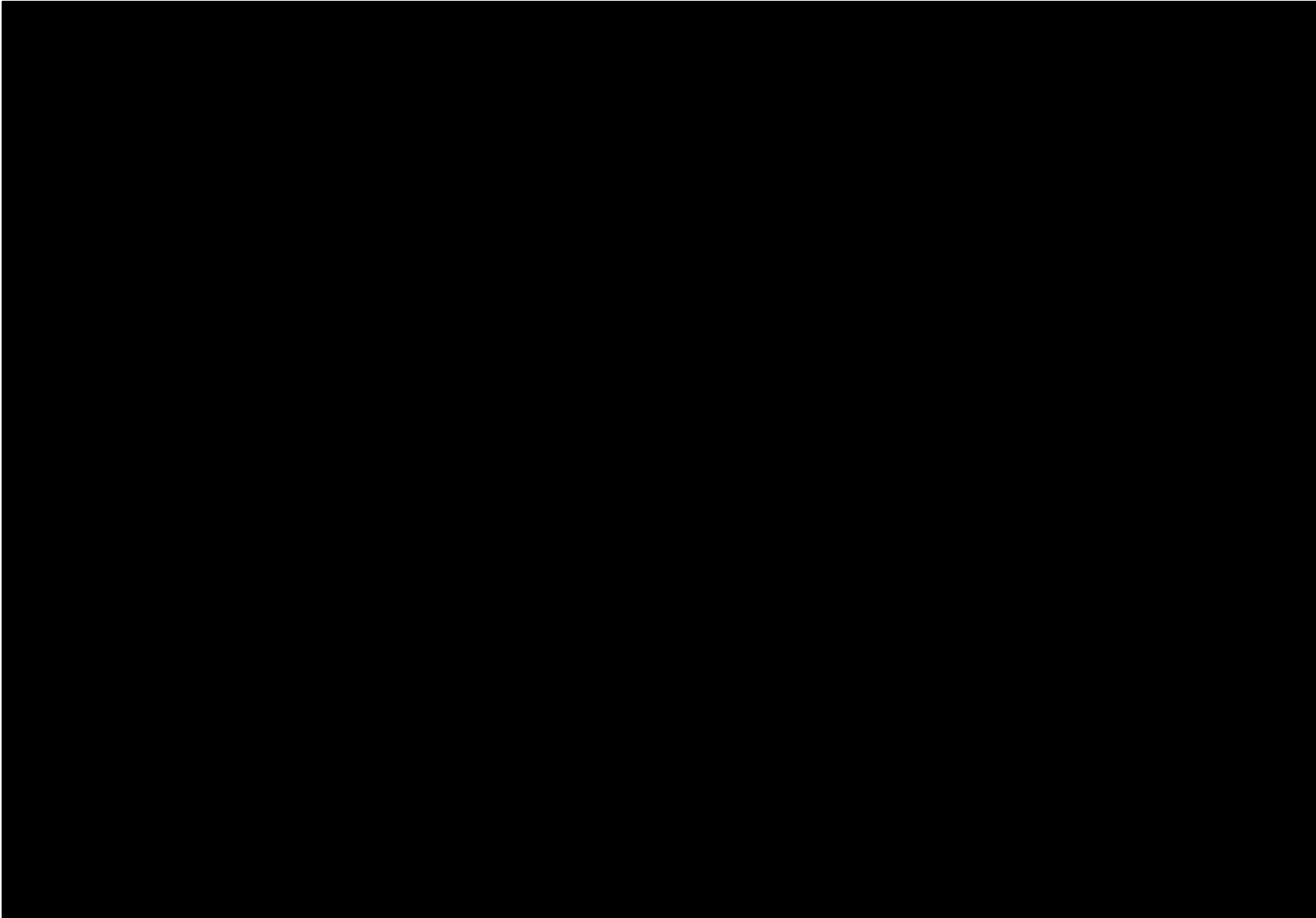
¹¹ Actual sizes may be different on completion.

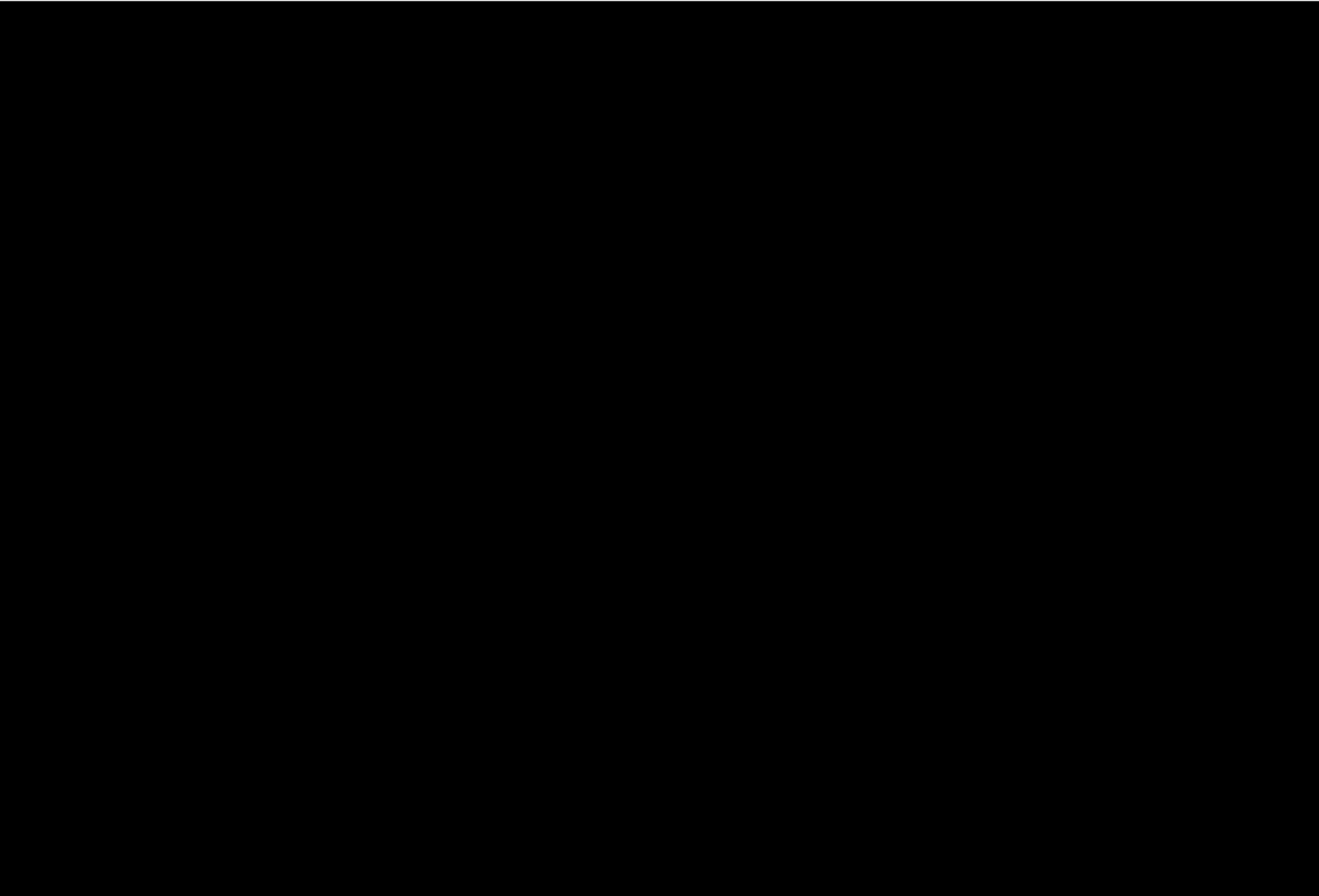
¹² DL5 is the building directly behind the Bank at NWQ. See Appendix 3 for a map.

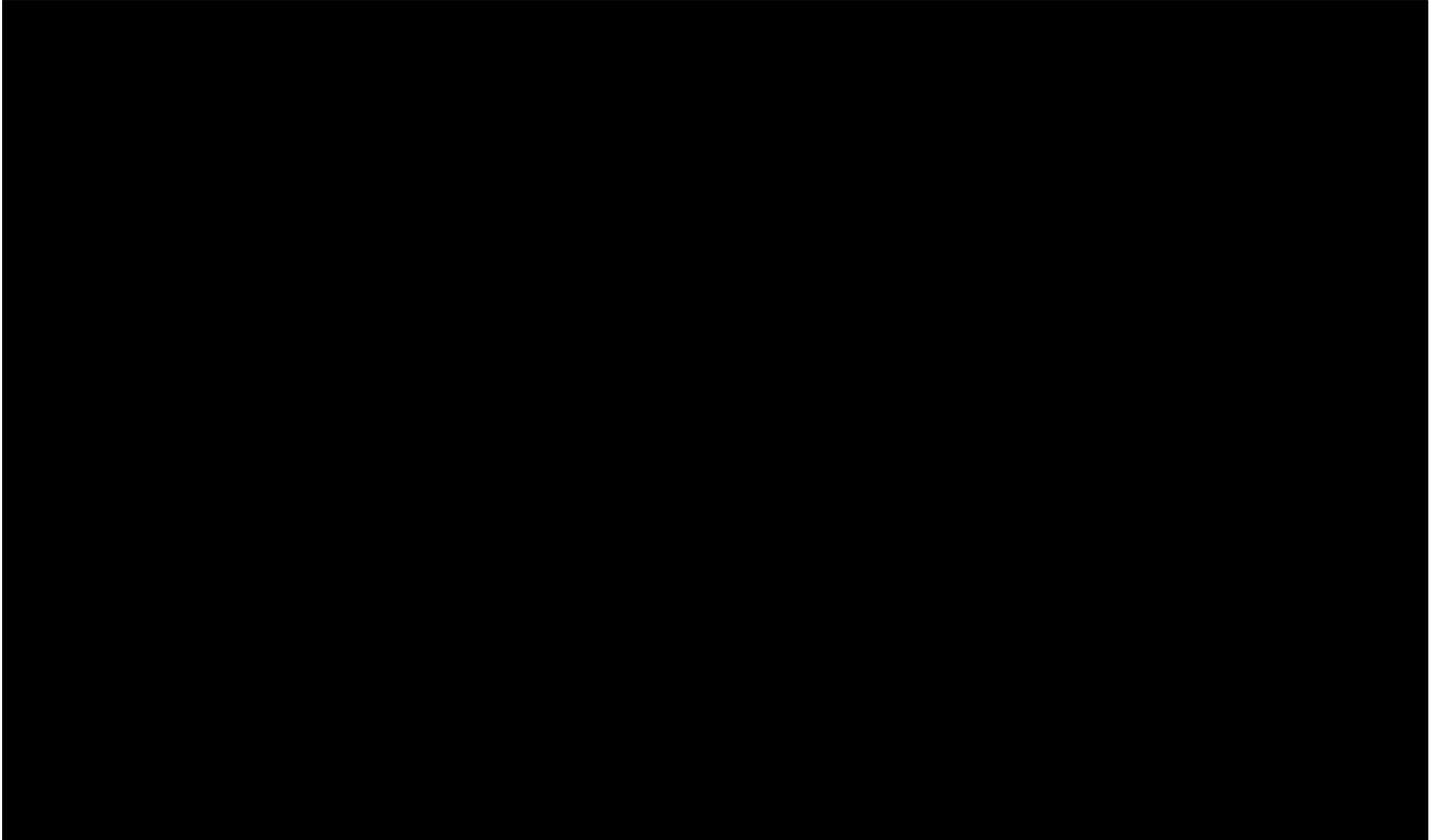
Extract from H.J. Lyons Architects report on Occupational Studies of 'DL5' and of 'DL5 & DL4 combined' for Central Bank



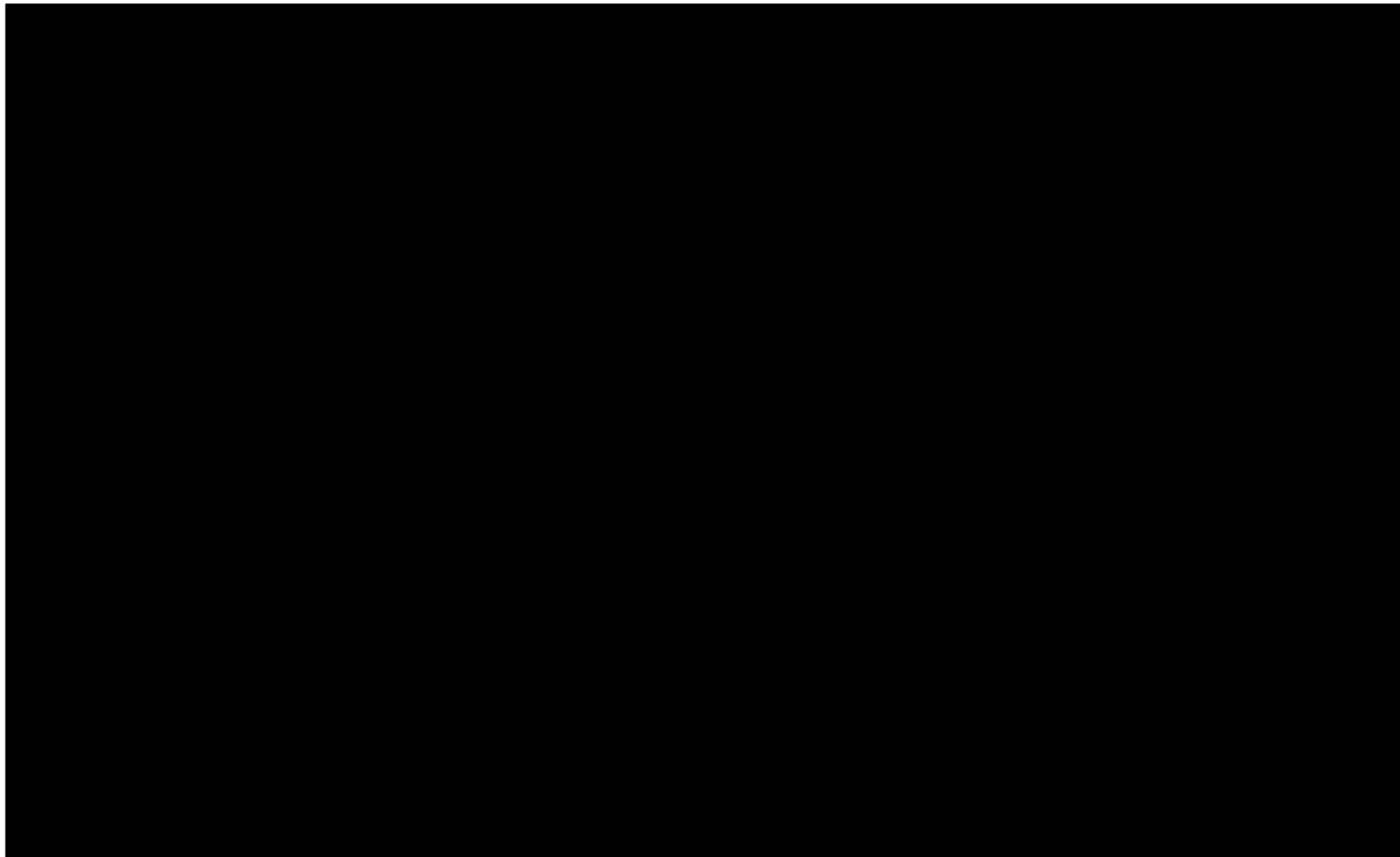








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CENTRAL BANK OF IRELAND

Circulated to Commission Members

on 5 October 2018

Paper No. 223 of 2018

FOR CONSIDERATION

ACCOMMODATION STRATEGY

Facilities Management

Authors: 

ACCOMMODATION STRATEGY

Purpose

The purpose of this paper is to seek confirmation from the Commission to support the purchase of the property known as Dublin Landings 4 (DL4). If support is forthcoming, a formal paper seeking final decision will be presented to the October Commission meeting.

This paper provides:

- an update for members of the Commission on the Accommodation Strategy in light of recent developments and the outcome of the due diligence report on the property known as Dublin Landings 5 (DL5); and
- information to enable the Commission support a decision to purchase DL4.

Papers 141 and 154 refers – Premises and Accommodation Strategy presented to the Commission on 30 May and 14 June respectively.

Background

In May 2018, a proposal was presented to the Commission to purchase DL4 and DL5. At that meeting, the Commission sought more information on the Bank's Accommodation Strategy. In June the Commission gave approval, subject, inter alia, to detailed due technical and legal diligence, to acquire DL5. The technical due diligence exercise is now complete and has given management a more informed view of the workplace environment that can be achieved in DL5.

Due Diligence Exercise

As approved by the Commission, a detailed technical due diligence exercise was carried out on DL5. The due diligence team were requested to :

- consider how the workplace environment within DL5 could be developed to an equivalent standard of the existing facilities at NWQ and match the design principles used for NWQ;
- consider how the premises could be physically linked to NWQ; and

- to identify any issues specific to the Bank's occupation of DL5.

Whilst DL5 was found to be of a high quality, optimised for multi-tenancy, and at a minimum of an equivalent standard to other speculative built offices buildings in the city centre, challenges exist in achieving the objective to match the standard of workplace environment of NWQ, and the design principles. The due diligence exercise identified that it is feasible to bridge the two buildings (subject to planning permission) and that [REDACTED]

[REDACTED] To this point, the following items are worth noting:

- The upper floor plate size generally (at 14,886 sq. ft.) are smaller than those in NWQ.
- There is a sealed atrium between DL5 and DL4, the ground floor of which belongs to DL5. The boundary of DL4 has glazing looking directly into the atrium, and consequently there are overlooking concerns which impact on the optimal usage of the DL5 adjacent spaces, and the principle of a sealed atrium is at variance with the approach to the NWQ design.
- The due diligence exercise suggested opening the atrium within DL5 and to provide an accommodation stairs therein, as this would help bring DL5 closer to the standard of workplace environment of NWQ. This will be sub optimal as one side of the atrium space is acting a glass wall between DL5 and neighbouring occupants in DL4.
- It is feasible to bridge the two buildings (subject to planning permission) and that a [REDACTED]

Rationale for purchasing DL4

In light of the due diligence findings, it was prudent to reconsider the purchase DL4¹. Consequently, the Commission is now requested to support the purchase by the Bank of DL4.

The rationale for the purchase of DL4 is as follows:

- The acquisition of the combined property (DL4 and DL5) enables a workplace design to match the standard of the workplace environment in NWQ and ensure that the new accommodation will be of an equivalent standard to NWQ.

¹ DL4 is the adjoining building to DL5. The building provides 94,402 sq. ft. of office accommodation over 8 floors.

- It will provide enhanced light, movement, collaboration areas, and workspace over and above that which can be provided in DL5 on its own.
- Were the Bank to purchase DL4, the privacy and overlooking issues associated with the atrium will be removed, and the opening of the atrium in line with NWQ design principles is feasible.
- The combined floor plates (at 27,766 sq. ft.) provide for more efficient use of the floor plate maximising light for staff and increasing flexibility. The floor space will be based on the horizontal space across DL5 and DL4 facilitating application of the NWQ design principles.
- The floor space of the Atrium will be used, similar to NWQ, as the 'heart of the building' and will further enhance the connected workspace.
- The acquisition the combined property (DL4 and DL5) is an improvement of the existing accommodation and property investment strategy, and gives the Bank optionality and flexibility with accommodation for future growth. The proposal is to sublease space horizontally across the combined DL5/DL4 property. This can be achieved based on staggered short to medium term leases to suit the Bank's accommodation expectations and to give optimal flexibility to the Bank for future use. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- In effect, the vacant elements of the combined property (DL4 and DL5) would be a replacement investment property. The investment space increases from 62,549 sq. ft., in the case of Spencer Dock, to 77,381 sq. ft. within DL4/DL5.
- There is strong demand from occupiers for the remaining office developments in Dublin Landings. As such, this is a once off opportunity to secure long-term growth capacity for the Bank.
- The entrance to DL4 is adjacent to the north entrance of NWQ and this may present an alternative integration option to the bridge.

Financial

The financial assumptions for the purchase of DL5 and DL4 as well as [REDACTED] are as follows:

Purchase Premises €m	Purchase Price €m	Fit-Out costs, Fees, etc. €m	VAT / Stamp Duty €m	Total €m
DL5	107	[REDACTED] (Note 1)	26	[REDACTED]
DL4	97	[REDACTED] (Note 2)	21	[REDACTED]
Total	204	[REDACTED] (Note 3)	47	[REDACTED]

Note 1: includes costs for bridge, and other reconfiguration works identified in the due diligence exercise.

Note 2: DL4 costs have not been subject to due diligence and QS oversight.

Note 3: Costs of the combined fit out will be reviewed to determine any opportunity for cost savings.

- [REDACTED]
- [REDACTED]

- Financial analysis shows that should the Bank grow in years ahead and require additional space, the purchase of DL5 and DL4 is the most efficient and cost effective option.
- Financial analysis shows that should the Bank not grow in years ahead and not require additional space, the purchase of DL5 and DL4 is a continuation of the current investment

[REDACTED]

approach which is cost positive. [REDACTED]

The Commission is requested to support the purchase of property known as Dublin Landings
4.

CENTRAL BANK OF IRELAND

Circulated to Commission Members

on 17 October 2018

Paper No. 240 of 2018

FOR DECISION

ACCOMMODATION STRATEGY

Currency and Facilities Management Directorate

Authors: [REDACTED]

ACCOMMODATION STRATEGY

Executive Summary

The purpose of this paper is to request a final decision of the Commission to acquire Dublin Landings Property 4 (DL4), combine it with DL5¹ and to lease the surplus space as an investment to replace the rental investment income when the Bank sells Spencer Dock. This acquisition will provide an equality of workspace across the combined NWQ Campus, will safeguard the Bank's city centre occupational position, and provide the Bank with greater optionality and flexibility in terms of near term and future usage of premises.

At its meeting of 8 October, the Commission approved the proposal to support the purchase of Dublin Landings Property 4 (DL4) and that the Bank would submit an offer on the property at a price of €97m² subject to the final decision of the Commission to be taken at the meeting on 23 October, technical and legal due diligence, and to contract.

Paper 223 of 2018 was presented due to issues arising from the DL5 due diligence exercise conducted following approval at the June Commission meeting. Whilst DL5 was found to be of a high quality, optimised for multi-tenancy, and at a minimum of an equivalent standard to other speculative built office buildings in the city centre, challenges exist in achieving the objective to match the standard of workplace environment and design principles of NWQ. The purchase of DL4 is now considered prudent, as this would enable a workplace design to match that of the North Wall Quay premises. It would provide for a more efficient use of space due to the ability for the floor space to be configured on a horizontal basis across both DL4 and DL5. It would provide the Bank with optionality and flexibility for any potential future growth. [REDACTED]

[REDACTED] The rental element of the Bank's investment property portfolio would increase by approximately 22 per cent³.

¹Ballymore Oxley, (with a NAMA entity as landowner with an entitlement to a share of the proceeds of any sale), is currently developing five commercial properties as part of the Dublin Landings scheme, including DL4 and DL5. [REDACTED]

² The purchase price of €97m excludes taxes, fit-out costs and all related professional fees.

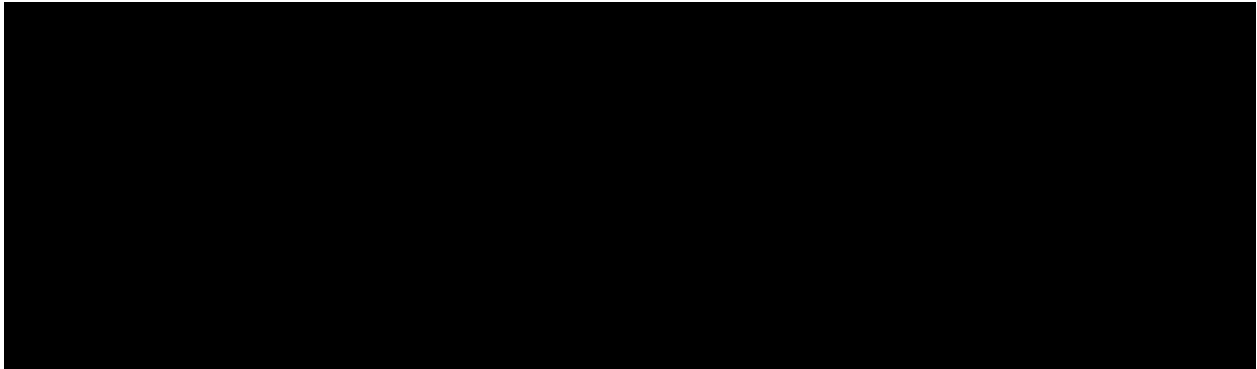
³ From 62,549 sq. ft., in the case of Spencer Dock currently to 77,381 sq. ft. in the case of DL4/5.

The developer, Ballymore/Oxley, has offered to complete the necessary integration works and fit-out the property to a NWQ standard. This offer is currently being evaluated from the perspective of time to complete, costs and both general [REDACTED]

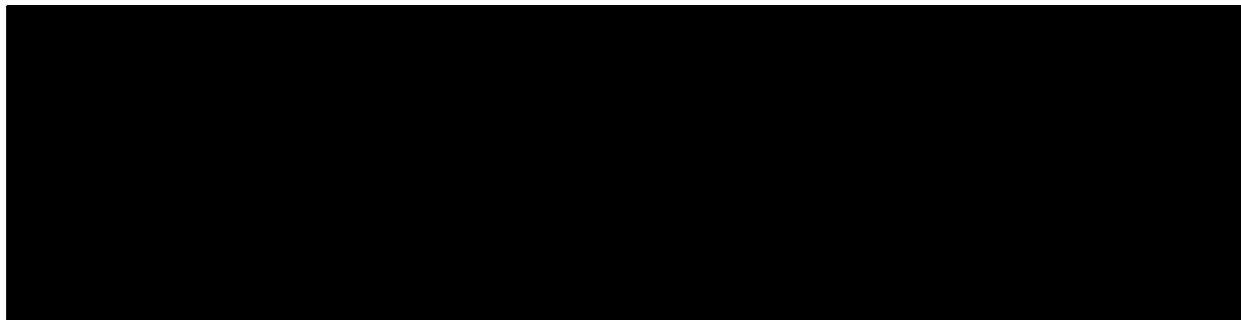
The Commission is requested to:

- support the proposal and make a final decision to agree to the bid of €97m submitted following the Commission meeting on 8 October, subject to a full technical and legal due diligence and subject to contract, for Dublin Landings property 4;
- note that in the event of the bid being successful and subject to satisfactory due diligence that the Bank proposes to enter into negotiations in relation to a contract for the purchase of Dublin Landings property 4;
- note that on the assumption that such negotiations are successful and the Governor approves the decision to proceed, the Bank will enter into a binding contract for the purchase of Dublin Landings property 4 and carry out all matters and execute all documents (whether under hand or under the Bank's seal) to complete the acquisition of Dublin Landings property 4; and

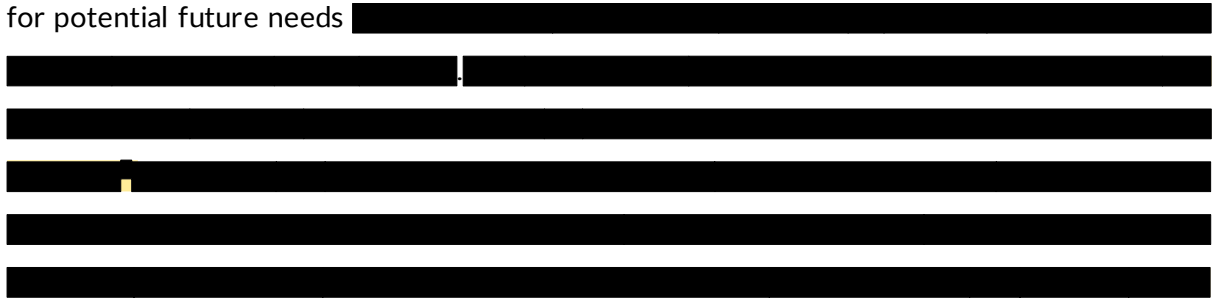
1. Background



Considering the issues arising from the due diligence report and to provide future optionality in the uncertainty of the Bank's long-term accommodation requirements, the proposal is to purchase a second commercial property from the Dublin Landings development⁴ called Dublin Landings Property 4 (DL4)⁵, to combine it with DL5, to create a horizontal floor layout with a central atrium similar to NWQ and to manage the surplus space as an investment replacement for Spencer Dock. (The purchase of DL5 was approved by the Commission in June 2018.)



The combined DL4/DL5 building would provide for both our current accommodation needs and for potential future needs



⁴ Ballymore Oxley, (with a NAMA entity as landowner with an entitlement to a share of the proceeds of any sale), is currently developing five commercial properties as part of the Dublin Landings scheme, including DL4 and DL5. ■

⁵ DL4 is currently under construction and is expected to be completed by end 2019.

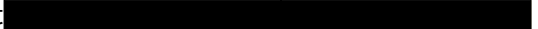




2. Due Diligence Exercise on DL5

As approved by the Commission, a detailed technical due diligence exercise was carried out on DL5. The due diligence team were requested to:

- consider how the workplace environment within DL5 could be developed to an equivalent standard of the existing facilities at NWQ and match the design principles used for NWQ;
- consider how the premises could be physically linked to NWQ; and
- identify any issues specific to the Bank's occupation of DL5.

Whilst DL5 was found to be of a high quality, optimised for multi-tenancy, and at a minimum of an equivalent standard to other speculative built offices buildings in the city centre, challenges exist in achieving the objective to match the standard of workplace environment and design principles of NWQ. The due diligence exercise identified that it is feasible to bridge the two buildings (subject to planning permission) and that 

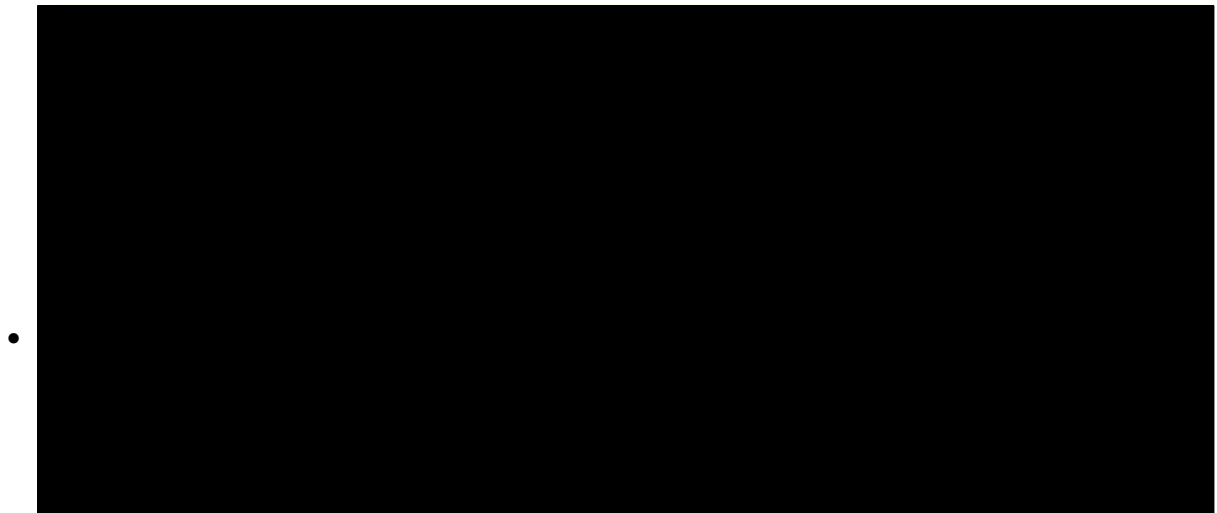
 To this point, the following items are worth noting:

- The upper floor plate size generally (at 14,886 sq. ft.) are smaller than in NWQ.
- There is a sealed atrium between DL5 and DL4, the ground floor of which belongs to DL5. The boundary of DL4 has glazing looking directly into the atrium, and consequently there are overlooking concerns which impact on the optimal usage of the DL5 adjacent spaces, and the principle of a sealed atrium is at variance with the approach to the NWQ design.
- The due diligence exercise suggested opening the atrium within DL5 and to provide an accommodation stairs therein, as this would help bring DL5 closer to the standard of the workplace environment of NWQ. This would be sub-optimal as one side of the atrium space is acting as a glass wall between DL5 and the neighbouring occupants in DL4.

3. Rationale for Purchasing DL4

In light of the due diligence findings, it was prudent to reconsider the purchase DL4⁸. Consequently, the Commission is now requested to approve the purchase by the Bank of DL4. The rationale for the purchase of DL4 is as follows:

- The acquisition of the combined property (DL4 and DL5) enables a workplace design to match the standard of the workplace environment in NWQ and ensure that the new accommodation will be of an equivalent standard to NWQ.
- It will provide enhanced light, movement, collaboration areas and workspace over and above that which can be provided in DL5 on its own.
- The privacy and overlooking issues associated with the atrium will be removed and the opening of the atrium in line with NWQ design principles is feasible.
- The combined floor plates (at 27,766 sq. ft.) provide for more efficient use of the floor plate maximising light for staff and increasing flexibility. The floor space will be based on the horizontal space across DL5 and DL4 facilitating application of the NWQ design principles.
- The floor space of the atrium will be used, similar to NWQ, as the 'heart of the building' and will further enhance the connected workspace.
- The acquisition of the combined property (DL4 and DL5) is an improvement of the existing accommodation and property investment strategy, and gives the Bank optionality and flexibility for future growth. [REDACTED]



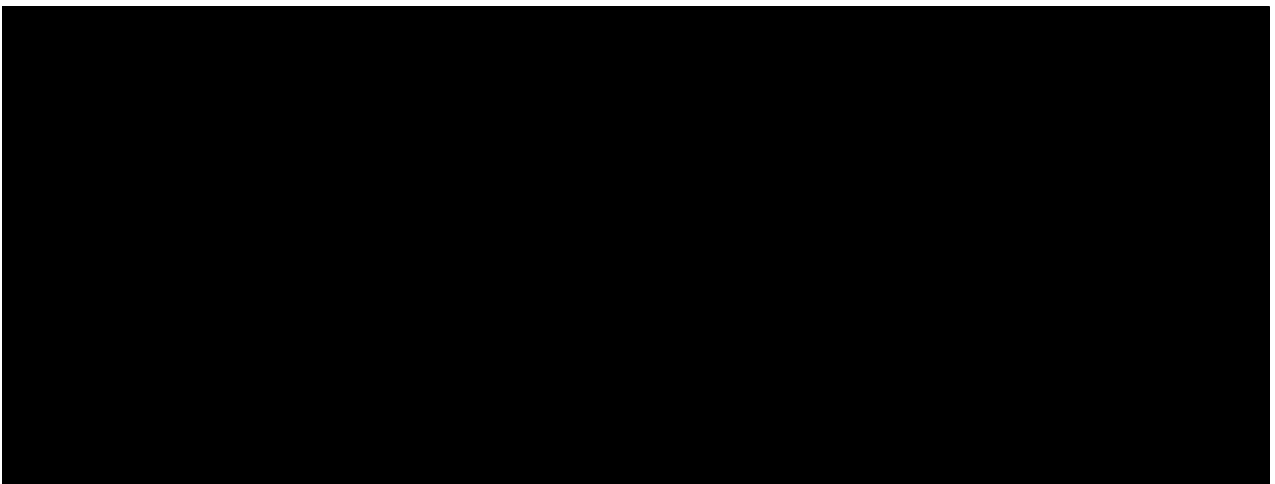
- In effect, the vacant elements of the combined property (DL4 and DL5) would be a replacement investment property for Spencer Dock. The investment space increases [REDACTED] [REDACTED] to 77,381 sq. ft. within DL4/DL5.

⁸ DL4 is the adjoining building to DL5. The building provides 94,402 sq. ft. of office accommodation over 8 floors.

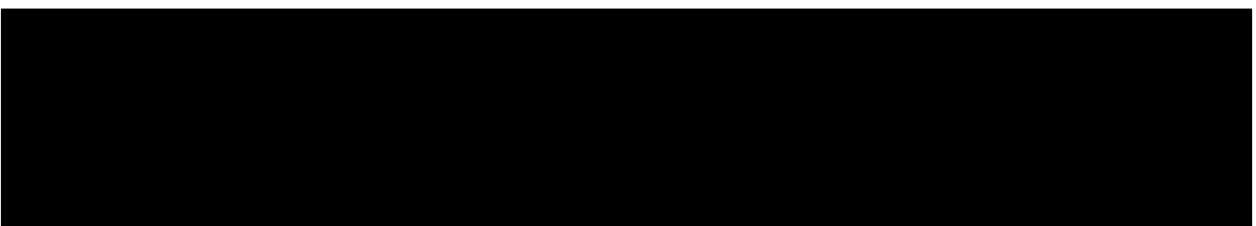
- There is strong demand from occupiers for the remaining office developments in Dublin Landings. As such, this is a once off opportunity to secure long-term growth capacity for the Bank.
- The entrance to DL4 is adjacent to the north entrance of NWQ and this presents an additional integration option.
- [REDACTED]
[REDACTED]
[REDACTED] an opportunity to purchase property this close to the Bank's North Wall Quay premises is unlikely to present itself again.

4. Financial and Investment Approach

As noted above, the purchase of the property facilitates the Bank to continue its property investment approach – with the footprint of property held for Investment increasing from circa 62k square feet to circa 77k square feet in a scenario where the Bank leases out the 4th to 6th floors (upper floors) of both DL4 and DL5.



The Bank has modelled a scenario where circa 77k square feet of both buildings combined will be leased to third parties on short-term leases – facilitated by the purchase of DL4. The remainder of the square footage available to the Bank arising from the purchase of DL4 will be used by the Bank for its own use.





Cost Summary Table

Purchase Premises €m	Purchase Price €m	Fit-Out costs, Fees, etc. €m	VAT / Stamp Duty €m	Total €m
DL5	107	█ (Note 1)	18	█
DL4	97	█ (Note 2)	16	█
Total	204	█ (Note 3)	34	█ (Note 4)

Note 1: includes costs for bridge, and other reconfiguration works identified in the due diligence exercise.

Note 2: DL4 costs have **not** been subject to due diligence and QS oversight.

Note 3: Costs of the combined fit out will be reviewed to determine any opportunity for cost savings.

Note 4: The overall cost is reduced by █ from those presented in Paper 223 presented on 08 October. The difference is that VAT is not payable on leased floor space giving a reduction in VAT of █, offset by an increase of █ in the fit out cost estimates from our Quantity Surveyor.

5. Risks

In addition to the normal execution and implementation risks with a programme of this size (which were successfully managed in the Fusion NWQ programme) two specific risks are highlighted:

1.



2.

6. Conclusion

This paper has set out a proposal to acquire DL4, combine it with DL5 and to lease the surplus space as a strategic investment [REDACTED]

[REDACTED]. In addition, the proposal seeks to provide an enhanced equality of workspace across the combined NWQ Campus, to safeguard the Bank's city centre occupational position and to provide the Bank with greater optionality and flexibility in terms of future usage of premises.

If this proposal is approved the immediate next steps are to engage, via the respective Agents, with the vendor (Ballymore/Oxley) to finalise the terms of the contract subject to full technical and legal due diligence as with the DL5 property. The due diligence team will be reconvened to determine what additional due diligence work is required.

The Commission is requested to:

- support the proposal and make a final decision to agree to the bid of €97m submitted following the Commission meeting on 8 October, subject to a full technical and legal due diligence and subject to contract, for Dublin Landings property 4 ;
- note that in the event of the bid being successful and subject to satisfactory due diligence that the Bank proposes to enter into negotiations in relation to a contract for the purchase of Dublin Landings property 4;
- note that on the assumption that such negotiations are successful and the Governor approves the decision to proceed, the Bank will enter into a binding contract for the purchase of Dublin Landings property 4 and carry out all matters and execute all documents (whether under hand or under the Bank's seal) to complete the acquisition of Dublin Landings property 4; and

Appendix 1 – Details of Financial Modelling

Scenario 1: Purchase DL4 in addition to DL5 (Leasing floors 4, 5, & 6) and [REDACTED] - Realistic

Purchase DL4 in addition to DL5 (Leasing floors 4, 5, & 6) and [REDACTED] - Realistic			
	€m		€m
Purchase DL4 - Realistic	(97.0)		
Fees and VAT DL4	(16.1)		
Fit Out Costs DL4 - Bank Occupy	[REDACTED]		
Terminal Value DL4	113.1	[REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED]	
Fit Out Costs - Leasing	[REDACTED]	[REDACTED]	[REDACTED]
Purchase DL5 - Realistic	(107.0)		
Fees and VAT DL5	(17.8)		
Fit Out Costs DL5 - Bank Occupy	[REDACTED]		
Terminal Value DL5	1248	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
		[REDACTED]	[REDACTED]
		[REDACTED]	[REDACTED]

Scenario 2: Purchase DL4 in addition to DL5 (Leasing floors 4, 5, & 6) and [REDACTED] - Pessimistic

Purchase DL4 in addition to DL5 (Leasing floors 4, 5, & 6) and [REDACTED] - Pessimistic			
	€m		€m
Purchase DL4 - Pessimistic	(97.0)		
Fees and VAT DL4	(16.1)		
Fit Out Costs DL4 - Bank Occupy	[REDACTED]		
Terminal Value DL4	56.5	[REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED]	
Fit Out Costs - Leasing	[REDACTED]	[REDACTED]	[REDACTED]
Purchase DL5 - Pessimistic	(107.0)		
Fees and VAT DL5	(17.8)		
Fit Out Costs DL5 - Bank Occupy	[REDACTED]		
Terminal Value DL5	624	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
		[REDACTED]	[REDACTED]
		[REDACTED]	[REDACTED]

Appendix 2 – Summary of Assumptions used in Scenario Modelling

Key Financial Assumptions DL4/DL5

- Purchase price of €107m DL5 (Lisney's 05/10/2018).
- Purchase price of €97m DL4 (Lisney's 05/10/2018).
- Professional Fees and Stamp Duty @ 8.46% of Purchase price i.e. Stamp Duty of 6% and Fees of 2.46%.
- VAT @ 13.5% (on the portion of the properties the Bank intend to occupy).
- Discount rate of 3.32% as per Department of Public Expenditure 01/02/2018. The latest rate available is 3.11%, which would be even more favourable to the Bank. The earlier rate of 3.32% is used in the cash flow model for consistency with previous papers.
- Fit-out Costs for DL5 [REDACTED] with no terminal value (Lisney's 05/10/2018).
- Fit-out Costs for DL4 [REDACTED] with no terminal value (Lisney's 05/10/2018) i.e. because we only have figures for DL5 but we will be fitting out horizontally and are using [REDACTED] up to floor 3 across both buildings and [REDACTED] for floors 4 to 6 across both building.

[REDACTED]

[REDACTED]

- The Bank will occupy floors LG to 3rd Floors in DL5 and DL4.

[REDACTED]

CENTRAL BANK OF IRELAND

Circulated to Commission Members

on 17 December 2018

Paper No. 305 of 2018

FOR DECISION

UPDATE ON ACCOMMODATION STRATEGY

Currency and Facilities Management Directorate

Author: [REDACTED]

Note: This paper contains Legal Advice and is Subject to Legal Professional Privilege

UPDATE ON ACCOMMODATION STRATEGY

Executive Summary

The purpose of this paper is to brief the Commission with progress to date regarding the due diligence of the properties at Dublin Landings, the proposed approach to integrate the new properties with our existing NWQ premises, the proposed approach to fit out the new properties, and contractual negotiations with Ballymore Oxley (the Vendor) ¹ for the purchase of the properties.

The Vendor is progressing the construction of the properties at pace and, in order to avoid potential significant cost, the due diligence team have suggested that the Bank should make decisions regarding their recommendations and communicate these to the vendor. These decisions will have a lasting impact on the design of the workplace and how the Bank occupies the premises. With the support of the Bank, the Vendor has submitted a planning application for a bridge between the properties and NWQ. A decision on implementing supporting substructures in the shell of the new property to maintain an option for the bridge is required immediately, and a decision to commit to the bridge will be required if planning permission is granted. The high level cost estimate for the bridge is circa [REDACTED]. The Commission are invited to give views on a decision to construct a bridge, noting that this decision is required imminently as planning matters are expected to be clarified in January 2019.


Legal teams from the Bank and Vendor are actively engaged to mark up and finalise a contract for sale. In the contract negotiations the Bank has sought to have options in the contract for the Vendor to provide (a) shell and core alterations, (b) bridge, and (c) fit out of the premises on a similar basis to NWQ. [REDACTED]

[REDACTED] The contract for sale for the premises will be completed within the costs notified to the Commission (cost of €204m, plus €47m as the indicative cost for VAT, Stamp Duty and Fees), and there has been no firm estimate yet of the costs for any alterations to the premises, the bridge, and the fit-out of the premises.

¹ Oxley Docklands Quay Two Limited

This development has a number of challenges which are detailed in the paper, and this paper builds on details provided in Papers No 154, 223, 240 of 2018. The following decisions are sought:

The Commission is requested to:

- support the proposal, and note the Bank's intention to enter into a binding contract on any such terms as the Governor deems fit for the purchase of Dublin Landings properties 4 and 5;
-  and
- note in circumstances where the contract for sale provides for options as described above, the final decision as regards exercising any of these options will be taken by the Governor.

1. Background

The purpose of this paper is to brief the Commission with the progress to date regarding the purchase of the properties at Dublin Landings, recommendations from the Due Diligence (DD) exercise, preparations with the contract for sale, decisions arising from construction developments, some challenges, and to seek the decisions described above. This paper builds on details provided in Papers No 154, 223, 240 of 2018.

At previous meetings², the Commission approved the purchase (subject to the Governor's approval, full technical and legal due diligence and subject to contract) of the buildings at Dublin Landings known as DL5 and DL4 at an expected cost of €204m, with an additional €47m in VAT, Stamp Duty, and purchase fees. The Commission were also advised that a further circa [REDACTED] may be spent to cover costs for a bridge, reconfiguration works, and fit out of the new properties³. The Commission recognised that purchase of the properties as outlined provides the Bank with a long-term accommodation solution, and that the integration and fit out of the new properties will be based on the design principles applied at NWQ. In addition the properties provides surplus space which will be an investment asset, and a replacement for Spencer Dock premises.

In Commission Paper No 240, management committed to revert to the Commission with a recommended procurement approach to complete any alterations, integration with NWQ, and fit-out the new property to a NWQ standard, including expected costs.

2. Findings from Due Diligence Exercise

Following the Commission decision in October to bid for DL4, the due diligence (DD) exercise was expanded to include the evaluation of the additional property. The DD team were requested to:

- consider how the workplace environment within DL5 and DL4 could be developed to an equivalent standard of the existing facilities at NWQ and match the design principles used for NWQ;
- consider any issues specific to DL5 and DL4 being treated as a single building;

² Commission Papers No 154, 223, 240 of 2018 refer

³ Paper No 240 of 2018 provided an indicative overall cost summary of circa [REDACTED] and noted that costs had not been subject to due diligence and QS oversight.

- consider how the premises could be physically linked to NWQ; and
- identify any issues specific to the Bank's occupation of DL5 / DL4.

While the DD exercise is not formally complete, the design team have confirmed that both DL5 and DL4 are of a high quality, optimised for multi-tenancy, and generally speaking at a minimum of an equivalent standard to other speculative built offices buildings in the city centre. Where there are items which require further clarity, the DD team is liaising with the vendors with a view to protecting the Bank's interests. As the Bank is seeking an equivalent standard at Dublin Landings of the existing facilities at NWQ and to match the design principles used for NWQ, the DD team have made a number of recommendations in this regard. The DD team have advised that the Vendor (as the developer of the full Dublin Landings site) is progressing the construction of both DL5 and DL4 at pace and, in order to avoid potential significant cost, the Bank should make decisions regarding their recommendations and communicate these to the Vendor (and in some instances include the decisions in the contract for sale). This will have the effect of the Bank making workplace design decisions which will have a lasting impact on how the Bank occupies the premises, and the design of the workplace. The DD team have recommended the following:

Recommendation 1: The Bank should take credits on offer from the Vendor for the Category A⁴ items in the specification to the value of €8.5m and offset these against bespoke requirements for the fit out specification of the Bank.

Proposed Action: The Bank will contract for the credits on offer from the Vendor for the Category A items to the value of €8.5m.

Recommendation 2: The Bank should consider seeking credits from the Vendor and/or request the developer to use different materials for some of the shell and core finishes and to offset these against the cost of the standard shell and core finishes applied at NWQ. The scope of the

⁴ Category A refers to the difference in specification of an office floor plate between grey box (concrete shell) to standard developer's specification. Typically, Category A finish includes suspended ceilings, ceiling mounted fan coil units (air conditioning), light fittings, plastered and painted walls, raised access floors and carpet tiles to open plan office areas only. It makes no allowance for internal partitions, meeting rooms, dining facilities, or feature areas. For the avoidance of doubt, Category A credits does not deal with core areas such as the reception, lift lobbies, bathrooms, showers etc.

recommended shell and core alterations include Reception Areas, Lifts, and Lift Lobbies, Sanitary Accommodation, Mechanical, Electrical and Security Installations.

Proposed Action: The Bank will formally request the vendor to provide an option in the contract for sale to seek credits and/or request the developer uses different materials for these alterations and will evaluate the cost value proposition.

Recommendation 3: The Bank should consider asking the Vendor for reconfiguration works associated with the Bank's intention to provide horizontal floor layouts, including reconfigurations to internal walls and internal glazing, and [REDACTED]

Proposed Action: The Bank will formally ask the Vendor to provide an option in the contract for sale for these reconfiguration works, and will evaluate the cost value proposition.

An elaboration on the details of these recommendations and proposed actions is provided in Appendix 1.

3. Pedestrian Bridge connecting NWQ and Dublin Landings

While the increased proximity between NWQ and Dublin Landings provides an improvement over the current situation⁵, the physical separation of the NWQ HQ and Dublin Landings properties presents some challenges. These challenges include the shared use of common centralised facilities, the efficient use of staff time, the requirement for interconnectedness between divisions, security of operations, and the encouragement of collaboration. In order to support the continued development of the 'One Bank' culture, the Bank considers that the buildings could be interconnected and as such, a pedestrian bridge link has been proposed to connect the atria in both buildings at second floor level ensuring that the working interaction of the staff is seamless between the buildings and complements the workplace principles. As the Bank will own both North Wall Quay and Dublin Landings property and are positioned in the North Docks for the long term the bridge is expected to serve the Bank for at least the next 40 years. The Vendor accepted a clause in the Heads of Agreement to support the provision of a bridge, and at their cost has developed an outline design for a bridge. With the support of the Bank, the Vendor has submitted a planning application for this design to the planning authority and the planning opinion is due at end of January 2019. In the planning application the Bank

⁵ The Spencer Dock premises is approx. 3 to 5 minute walk from the NWQ HQ building.

committed to maintaining the entrances to both DL5 and DL4 in active use. The high level estimated cost for the bridge is circa [REDACTED]. A decision on implementing supporting substructures in the shell of DL5 to maintain an option for the bridge is required immediately, and the decision to commit to the bridge is required imminently. While the bridge will enhance the 'connectedness' of the Campus, the cost will likely attract public attention⁶ and it will be a highly visible feature directly associated with the Bank's Docklands Campus. The Commission are invited to give views on a decision to construct a bridge, noting that this decision is required imminently as clarity on planning permission is expected in January 2019. Given the likely benefits of a bridge to facilitating an integrated campus and that this is a once off opportunity, the current thinking is that the Bank should contract for the construction of the bridge.

4. Contract for Sale

McCann Fitzgerald, supported by Legal Division, are actively engaged with the Vendor's legal team to mark up and finalise a contract for sale. In the contract negotiations the Bank has sought to treat the two buildings (DL5 and DL4) as a single purchase and to have options in the contract for the vendor to provide (a) the shell and core alterations (b) the bridge and (c) the developer to fit out the premises to our design. The mechanisms for invoking the options, including the provision of costs estimates for the options are under discussion with the QS and Legal teams. The Vendor is seeking to have the contract concluded and signed by 21 December. [REDACTED]

[REDACTED]

5. Budget

The Commission has approved the purchase of the Dublin Landings properties (DL5 & DL4) at a cost of €204m, plus €49m as the indicative cost for VAT, Stamp Duty and Fees. The Commission had been advised⁷ that a provisional indicative cost of the shell and core alterations, the bridge and the fit-out of the premises is circa [REDACTED] although much of this estimate has not been subject to QS review. This provisional estimate has not been validated. Current indications are that the contract for sale will be completed at the approved purchase cost subject to the

⁶ On 11th December 2018 the Bank provided a response to the Department of Finance in relation to a parliamentary question from Deputy [REDACTED] on the proposed bridge

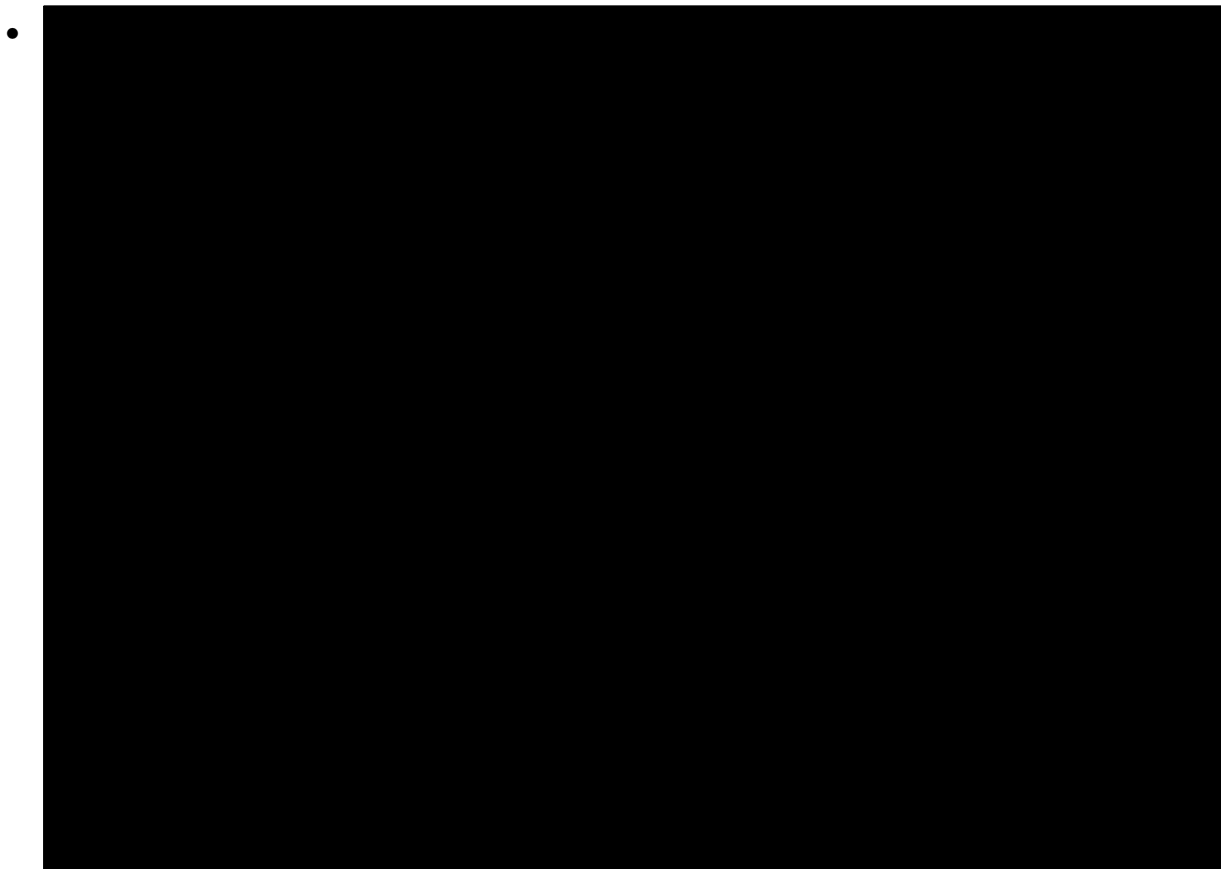
⁷ Paper No 240 of 2018

treatment of credits. There has been no estimate yet of the costs for the shell and core alterations, the bridge and the fit-out of the premises.

6. Challenges

The current challenges facing this development include:

- Completing a contract for sale that meets the Bank's requirements, in particular decisions on shell and core alterations, and the bridge, which is commercially acceptable to the Vendor and achieved within their timeline to avoid risk of vendor opting out.

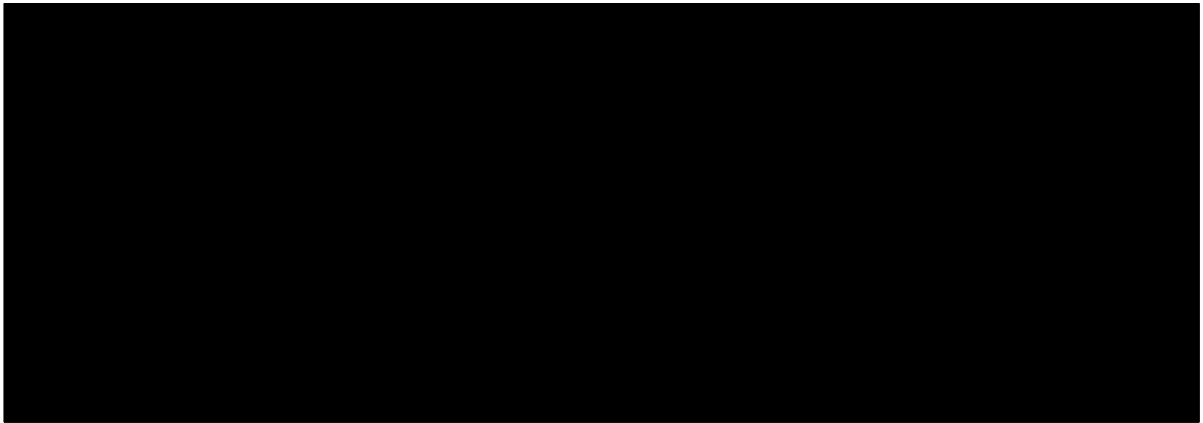


- Design decisions and determining the overall budget for the development. While the purchase price of the two separate premises is agreed, the overall budget will include the costs for alterations, bridge, and fit out. These costs will be a function of design and timeline, and these matters have yet to be agreed and decisions made in particular with regard to design. However, it is evident that decisions that affect workplace design which will have a lasting impact on how the Bank occupies the premises, and the design of the workplace,



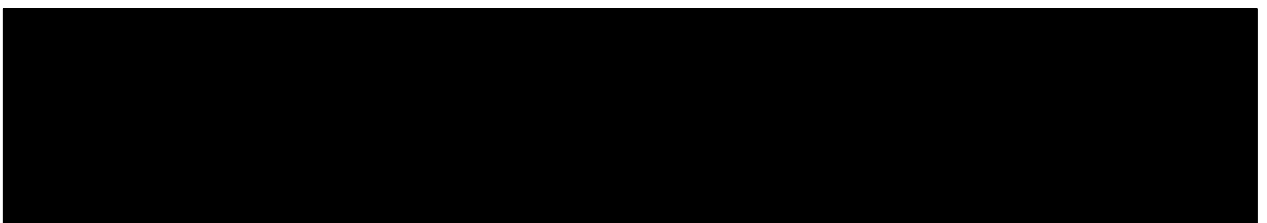
should be made without delay. The vendor is committed to a construction development programme, and has a significant cost motivation to adhere to the programme. The vendor's programme will control the pace of the development, and decisions by the Bank should ideally be made in concert with this programme. Decisions that require changes to the developer's programme will attract a cost premium.

- The implications of leasing floors in the property to third parties have to be considered in the design decisions (not least with regard to security), and may have design and budgetary implications.
- A decision on the provision of a dedicated ASP premises in the property will be required shortly, as this will have design and budgetary implications.

- 

The Commission is requested to:

- support the proposal and note the Bank's intention to enter into a binding contract on any such terms as the Governor deems fit, for the purchase of Dublin Landings properties 4 and 5;

- 

- note in circumstances where the contract for sale provides for options as described above the final decision as regards exercising any of these options will be taken by the Governor.

Appendix 1: Details of the recommendations arising from Due Diligence (DD) exercise, and proposed actions the Bank will take arising from these recommendations.

The DD team have recommended the following:

Recommendation 1: The Bank should take credits on offer from the Vendor for the Category A items to the value of €8.5m and offset these against bespoke requirements for the fit out for the Bank. The Design team have confirmed the amount of credits on offer is in line with market practices. Taking credits for Category A items avoids the bank having to remove them when completing the Fit Out of the premises, and these costs will be incurred for similar works when the Bank completes the Fit Out of the premises.

Proposed Action: The Bank will contract for the credits on offer from the Vendor for the Cat A items to the value of €8.5m.

Recommendation 2: The Bank should consider seeking credits from the Vendor and/or request the developer to use different materials for the shell and core finishes identified below and to offset these against the cost of the standard finishes applied at NWQ. Some elements of the shell and core finishes offered by the vendor includes materials and products which do not conform to the standards set in our NWQ building, in addition, the finishes in NWQ were chosen to integrate with the Bank's accessibility strategy. Accordingly some alterations to the shell and core provided by the Vendor should be considered. The value of the credits that will be provided by the Vendor will be linked to the vendor's procurement programme e.g. credit for items already ordered / purchased by the vendor may not be provided or may be less than full value etc. Requests for alterations to works that have not yet commenced will be significantly lower cost than alterations to works already progressed. Accordingly delays in decisions to seek credits and / or alterations will impact on the value of credits and cost of alterations. The scope of the recommended shell and core alterations include:

- I. Reception Areas. The reception areas provided with the specification reflect a multi-tenant occupation and a high specification finish. As the Bank expects that the main reception at NWQ will be the primary reception for the Campus (including the Bank occupied floors of Dublin Landings buildings) it is expected that some of the reception areas provided will be in excess of our requirements. The Bank will need to provide an appropriate reception for the tenanted areas of the Dublin Landings buildings.

- II. Lifts, and Lift Lobbies. The lifts and lift lobbies provided with the specification reflect a multi-tenant occupation and a high specification finish. As the Bank intends to have a consistent design with NWQ it is proposed that the lift lobby finishes provided should be altered to facilitate this. It will be more efficient that the Bank have a single lift maintenance contract so the Bank will ask the developer to consider this when selecting lift cars for the property.
- III. Sanitary Accommodation. The sanitary accommodation areas provided with the specification reflect a multi-tenant occupation and a high specification finish. As the Bank intends to have a consistent design with NWQ it is expected that this aspect of the accommodation should be altered to facilitate this.
- IV. Mechanical, Electrical and Security Installations. Elements of these installations provided with the specification are in conflict with, and in some aspects to a lesser standard, than the standards of design applied at NWQ e.g. building energy rating, lighting levels, security barriers, access control systems, etc. It will be more efficient for the Bank to have consistent standards, maintenance contracts, security controls, etc. in both NWQ and Dublin Landings and the Bank should consider alterations to these installations to reflect this.

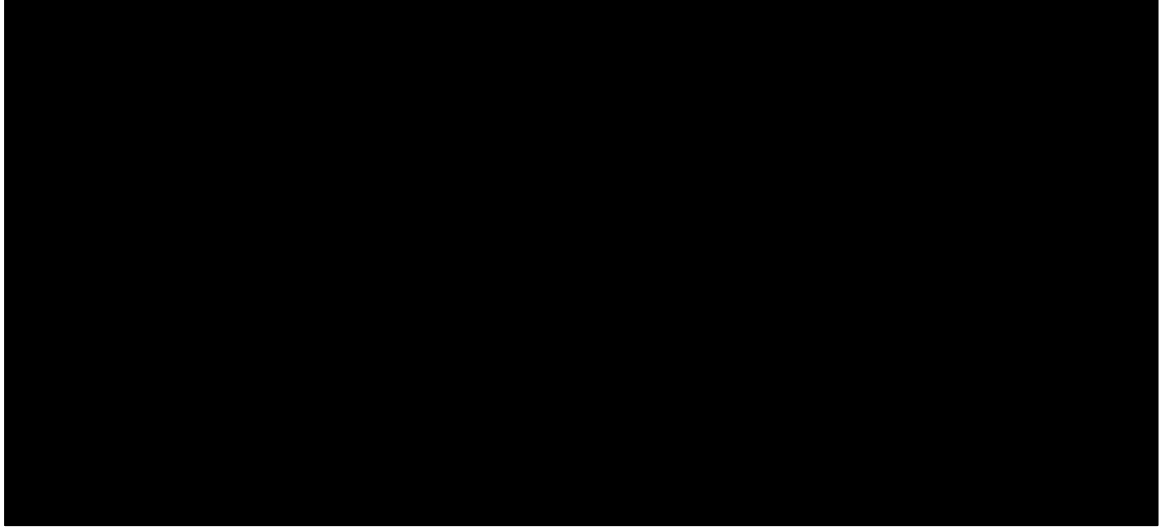
Proposed Action: We will formally request the vendor to provide an option in the contract for sale to seek credits and/or request the developer uses different materials for these alterations. The Bank will evaluate the credits on offer from the Vendor for these shell and core alterations against the cost of shell and core replacements that conform to the design standards set in our NWQ building. Where shell and core alterations are cost neutral or cost beneficial over a 25 year period the Bank will instruct the alterations. The value of the credits that will be provided by the Vendor will be linked to the vendors procurement programme e.g. credit for items already ordered by the vendor may not be provided or may be less than full value etc. Accordingly timeliness in decisions by the Bank will impact on the value of credits and cost of alterations.

Recommendation 3: The Bank should consider asking the Vendor for reconfiguration works associated with horizontal floor layouts and addressing security risks, as follows:

- I. Internal walls and glazing: As the Bank intends to use the buildings on a horizontal basis it should consider to, subject to Fire Certificate and BCAR signoff,
 - a. Seek credits from the Vendor for the dividing walls between DL4 and DL5;

- b. Seek credits for the removal of fire rating glazing on all four sides of the atrium between floors on DL4 and DL5 to be occupied by the Bank, and potentially to add a staircase to promote physical communication between floor levels in a similar way to NWQ.

II.



Proposed Action: The Bank will formally ask the Vendor to provide an option in the contract for sale for these reconfiguration works, and will evaluate the cost value proposition. If there is a positive risk and value proposition over a 25 year period we will instruct the alterations.

Central Bank of Ireland - CONFIDENTIAL

CENTRAL BANK OF IRELAND

**Circulated to the Budget and
Remuneration Committee**

on 10 May 2019

Paper No. C19 137

FOR DECISION

UPDATES TO BUDGET 2019

Financial Control Division

Author: [REDACTED]

UPDATES TO BUDGET 2019

Introduction

The Commission signed off on the 2019 Budget for Pay, Non-Pay, Investment Envelope and Contingency on 28 November 2018. Included in this paper are a number of updates on open matters identified at the time when the Budget was approved by the Commission.

Long Term Accommodation: As previously approved by the Commission in papers 154 of 2018, 223 of 2018 and 240 of 2018 and considered by the BRC at the November 2018 (Paper No. 250 of 2018) and March 2019 (Paper No. C19 072) meetings, the Bank has purchased two additional buildings, DL4 and DL5 adjacent to the headquarters building at NWQ, and plans to dispose of the Spencer Dock property.

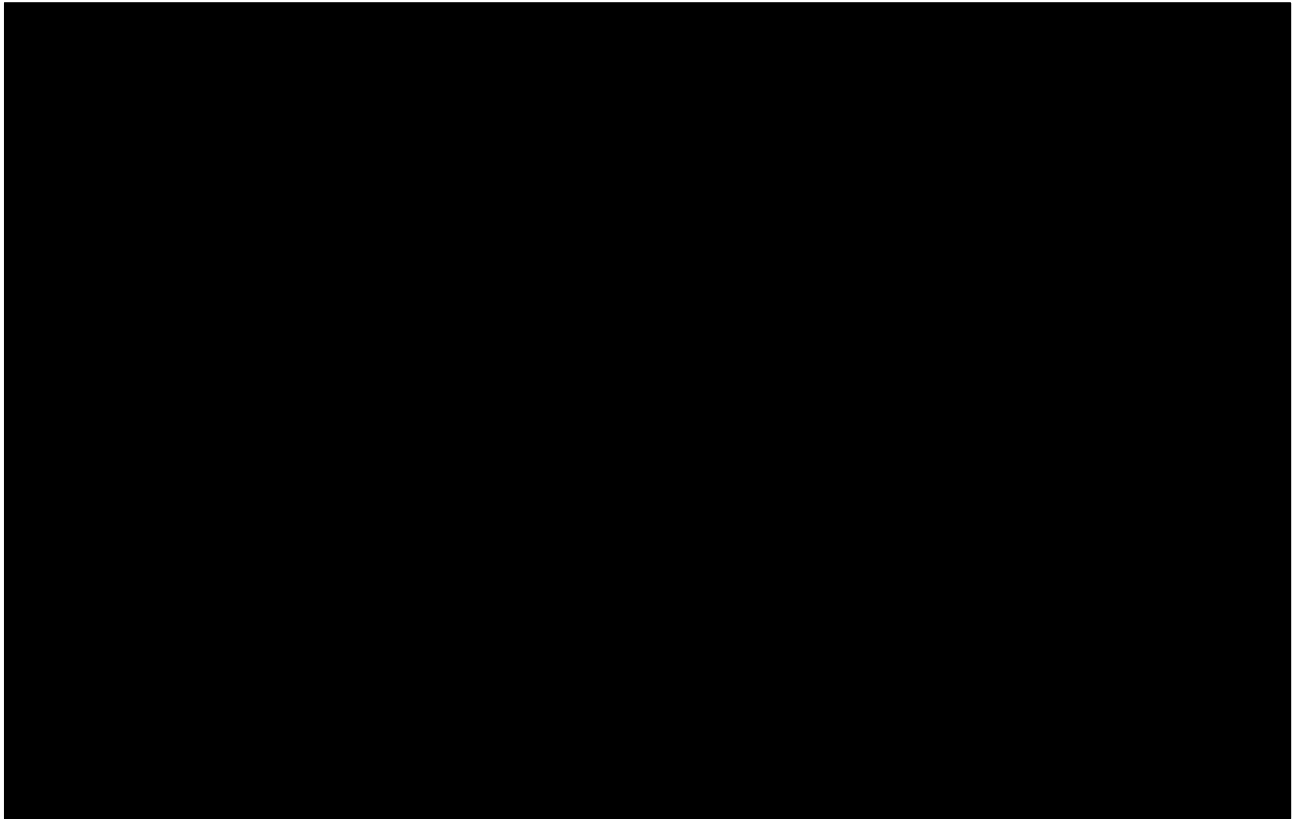
The initial estimated cost of the buildings, professional fees and fit out costs etc. has previously been notified to the Commission as being c. [REDACTED] including VAT. Please note that at the time, these estimates were prepared as indicative costs only, subject to due diligence and Quantity Surveyor oversight.

The deposit for the property has now been paid. In line with normal capital projects, this expenditure will be funded from the Investment Envelope, however, a formal request for an Investment Envelope budget for 2019 has not yet been made.

A more detailed project costing estimate is being finalised and Facilities Management will soon be in a position to present an indicative overall project budget to the Commission.

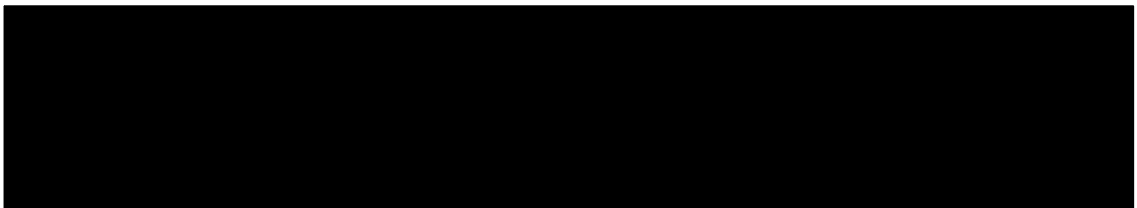
In the interim, while the program is being developed, it has been estimated that an Investment Envelope expenditure of c. €250m will be required in 2019 to transact the actual purchase of DL4/5 premises, payments for VAT, associated professional fees and initial fit-out works.

From an accounting perspective (accounting guidelines FRS 102), an asset such as the DL4/5 building must be recorded at cost in the Bank's balance sheet. Cost in such scenarios generally comprises the purchase price plus legal fees, fit out costs etc. Once the project is complete, the various components that make up the fixed assets associated with DL4/5 will be depreciated in line with the Bank's depreciation policy, which takes the respective expected useful lives into account.



The Budget and Remuneration Committee is therefore requested to recommend approval to the Commission for:

- i) 2019 investment envelope budget for the Long Term Accommodation project of €250m;



CENTRAL BANK OF IRELAND

Circulated to Commission Members

on 24 May 2019

Paper No. C19 158

FOR APPROVAL

DUBLIN LANDINGS - INDICATIVE COST ENVELOPE AND RELATED MATTERS

Workplace Services and Estates Management Division.

Authors: 

DUBLIN LANDINGS - INDICATIVE COST ENVELOPE AND RELATED MATTERS

Executive Summary

The purpose of this paper is to update the Commission on Dublin Landings and to seek approval for the indicative cost envelope for the Programme and related matters including the construction of pedestrian bridge between NWQ and Dublin Landings.

The Vendor (Oxley Docklands Quay Two Ltd) has provided proposals for the 'Optional Works' (the Bridge, [REDACTED] and Fit Out) and these have been incorporated into an overall indicative cost envelope of [REDACTED] for the Programme. The Quantity Surveyor (QS) has completed cost benchmarking of all the cost estimates against a number of similar public and private projects and has confirmed that the cost estimates are reasonable. The indicative cost envelope for the Fit Out is based on a replication of the NWQ design. The indicative cost envelope includes the construction of a pedestrian bridge between NWQ and Dublin Landings at an indicative cost of [REDACTED] and the indicative cost envelope also includes a general contingency allowance of circa [REDACTED] of the pre-VAT budget for Fit Out and Client Works. The vendor has proposed a professional team that are very familiar with the design and development of NWQ, and the draft Programme Schedule covers a 75 week design and construction period, targeting transfer of occupation from Spencer Dock to Dublin Landings in Q1 2021.

The Programme will establish a rigorous cost management framework, including regular cost auditing and spot checking by the Bank's QS, to ensure diligent tracking, benchmarking and regular reporting of costs. In the event that drawdown of the contingency allowance is sought, the Programme will seek approval from the Governor in advance of commitment / drawdown, and will notify the Budget and Remuneration Committee of this.

The primary risk at this stage of the programme is failure by the Bank to adhere to the schedule for approval of detailed design drawings, including detailed design of ASP facilities, kitchens and catering facilities, general floor layouts, number of cellular offices, etc. Delay in these design decisions will impact negatively on the programme schedule and cost. This risk will be mitigated by putting in place a framework to support decision making for timely design decisions, and keep to a minimum any deviations from the NWQ design. There is an assumption that the Bank will adhere to a very short period (circa six weeks) for detailed design and associated approvals.

The Vendor is awaiting a formal response from the Bank to their 'Optional Works Proposals'. The Vendor has resources on standby and the Programme Schedule is dependent on very early engagement with these resources. The Programme recommends that the Bank should accept the Vendor's proposal and commence the Optional Works.

The Commission is requested to approve:

- the indicative cost envelope for the Programme;
- the construction of a pedestrian bridge between NWQ and Dublin Landings;
- the governance of drawdown of general contingency allowance from the indicative cost envelope; and
- the recommendation that the Governor notify the Vendor (Oxley Docklands Quay Two Ltd) of the acceptance of their proposal, including any amendments that may be agreed by the Parties, to progress the Optional Works.

The Commission is requested to note:

- the initial view of Programme risks and mitigation; and
- the Programme current priorities .

Purpose

The purpose of this paper is to update the Commission on matters related to the development of Dublin Landings¹, to seek approval for indicative cost envelope for the Programme including the governance of drawdown of contingency amounts, and to notify the Vendor of our acceptance of their proposal for the Optional Works.

Background

In January 2019 the Bank completed the contract to purchase the Dublin Landing properties (DL4/DL5) and the contract provides for Optional Works² to be carried out by the Vendor³ at the request of the Bank. The optional works are defined in the Contract for Sale as:

- I. make variations to the Vendor's Works including requiring the substitution of materials set out in the Vendor's Specification of the relevant Subject Property (the 'Modified Works'); and/or
- II. [REDACTED]
- III. design, construct and complete the Purchaser's fitting out works (the 'Fit Out Works'); and/or
- IV. design, construct and complete the Bridge Link Works.

As advised to the Commission⁴ the Bank requested 'Optional Works Proposals' from the Vendor for the Bridge Link Works, [REDACTED] and the Fit Out Works. The Vendor has now provided these proposals, and the Programme has incorporated them in to an overall Programme indicative cost envelope.

¹ This paper builds on information provided in Commission papers 141, 154, 223, 240, 305 of 2018 and C19/119

² As per Special Condition 35 of the contract to purchase Dublin Landings premises

³ Oxley Docklands Quay Two Ltd

⁴ Commission Paper No. C19 119

Indicative Cost Envelope

In previous Commission papers the initial high level cost estimates for the purchase and development of DL5 and DL4 [REDACTED]. The indicative cost envelope for the Programme, based on preliminary design, is now estimated at [REDACTED]. The indicative cost envelope is based on design assumptions (see Section on Fit Out Works), cost estimates from the Vendor for the Optional Works, and cost assumptions for Client works. The QS has completed cost benchmarking of all the cost estimates against a number of similar public and private projects and has confirmed that the cost estimates are reasonable. As the Programme progresses and the design of the premises is developed in more detail – culminating in Detailed Design Sign Off – the cost impact of detailed design decisions will be identified. The cost impacts of detailed design decisions will be considered in the context of the indicative cost envelope. It is expected that detailed design cost decisions will have to be accommodated within the indicative cost envelope. The cost estimates assume very limited scope change to the design assumptions. The following table details the primary elements of the indicative cost envelope:

Category	Estimate (€m)
Purchase Price (including VAT and Stamp Duty)	225.0
[REDACTED]	[REDACTED]
Legal Fees	20
[REDACTED]	[REDACTED]

[REDACTED]

a. Purchase Price: In December 2018 the Commission⁷ approved the purchase of the Dublin Landings properties with an overall provisional indicative budget of €253m (purchase price of €204m, and indicative cost of €49m for VAT and Stamp Duty). As previously notified to the Commission⁸, the Bank has instructed omissions to the premises and has received a credit of circa €16m for these, resulting in a total purchase cost of €225m (including purchase price of €188m, and VAT, Stamp Duty, Fees of €37m). This cost will be payable when both parties have agreed 'Deemed Practical Completion'⁹ for the premises which is expected to be in October 2019.

b. Optional Works

I. The Fit Out Works: The Fit Out Works are based on replicating the design principles used for NWQ¹⁰ in Dublin Landings to achieve an equivalent standard, including provision of dining facilities on a similar scale to NWQ, bridges and stairwells across the atrium to support horizontal and vertical integration, achieving an A2 energy rating and BREEAM 'Excellent'. It is also proposed to provide facilities for Administrative Sanctions Procedures (ASP) enquiries. The indicative cost estimate for the Fit Out Works is [REDACTED] (including the works omitted covered by the credit of €16m VAT exclusive).

II. Pedestrian Bridge between NWQ and Dublin Landings: The provision of a Bridge is a discretionary option but does present a value opportunity for the Bank. The proposed cost of [REDACTED] represents circa [REDACTED] per cent of the overall cost of the building and is less than [REDACTED] per year based on a 25 year view of the building lifecycle. The business case for the Bridge is based on the value of having NWQ and Dublin Landings integrated into a single workplace. While the increased proximity between NWQ and DL4/5 provides a significant improvement over the current situation, the physical separation of the NWQ and Dublin Landings properties presents some challenges. These challenges include the shared use of common centralised facilities, the efficient use of staff time, security of operations, and the encouragement of collaboration. This is a once off opportunity to secure this value (retrofitting in the future would be considerably more expensive and disruptive). In order to support the continued development of the 'One Bank' culture, it

⁷ Paper 305 of 2018

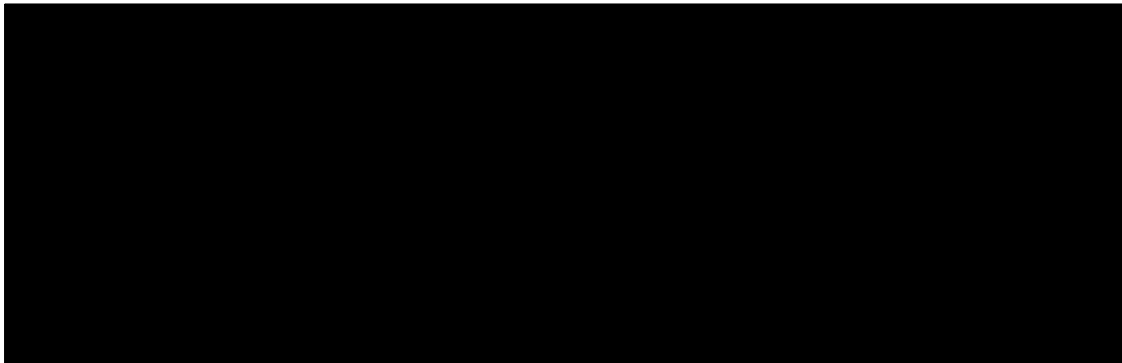
⁸ Paper 305 of 2018

⁹ As defined in Special Condition 1 of the Contract for Sale

¹⁰ The assumed design includes (a) cellular office accommodation as per NWQ i.e. two Director offices and five 'on floor meeting rooms' per floor; (b) workstations of same size and space allocation as per NWQ; (c) circa 220 desks on floors 1, 2 and 3.

is therefore proposed that the buildings be connected by a pedestrian bridge to connect the atria in both buildings at second floor level ensuring that the working interaction of the staff is seamless between the buildings and complements the workspace principles. The Vendor obtained Planning Permission for a bridge¹¹ and the indicative cost estimate for the bridge is [REDACTED]

III.



Consideration was given to fully integrating the DL basement and NWQ basement but this was rejected on cost and practicality grounds.

c. Client Works:

These are the client direct packages required to complete the premises and present it as ready for occupation. The Design Principles for these packages will be as those applied in NWQ and similar infrastructure will be deployed. The indicative cost of Client Works is [REDACTED] VAT exclusive.

d. Legal Fees:

A separate budget line item has been identified for external legal fees for legal services in relation [REDACTED] [REDACTED] rental to the market of three floors and a retail unit in DL4/5, conclusion of the purchase of Dublin Landings and implementation of the Options. It also includes an allowance for the due diligence fees that may be chargeable to the Bank in relation to the [REDACTED]. The indicative cost of legal fees is €2m VAT exclusive.

¹¹ Final Decision Order No P2251 dated 25 Jan 2019



e. Other Costs:

This budget line includes estimates for Professional Fees (e.g. Purchasers Architect, Quantity Surveyor, Project Monitoring team etc.), Development Levies and Charges, Property and Valuation services, Utility and Statutory applications, remedial works to the four retail units in Spencer Dock¹⁴ which are a prerequisite for offering them for rent to the market, the move from Spencer Dock to DL4/5, surveys, peer reviews, consultants, etc. The indicative cost of Other Costs is █████ VAT exclusive

f. General Contingency:

It is considered that our Quantity Surveyors have taken a conservative view in relation to their costings. In addition they have included elements of contingency for specific items such as cost inflation. However, given the lack of design certainty at this time, it is considered prudent to include a general contingency allowance of █████ per cent of the pre-VAT budget for Fit Out and Client Works. Note: Notwithstanding approval of the overall indicative cost envelope, it is proposed that drawdown of funds against this contingency allowance will have to be approved by the Governor with notification to the Budget and Remuneration Committee.

Vendor's Professional Team and Programme Schedule

The 'Optional Works Proposals' from the Vendor included details of the professional team and Programme Schedule for the design and development of the works. The professional team proposed by the Vendor is acceptable to the Bank. The professional team are very familiar with the design and development of NWQ, and it is on this basis they will lead the development of the detailed design for Dublin Landings. They will also support the construction works. The Vendor has proposed a Draft Programme Schedule which covers a 75 week design and construction period, and if this is adhered to it will enable transfer of occupation from Spencer Dock to Dublin Landings in Q1 2021. The Programme team is critiquing this proposed schedule, however it is immediately apparent there is an assumption that the Bank will adhere to a very short period (circa six weeks) for detailed design and associated approvals. This short period is based on the assumption that the Programme will replicate the NWQ design to the greatest extent possible and there will no material changes to the assumed design. If the Bank does not adhere to the

¹⁴ Remedial works are considered a pre-requisite to the units for offering them for rent to the market

agreed timeframe proposed for the approval of the detailed design the Vendor may impose charges for delay, or the Bank may incur delay related costs.

Programme Cost Management

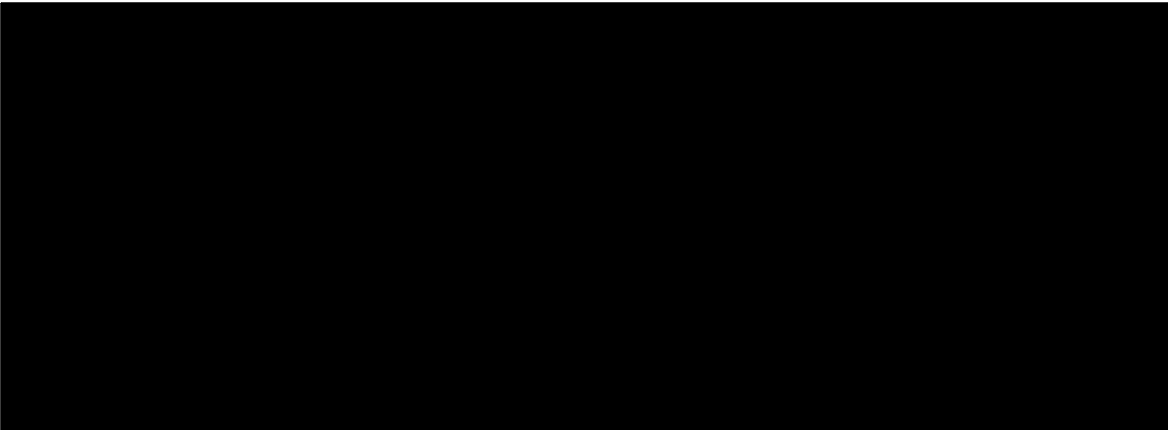
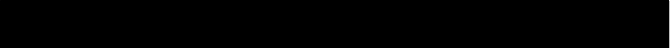
The Vendor's Main Contractor has confirmed in writing to the Vendor that they will apply tender rates from another (named) competitively tendered similar project to the DL4/5 fit-out, and where items are not covered by this tender they will apply tender rates from the Fusion Project (which was competitively tendered) subject to appropriate inflation adjustment agreed between the parties. Although this confirmation is non-binding between the parties it provides a solid basis for negotiations on pricing and assurance of value for money.

The final pricing of the Optional Works will be on 'an open book time and cost reimbursable' basis i.e. once sufficient design detail is available to allow pricing by the Vendor, these prices will be agreed by both the Vendor's and the Banks QS, with all costs being clearly visible to both parties (open book). When these costs are agreed the Developer's Fee will be added and the 'cost reimbursable' prices then convert into an agreed fixed price. The main risk in this process is the delay in sign off of the design information, as with any delays in the detailed information to the Main Contractor there is likely to be an extension of time (incurring additional preliminaries costs) which will then be chargeable to the Bank. The prompt sign off of the design has an added benefit in that the scope can be sufficiently defined to allow accurate pricing and the associated agreed final sum to be offered earlier in the process.

The Programme will establish a rigorous cost management framework, including regular cost auditing and spot checking by the Bank's QS, to ensure diligent tracking, benchmarking and regular reporting of costs. Financial Control Division will sign off on all cost vs budget reporting to Programme Executive and to Commission and there will be regular reporting of performance, costs and risks to the Commission Risk Committee. In the event that drawdown of the contingency allowance is sought the Programme will seek approval from the Governor in advance of commitment / drawdown, and will notify the Commission Risk Committee of this.

Programme Risks and Mitigation

The Programme has reviewed potential risks and is determining appropriate risk mitigations. The top four risks - currently considered and scoring High/Very High on Probability and/or Impact have been identified as:

1. Failure by the Bank to adhere to the schedule for approval of detailed design drawings, including detailed design of Administrative Sanctions Procedure (ASP)/Inquiry facilities, kitchens and catering facilities, general floor layouts, number of cellular offices, etc. will impact negatively on the programme schedule and cost. This risk will be mitigated by putting in place a framework to support decision making for timely design decisions on an ongoing basis i.e. implementing a robust decision making process to conclude the detailed design in the agreed time, and keep to absolute minimum any deviations from the NWQ design and any subsequent deviations that may be sought following the agreement to detailed design.
2. Risk that development costs (currently estimated at ████████ of the overall ████████ indicative cost envelope) are not adequately controlled during the detailed design and or construction stage, leading to an escalation in costs. This will be mitigated by a) closely managing and monitoring the development of the design, with regular cost checking as it develops to ensure it is within the agreed cost envelope and b) establishment and agreement of a detailed cost management and control process with the Vendor.
3. 
4. The high level design is based on provision of circa 800 desks in Dublin Landings, using workstations in levels 0, 1, 2, 3 (and excluding level 4, 5, and 6). This provides an additional circa 300 desks on the current desk estate. While the detailed design is not complete it is assumed that the floor space at level 0 will accommodate workstations. It is assumed that the additional desk provision is adequate in the context of the current headcount forecast and the implementation of desk sharing. 



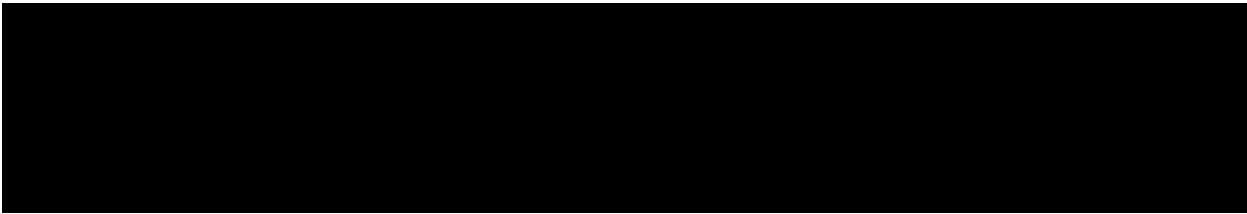
There will be regular reporting to the Risk Committee on these risks.

Programme Current Priorities

The Programme has been primarily focussed on developing the indicative cost envelope for the completion of the Programme, and a number of programme related issues are being progressed in parallel. These include:

- The public procurement of a 'Purchasers Architect' (which is a defined role within the Contract for Sale), and a 'Project Monitoring Service'. The Purchasers Architect and the sub-consultants retained as part of the Project Monitoring Service (Mechanical and Electrical Engineer, Civil and Structural Engineer, Façade Engineer, Fire Safety and Disability Access Consultant, additional specialist sub-consultants e.g. Acoustic consultant, etc.) will be in place for the duration of the project from appointment until the building is handed over fully, tested, commissioned, and fully operational, including the period to the issue of the Final Certificate.
- Agreeing a process to evaluate any changes to the high level design, based on NWQ design, in Dublin Landings e.g.
 - assumption that the policy of cellular offices for staff will be replicated in Dublin Landings;
 - assess the impact on new facilities (e.g. lockers) for on floor personal storage as a consequence of desk sharing;
 - review the capacity and number of meeting rooms;
 - consideration of an addition multi-purpose / conference rooms;
 - additional Barista style coffee outlets; and
 - review of bathroom provision.

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- 
- Immediate Next Steps. The Vendor is awaiting a formal response from the Bank to their 'Optional Works Proposals' for the Bridge Link Works, [REDACTED] and the Fit Out Works. The Vendor has resources – including the proposed professional team and Main Contractor – on standby and stands ready to contract with them. The Vendor's Programme Schedule is dependent on very early engagement with these resources. The Programme recommends that the Bank should accept the Vendors proposal and commence the Optional Works.

Conclusion

The Programme has developed an indicative cost envelope of [REDACTED]¹⁵, based on agreed purchase price, preliminary design, and cost estimates from the Vendor for the Optional Works. It is proposed to construct a pedestrian Bridge to link NWQ and Dublin Landings in order to support the continued development of an integrated campus and provide for seamless interaction of the staff between the buildings. The indicative cost estimate for the bridge is [REDACTED] (VAT exclusive). It is considered prudent to include a contingency allowance in the indicative cost envelope, and drawdown of funds against this contingency allowance will have to be approved by the Governor with notification to the Commission Risk Committee. The Vendor is awaiting a formal response from the Bank to their 'Optional Works Proposals' and the Programme recommends that the Bank should accept the Vendors proposal and commence the Optional Works.

The Commission is requested to approve:

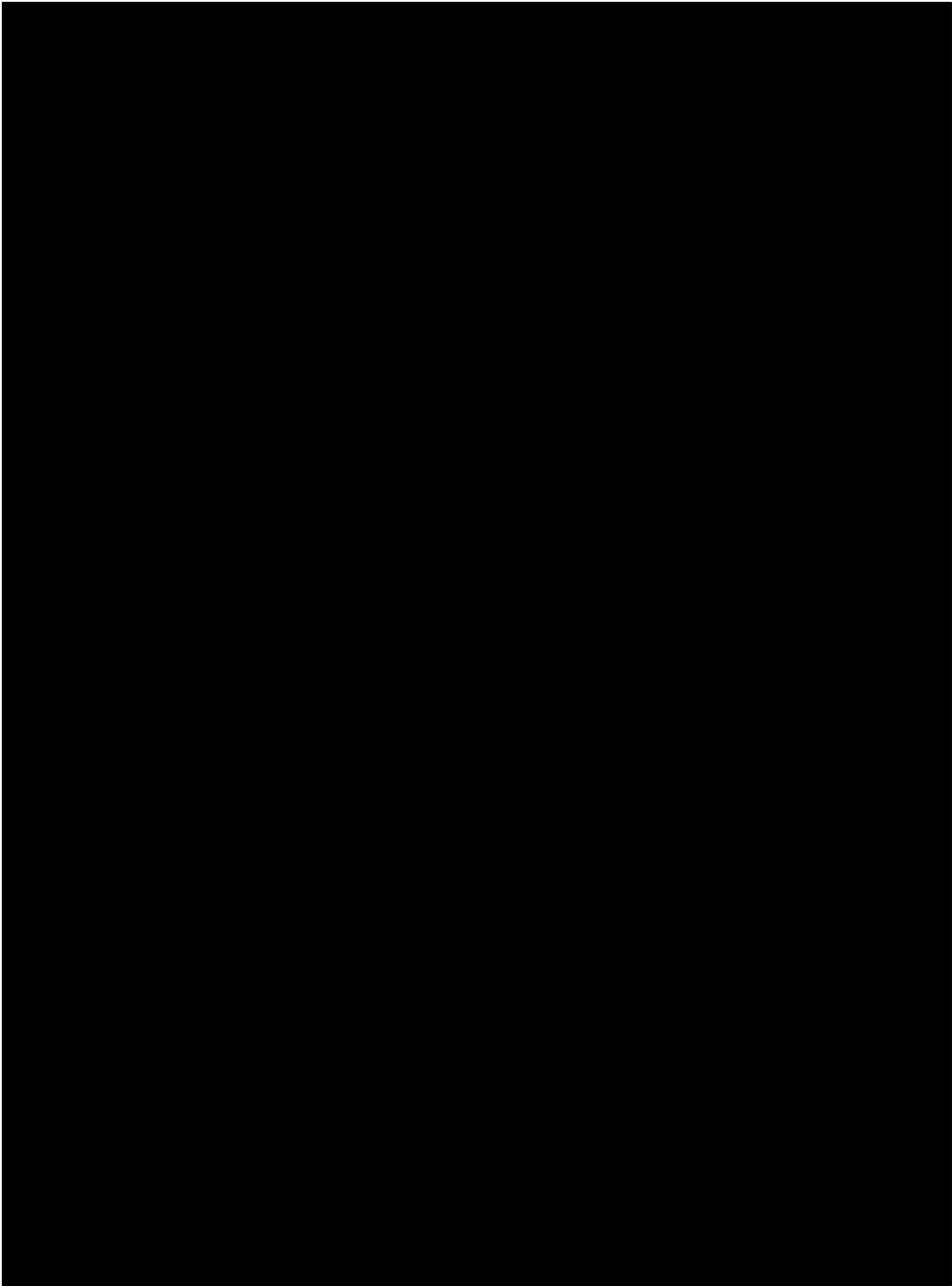
- the overall indicative cost envelope for the Programme;
- the construction of a pedestrian bridge between NWQ and Dublin Landings;

¹⁵ Note: At the Commission Meeting of 29 May the Commission will be asked to approve an Investment Envelope budget [REDACTED] to cover the 2019 financial outlay for costs associated with the Programme.

- the governance of drawdown of contingency from the indicative cost envelope; and
- the recommendation that the Governor notify the Vendor (Oxley Docklands Quay Two Ltd) of the acceptance of their proposal, including any amendments that may be agreed by the Parties, to progress the Optional Works.

The Commission is requested to note:

- the initial view of Programme risks and mitigation; and
- the Programme current priorities;



CENTRAL BANK OF IRELAND

Circulated to the Risk Committee

on 11 September 2019

Paper No. C 19 225

FOR INFORMATION

NWQ CAMPUS DEVELOPMENT PROGRAMME UPDATE

Workplace Services and Estates Management Division.

Authors: 

NWQ CAMPUS DEVELOPMENT PROGRAMME UPDATE

Executive Summary

The purpose of this paper¹ is:

- (i) to outline the intention to incorporate the Dublin Landings (DL4/5) project into a new programme of work to be known as the North Wall Quay Campus Development Programme (NWQCDP);

[REDACTED]

- (iii) to seek agreement from the Risk Committee on the proposed arrangements for the position of the CRC in the programme governance structure and how the NWQCDP intends to monitor and report on programme level risks to the CRC; and
- (iv) provide a status on the current programme risks.

The NWQCDP will comprise two interrelated and co-dependent projects to be known as the [REDACTED] and the Buildings and Premises Project. Taking this approach is to ensure the utilisation of a holistic and inclusive approach to create a single unified campus (DL4/5 and the NWQ Building), continuing to provide a fulfilling work place environment with the technology, tools and facilities that allow our staff to deliver their outputs effectively.

Section 1 of this Paper provides an overview of the overall Programme structure and governance, including the position of the CRC in the programme governance structure and how the NWQCDP intends to monitor and report on programme level risks to the CRC. Section 2 provides an update on the current risks and mitigations associated with the Programme.

The Risk Committee is requested to:

- **note that the Dublin Landings (DL4/5) project will be incorporated into a new Programme named the NWQCDP;**
- [REDACTED]
- **agree the position of the CRC within the NWQCDP governance structure; and**
 - **note the current risks and mitigations of the NWQCDP.**

¹ This paper builds on information provided in Commission papers 141, 154, 223, 240, 305 of 2018 and C19 119, C19 158 and C19 205

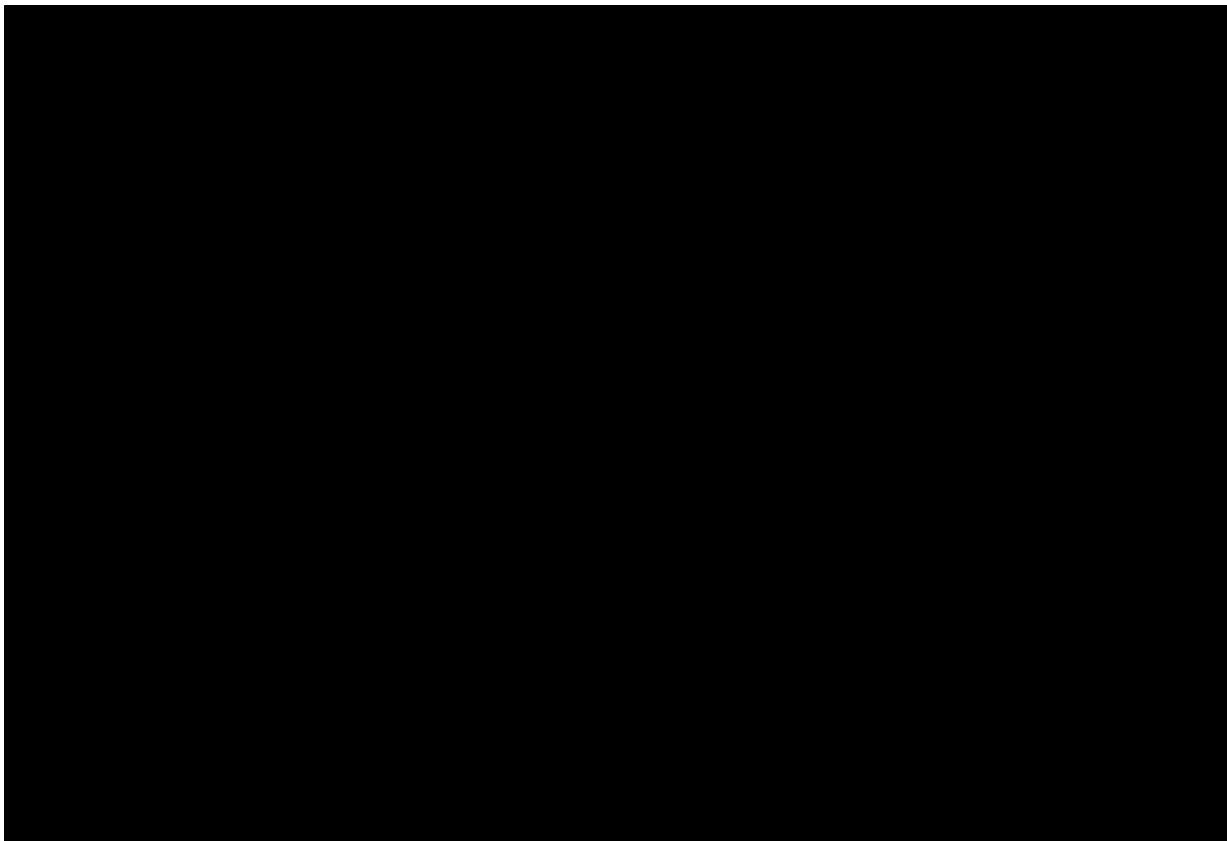
Introduction

Currently the Bank owns and/or operates from several buildings within the city centre i.e. the Spencer Dock Building, the DMG² premises and the existing NWQ office building. Also, as previously reported to the Commission¹, the Bank is in the process of purchasing and fitting out new premises adjacent to NWQ known as Dublin Landings 4 and 5 (DL4/5).

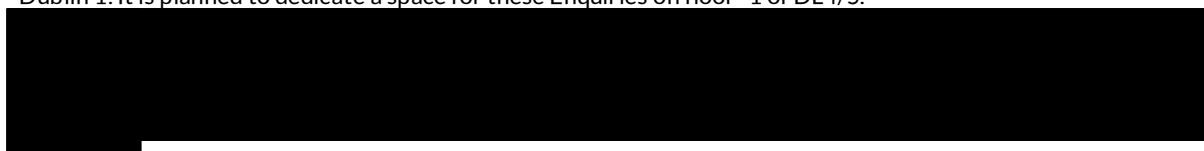
The project known as DL4/5 has been incorporated in to a programme of work to be known as the NWQ Campus Development Programme (NWQCDP). The objective of the NWQCDP is to deliver a unified campus where staff continue to have the tools, technology, facilities and opportunities that promote collaboration, cooperation, agility, transparency, and knowledge and information sharing across an integrated workplace.

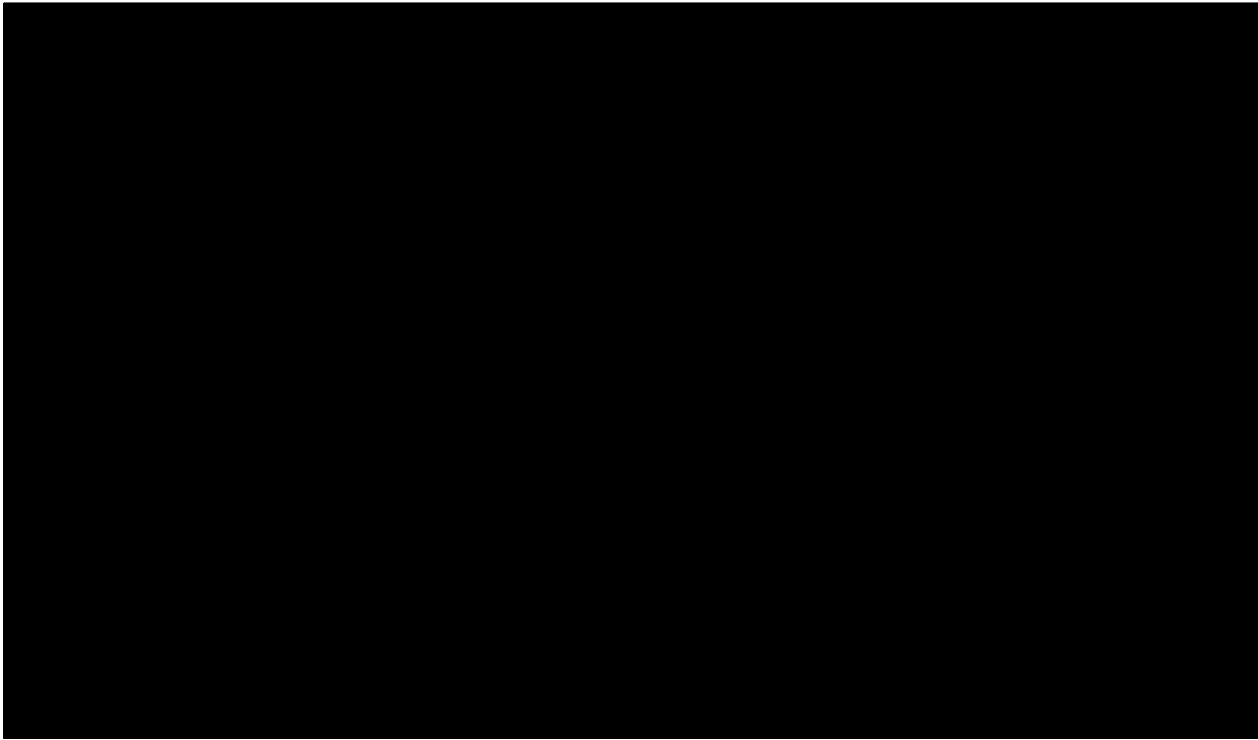
Section 1 - The Programme Structure

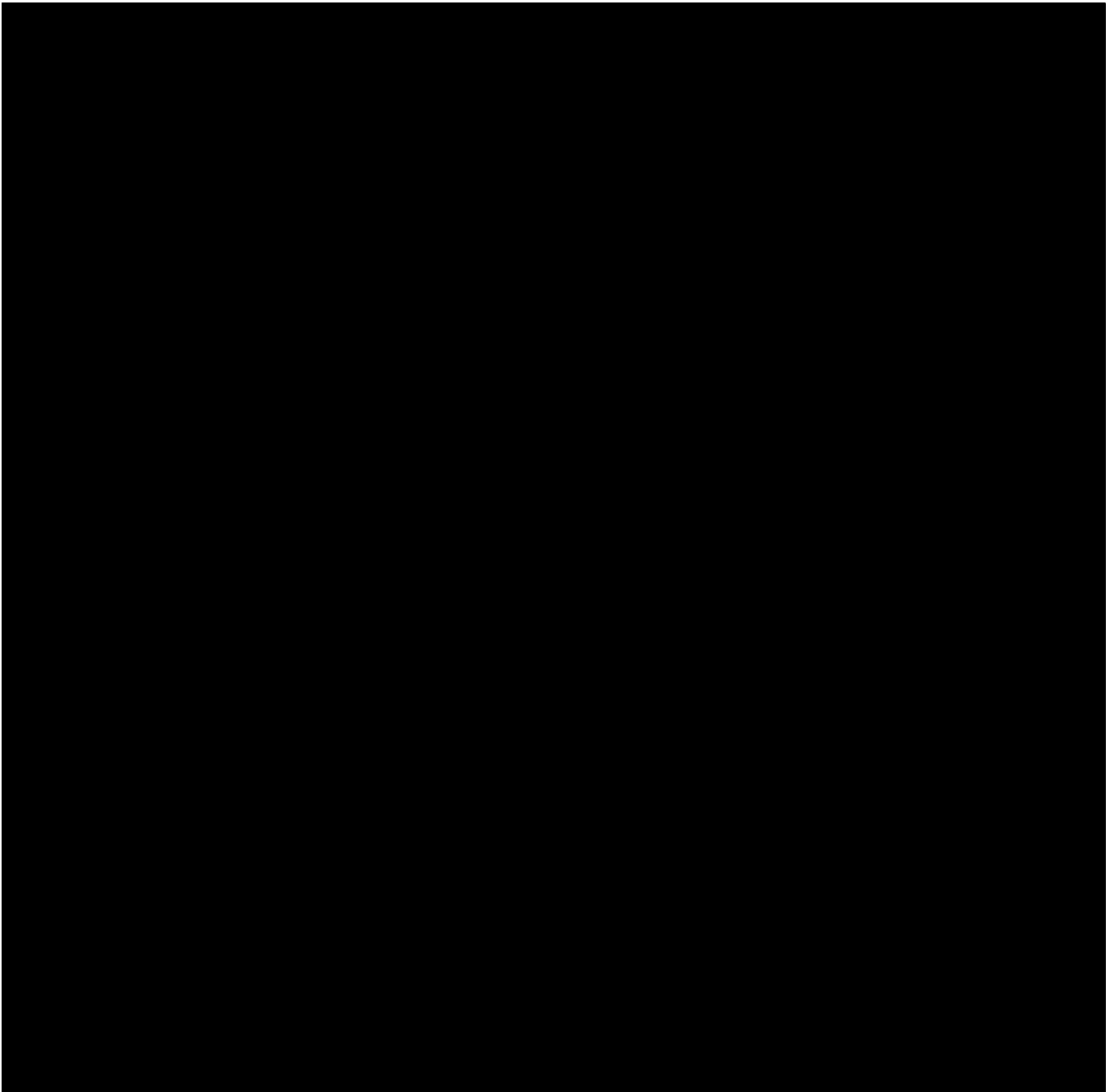
The Commission, the Risk Committee and the Budget and Remuneration Committee will have an oversight role over the NWQCDP.



² The Bank's Administrative Sanctions Procedure (ASP) Enquiries take place in the DMG buildings in Blackhall Place Dublin 1. It is planned to dedicate a space for these Enquiries on floor -1 of DL4/5.

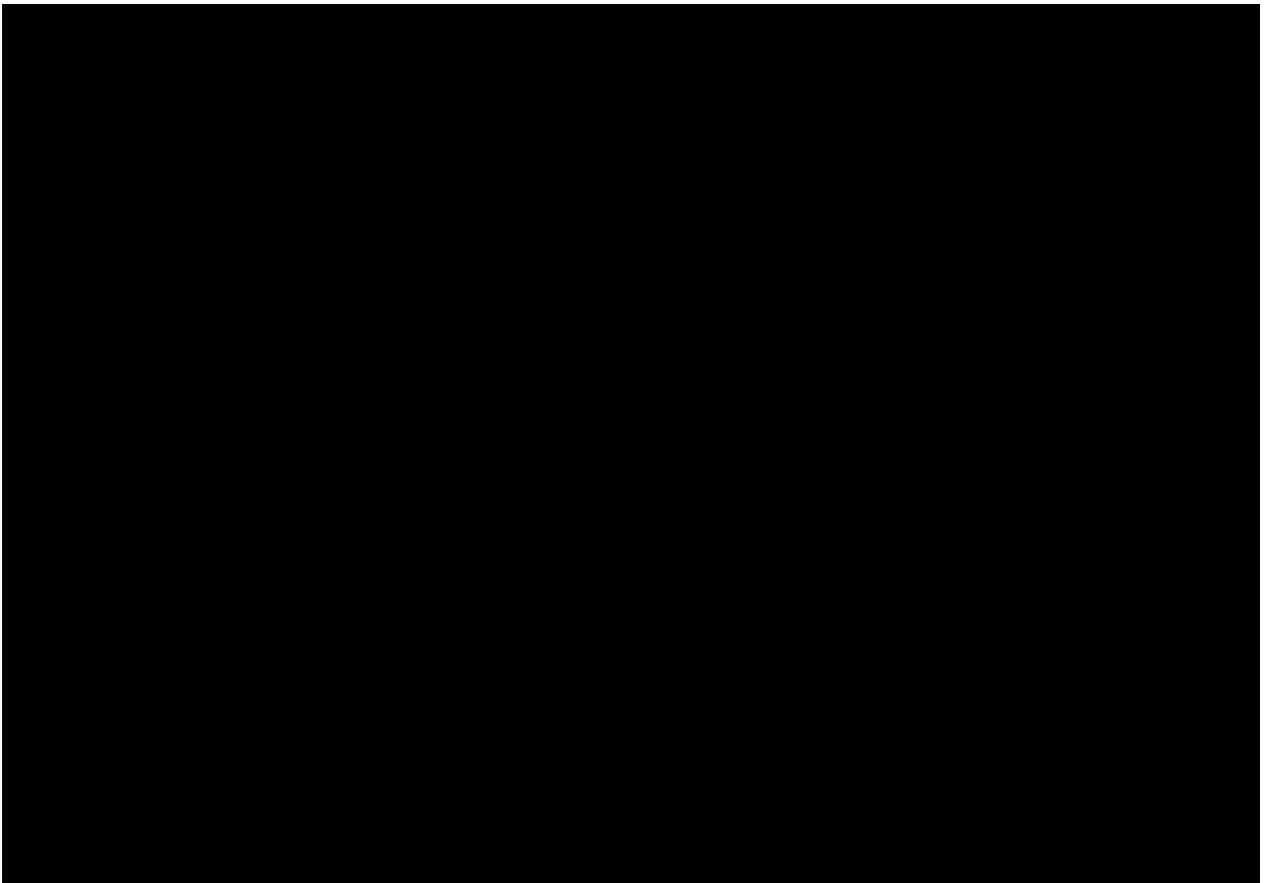






Section 2 – The North Wall Quay Campus Development Programme Risk Status Update

As the programme is in mobilisation stage, a programme⁵ level risk register is being developed and will be available for the next reporting round. The register will monitor time, cost and quality risks etc. at a programme level. This section provides an overview on the current risks identified for the programme.



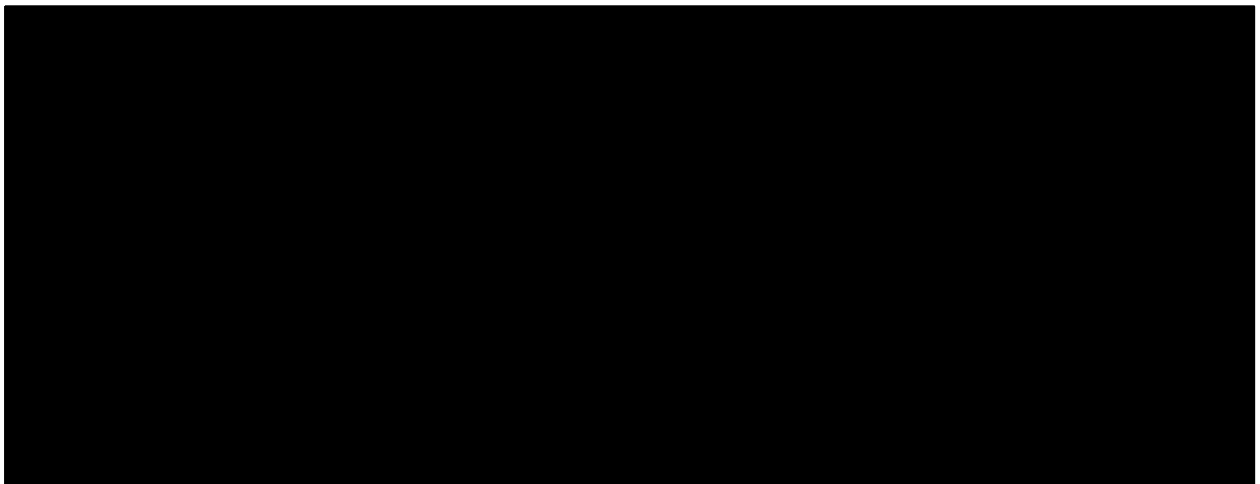
2.3 Failure of the unified campus to meet desk and other accommodation demands

As part of the design process for Dublin Landings a number of configurations were assessed that met all of the various requirements (receptions areas, ASP, meeting rooms, catering facilities, collaboration spaces etc.). Based on the available space (in NWQ and floors 1, 2 and 3 of Dublin Landings) and the particular layout of the buildings (limited light in below ground areas etc.) a total of 712 desks can be catered for using the design principles adopted in NWQ (800mm by 1570mm, sit/stand desk, averaging 10 sq meters space per person) so that equality of approach operates in the different buildings.

⁵ As the Buildings and Premises project is at a more advanced stage, a risk register has been developed for this project and is being maintained by the [REDACTED]

The impact of this is that:

1. the campus can accommodate the 2,085 strategic plan FTE number (adjusted to account for city centre staff and staff not requiring desks etc.) plus a growth margin of 10%;
2. the campus can accommodate the current number of contractors requiring desks (c170) plus a growth margin of 10%;
3. an amount of 5% 'swing' space is available in order to manage the desking effectively; and
4. this is based on achieving a 1 to 1.2 desk sharing ratio.



2.4 Changes to the DL4/5 Building design

The scheme design, which is an extension of the NWQ design principles and 'Look & Feel', is manifested in the General Arrangement Drawings (GA's,) agreed between the Bank and the Developer on 23 August 2019. Detailed design is proceeding on the basis of these drawings. If, through the course of the programme, the assumptions underlying the agreed GAs are changed, the associated design and or construction changes will incur costs and delays, the exact magnitude of which will be dependent on the nature and size of the change and when it is instructed.

In order to mitigate this risk, the design decisions identified as urgent will be brought to the Governor's Committee for discussion/resolution. Once the formal governance for the programme is in place changes to the building design will be strictly controlled and adhere to the PMO change management process where changes are evaluated on a benefit/impact basis.

2.5 Leasing of Premises

There is a risk that the pool of potential tenants for the [REDACTED] and the top three floors of DL4/5 will be limited. The Bank is seeking tenants on short term leases of circa five years. This would allow for future expansion onto the top three floors of DL4/5. This length of lease is not the optimum within the commercial market and it may prove challenging securing tenants under these terms. Failure to secure tenants would impact delivery of the benefits outlined in the business case. The Bank is mitigating the risk by designing the tenant space and the operating model to appeal to as broad an audience as possible. The Banks leasing agent (Lisney) plan to mitigate this risk by going to market early to ensure there is ample opportunity to secure tenants.

2.6 Risk to the financial health of the programme


The budget of the NWQCDP was developed using known fixed prices elements (e.g. purchase of the DL4/5), projected fitout of DL4/5 costs and the operationalisation of the campus. The approved budget⁶ also contains a [REDACTED] contingency allowance to mitigate against unknowns and changes within the programme. Monitoring of the budget will be continuous via reporting through the PgLt and the SPE.

2.7 Issue - that DL4/5 will not be as energy efficient as NWQ

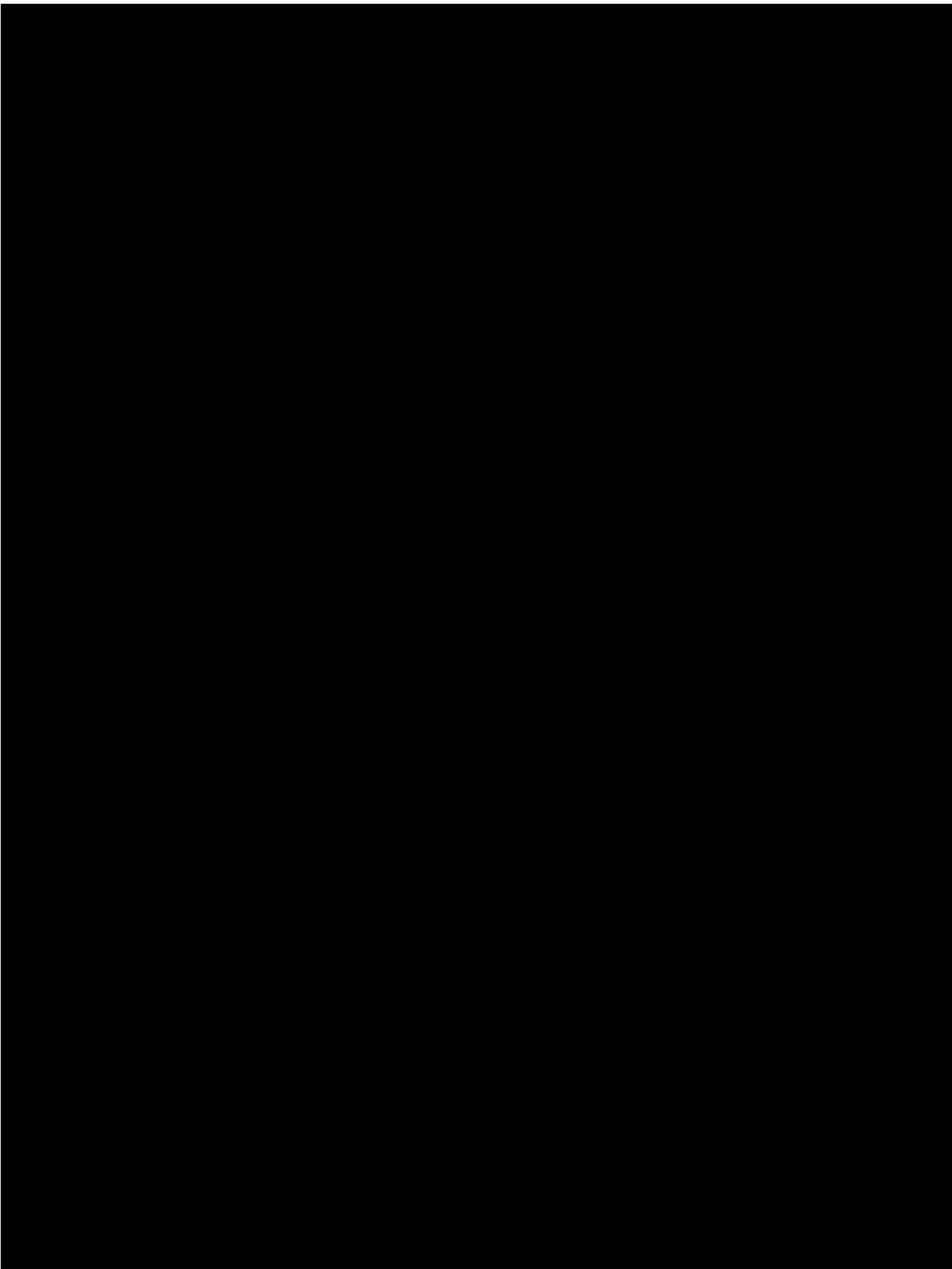
DL4/5 have been designed by the developer to achieve a Building Energy Rating known as an A3. This is below the rating of the existing NWQ building (rated as A2 Building Energy Rating) and would mean that DL4/5 would not be as energy efficient or sustainable as NWQ. In order mitigate this, it is proposed to increase the energy rating of DL4/5 in line with that of NWQ. The cost of achieving an A2 rating in DL4/5 has been estimated to be circa [REDACTED] ex VAT with a payback period of circa 15 years. It is proposed that this cost will be funded from the Governors Contingency (included in the overall Programme Budget Envelope of [REDACTED] and noted to the BRC in the financial reporting.

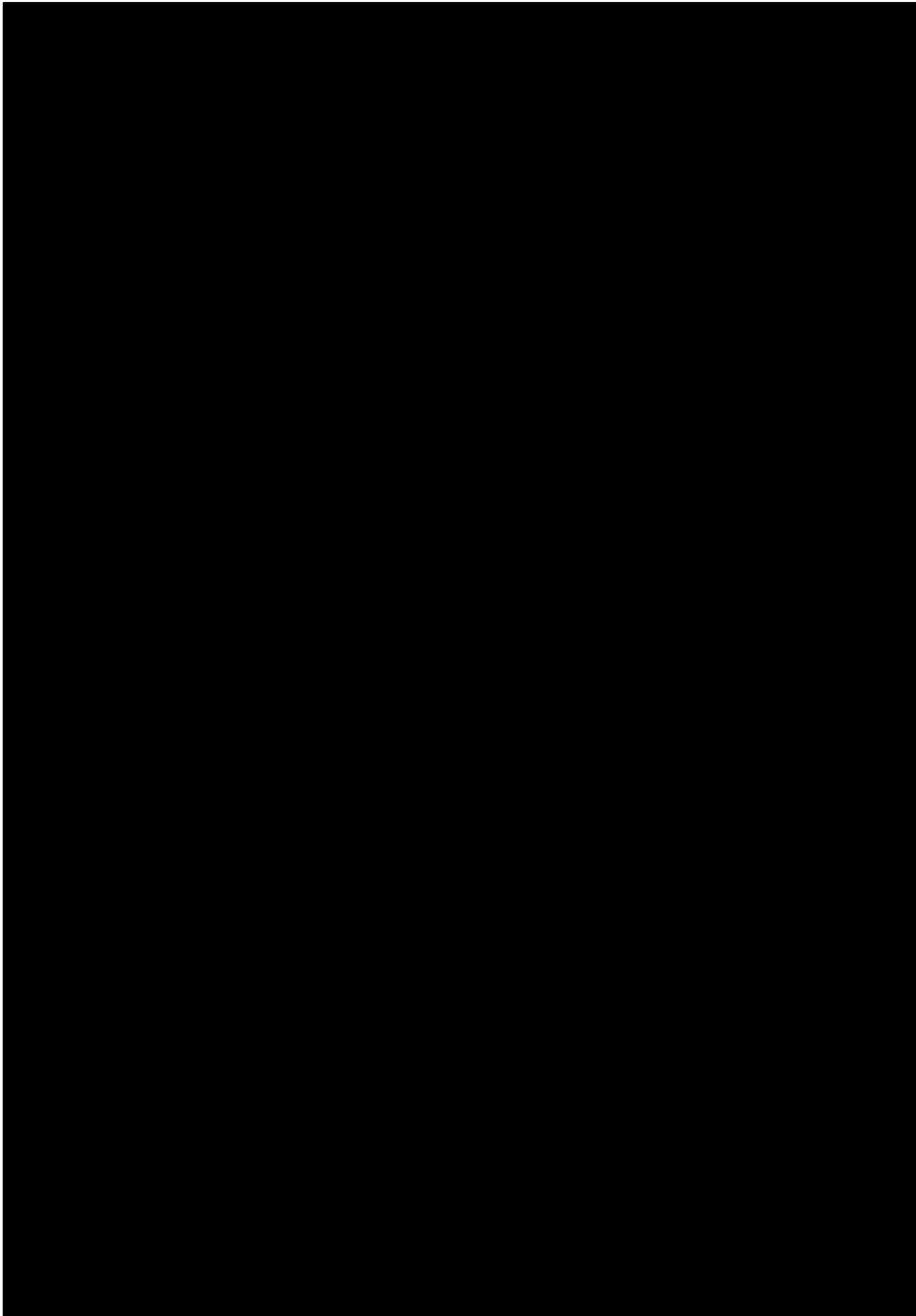
⁶ This paper builds on information provided in Commission papers 141, 154, 223, 240, 305 of 2018 and C19 119, C19 158 and C19 205

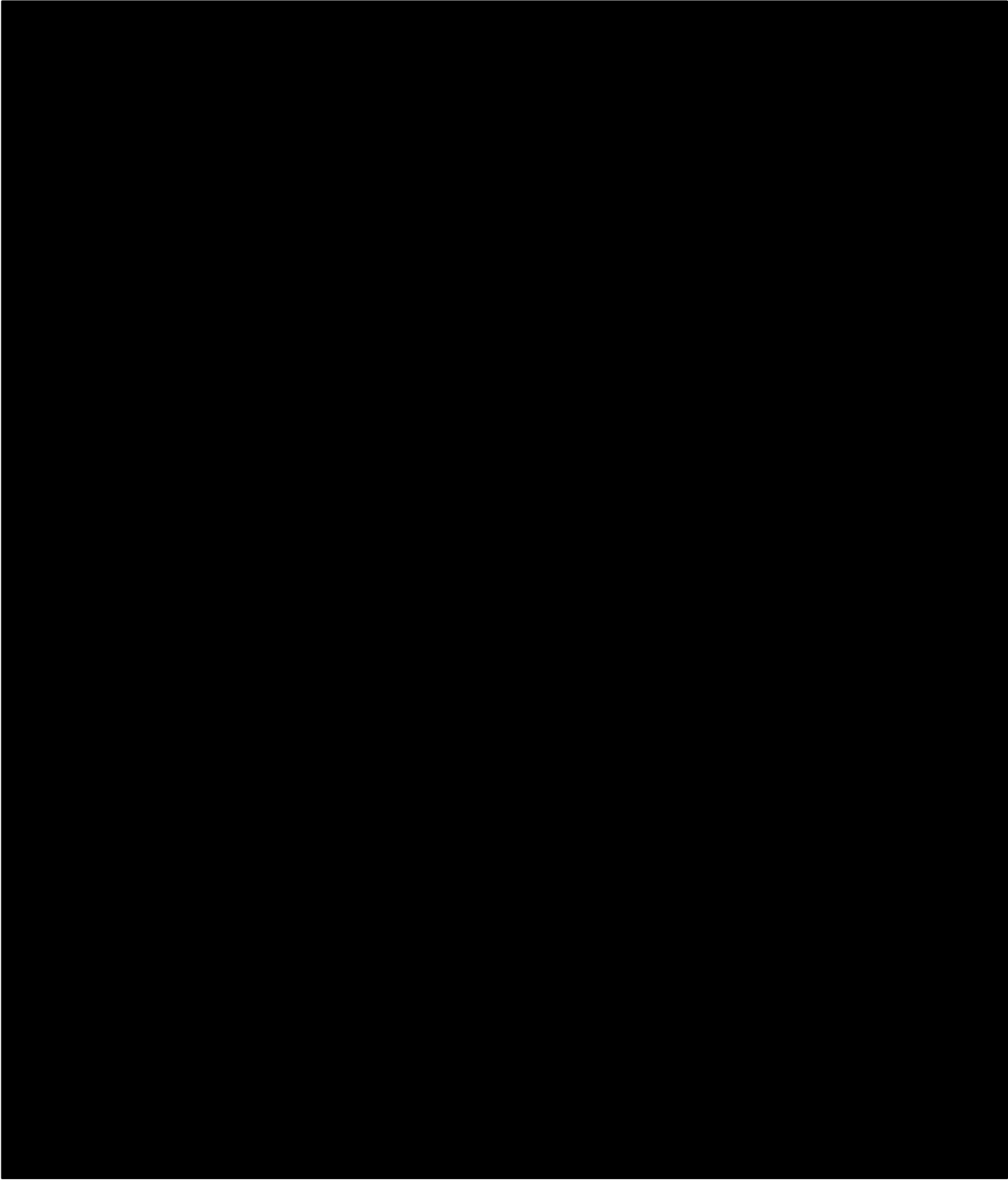
The Risk Committee is requested to:

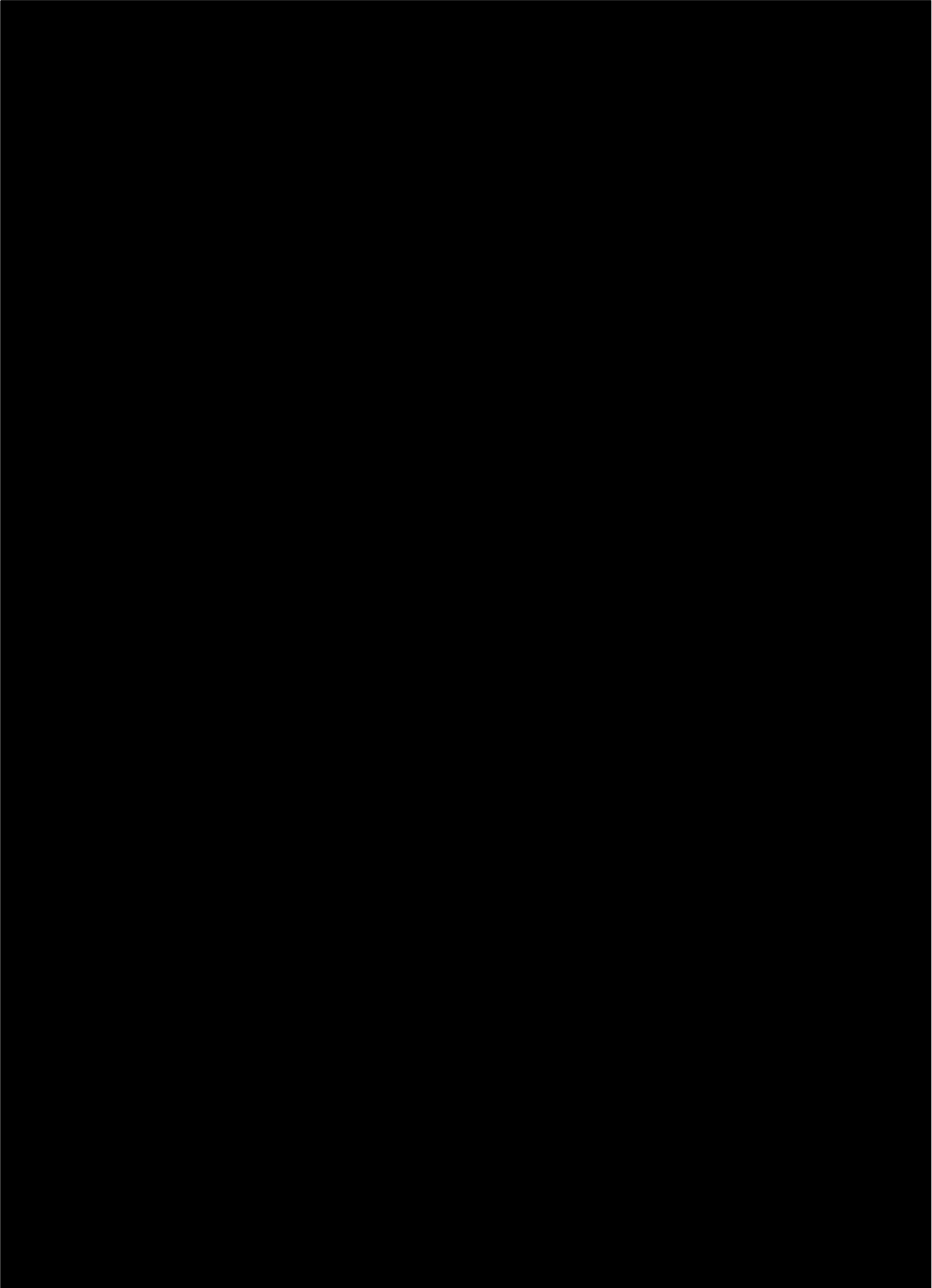
- note that the Dublin Landings (DL4/5) project will be incorporated into a new Programme named the NWQCDP;
- 
- agree the position of the CRC within the NWQCDP governance structure; and
- note the current risks and mitigations of the NWQCDP.

APPENDIX No.1 North Wall Quay Campus Development Programme Governance











CENTRAL BANK OF IRELAND

Circulated to the Risk Committee

on 22 November 2019

Paper No. C19 327

FOR INFORMATION

NWQ CAMPUS DEVELOPMENT PROGRAMME

STATUS UPDATE

Workplace Services and Estates Management Division.

Authors: 

NWQ CAMPUS DEVELOPMENT PROGRAMME - STATUS UPDATE

Executive Summary

In September the Risk Committee noted that the NWQ Campus Development Programme would report at each meeting, to allow the Committee to monitor the Programme risk profile. This paper is the first report and builds on the details provided in the September paper, and previous papers¹. Significant developments in the Programme since September include

- the completion of the contract for sale;
- agreement on scheme design for the atrium and associated bridges and stairs, link bridge and NWQ link staircase, IT Hub, tea stations, welfare areas in basement, bicycle and car parking and all associate finishes;
- Procurement of Purchasers Architect / Project Monitoring Team;
- [REDACTED]
- Deliberations on approach to Catering Strategy, and meeting room layouts have commenced.

[REDACTED]

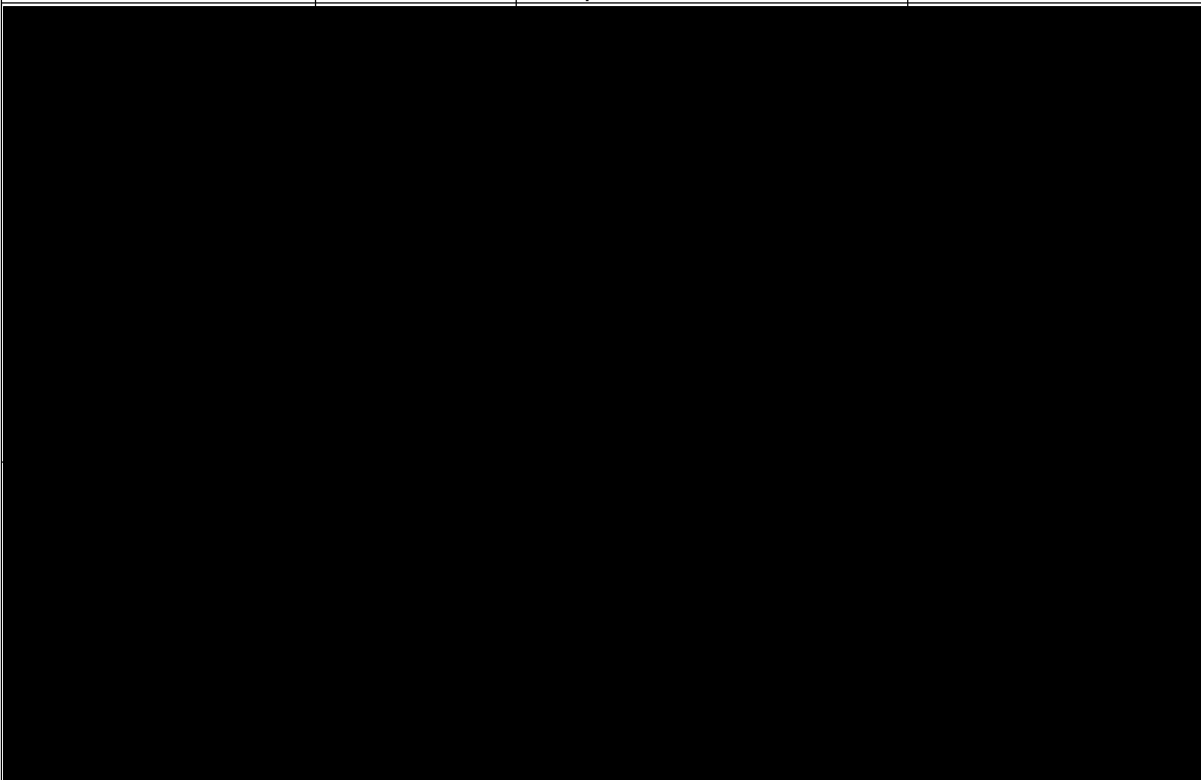
[REDACTED] This paper focuses on an update to the Programme risk profile.

The Risk Committee is requested to note the recent developments and current risks profile of the North Wall Quay Development Programme.

¹ This paper builds on information provided in Commission papers 141, 154, 223, 240, 305 of 2018 and C19/119, C19 158, C19 205 and C19 225

North Wall Quay Campus Development Programme Risk Profile Update

Risk	Status	Update	Action
<p><i>Misalignments between the two projects within the programme</i></p>	<p>Risk increased</p>	<p>An absence of lead resources has resulted in a delay [REDACTED]</p> <p>[REDACTED]</p> <p>This has caused delay to the overall design phase. The impact of this includes a delay to concluding the fixed price with the fit out contractor, and delays to completing the final design. There is a potential that the overall completion date - targeted for Q1 2021 - may be delayed however it is too early in the Programme to estimate this. An integrated plan for the overall Programme has not yet been completed</p>	<p>[REDACTED]</p> <p>An integrated plan is expected to be completed in Q1 2020.</p>



Changes to the DL4/5 Building design	Risk increased	Detailed design is proceeding on the basis of General Arrangement (GA) drawings of August 2019. The assumptions underlying these agreed GAs are being validated, consequently design and or construction changes may be required which if identified too late will incur costs and delays to implement, the exact magnitude of which will be dependent on the nature and size of the change and when it is instructed.	A schedule of Design sign off meetings has been prepared. The first meeting agreed scheme design for Atrium and associated Bridges and Stairs, Link Bridge and NWQ Link Staircase, IT Hub, Tea Stations, Welfare areas in basement, Bicycle and Car Parking and all associate finishes. Remaining on plan
Leasing of Premises	No change	We are designing the tenant space and the operating model to appeal to as broad an audience as possible. The Banks leasing agent (Lisney) plan to go to market early in 2020 to ensure there is ample opportunity to secure tenants.	
Risk to the financial health of the programme	No change	The purchase has been concluded within budget. There is currently no substantive change to the Order of Magnitude costs for the Fit Out.	The design is progressing on the basis of circa [REDACTED] cost for the upgrades to achieve BER A2 rating, which will be taken from the contingency envelope.
Risk that DL4/5 will not as energy efficient as NWQ	Risk decreasing	A Works Proposal to increase the energy rating of DL4/5 in line with that of NWQ has been requested to be included in the Fit Out Works Proposal.	

<p><i>Risk the design will not provide appropriate resilience to the integrated campus</i></p>	<p>Risk decreasing</p>	<p>The intent is that both premises will be stand alone in event of failure of either building</p>	<p>A change in IT Network design to achieve independence between premises change has been approved. Design of Security infrastructure is being prepared to provide resilience between premises.</p>
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CENTRAL BANK OF IRELAND

Circulated to the Risk Committee

on 18 February 2020

Paper No. C20 040

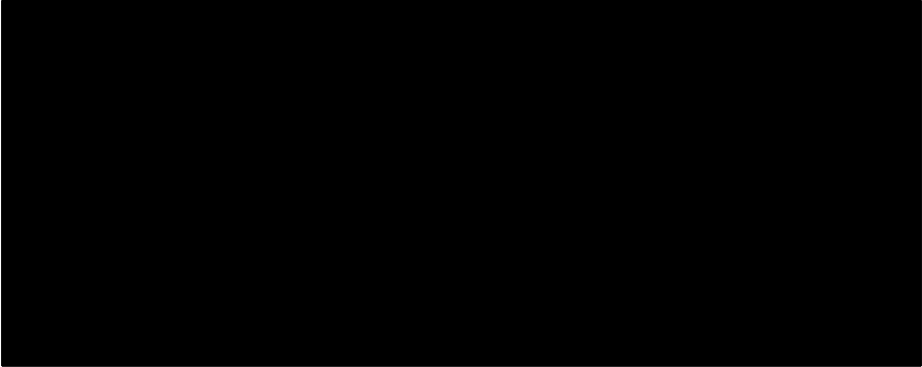
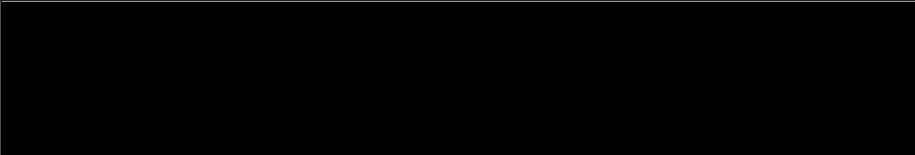

FOR INFORMATION

CAMPUS DEVELOPMENT PROGRAMME STATUS UPDATE

Currency and Facilities Management Directorate

Authors 

Commission Risk Committee	<p style="text-align: center;">Campus Development Programme</p> <p style="text-align: center;">Status Update</p> <p style="text-align: center;">For Information</p>
Issue	<p>In September 2019 the Risk Committee noted that the Campus Development Programme (CDP) would report at each meeting, to allow the Committee to monitor the Programme risk profile.</p> <p>This paper provides the regular update on risk relating to the Campus Development Programme.</p>
Key Points	<p>The overall Programme risk profile remains unchanged:</p> <ul style="list-style-type: none"> • There is currently no substantive change to the Order of Magnitude costs for the fit-out work and; • The Buildings and Premises project remains on track to achieve practical completion by the end of Q2 2021. <p>Significant developments in the Programme since November include:</p> <ul style="list-style-type: none"> • Agreement on the Contract Sum for the fitout is being reached with the Contractor with 55 per cent of the cost fixed and 45 per cent set as Provisional Sums, the latter to be fixed by June 2020 once all the detailed design has issued to the Contractor. A cost review governance process with the Director of Currency & Facilities is in place and a Cost Management Process is being agreed with the Quantity Surveyors. • The new building is weather proofed and ready to commence fit out, with a scheduled 'start on site' date of 17 February 2020. The Bank is working with the Developer to confirm proposals for a completion date for the fit-out. • High Level design has now been agreed, with a final presentation to the Bank by the Design Team scheduled for the end of the February. Detailed design based on the high level design will then commence and is anticipated to conclude in circa June 2020.

	<p>Other items of note relating to the Programme:</p> 
<p>The Commission Risk Committee is invited to:</p>	<p>The Risk Committee is requested to note the recent developments and current risk profile of the Campus Development Programme.</p>
<p>Other Business Areas Consulted</p>	<p>Not applicable</p>
<p>Communications Requirements</p>	<p>Not applicable</p>
<p>Authors</p>	
<p>Approver</p>	

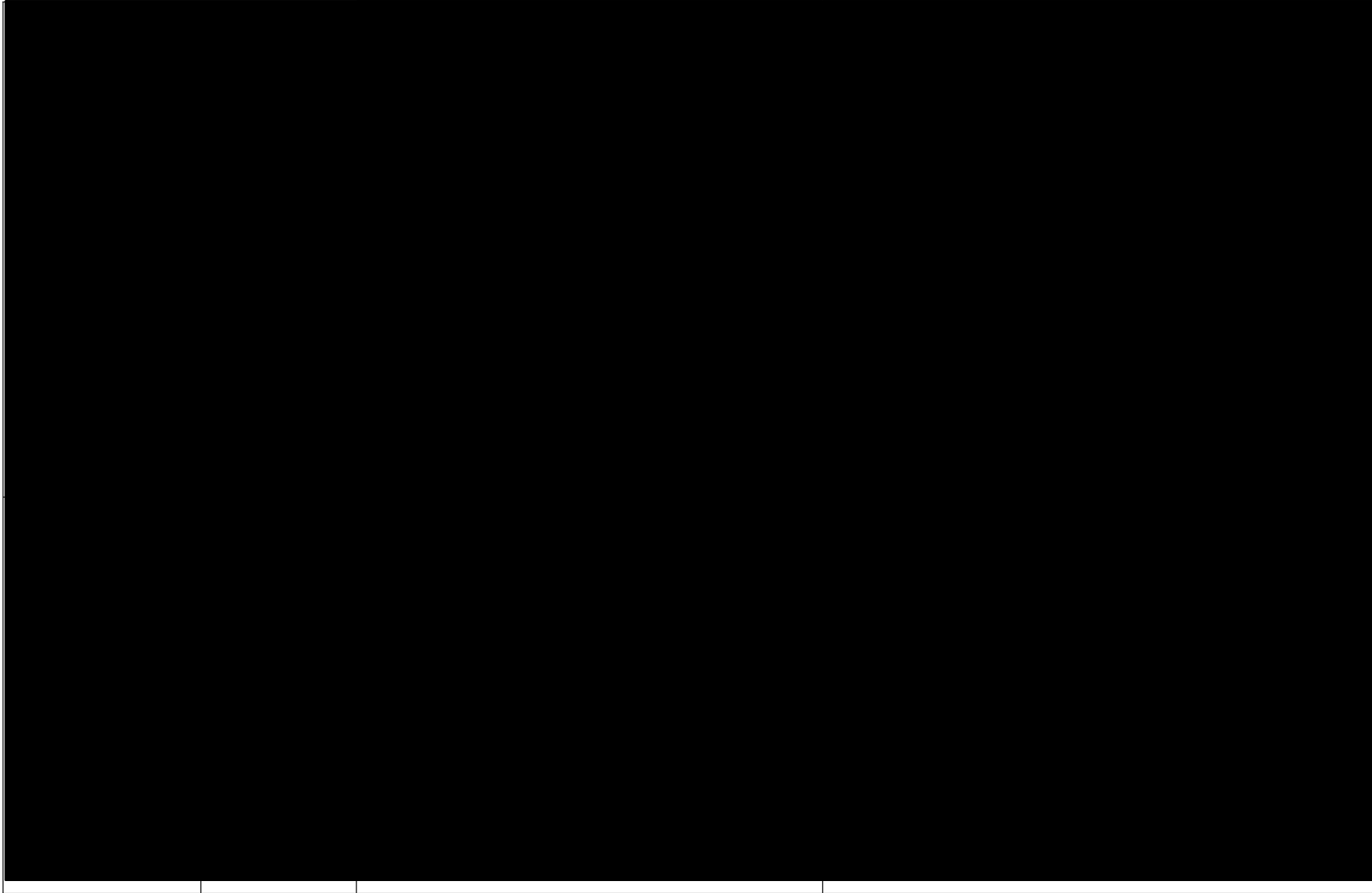
North Wall Quay Campus Development Programme Risk Profile Update

Risk	Status	Update	Action
<p><i>Risk to the financial health of the programme</i></p>	<p>Green Status No change</p>	<p>The purchase has been concluded within budget. There is currently no substantive change to the Order of Magnitude costs for the Fit Out. The Contract Sum is in the process of being agreed with the Contractor, of which 55 per cent has been fixed (for the bridge, Cores and tenant floor fitout) and 45 per cent will be Provisional Sums to be fixed by developer with contractor as the detailed design is finalised. This process is anticipated to end in June 2020.</p>	<p>The design is progressing on the basis of circa [REDACTED] cost for the upgrades to achieve BER A2 rating, which will be taken from the contingency envelope.</p>



<p><i>Risk the design will not provide appropriate resilience to the integrated campus</i></p>	<p>Green Status Risk decreasing</p>	<p>The intent is that both premises will be stand alone in event of failure of either building. An extensive review has been carried out by ORD in this regard. Several recommendations have been made and these have been incorporated into the overall campus design. The IT and Security network designs have been updated to incorporate building resilience ensuring that the IT and Security for the buildings on the campus can operate independently.</p>	<p>A change in IT Network design to achieve independence between premises change has been approved. Design of Security infrastructure will provide resilience between premises.</p>

<p>Changes to the New Building design</p>	<p>Green Status No change</p>	<p>Detailed design is proceeding on the basis of General Arrangement (GA) drawings of August 2019. The assumptions underlying the agreed GAs are being validated, consequently design and or construction changes may be required. However, it is not anticipated that any large changes will now be made to the GAs.</p> <p>As the programme progresses, changes to the design or construction will have a greater impact on costs and/or time to implement.</p>	<p>A schedule of Design sign off meetings will be completed in February 2020.</p>
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Commission	Campus Development Programme – Progress Update For Information
	Circulated to Commission members on 17 April 2020 Paper No. C20 127
Issue	The purpose of this paper is to brief the Commission on the status of the Campus Development Programme.
Key Points	<p>The risk of a delay to the completion of the construction works for the fit-out of the new buildings, due to the restrictions in place as a result of the COVID-19 Emergency, is high. The risk could result in additional costs to the Programme. The scale of and liability for these additional costs has yet to be determined.</p> <p>[REDACTED]</p> <p>[REDACTED] Delayed identification of material changes to the design of the workplace, emerging from the project, could create delays and increase costs for the overall Programme.</p> <p>[REDACTED]</p> <p>The programme is working to identify the materiality of the potential risks across the Programme and steps to mitigate the risks.</p>
The Commission is invited to:	note the status report of the Campus Development Programme.
Other Business Areas Consulted	Not Applicable
Communications Requirements	Not Applicable
Authors	[REDACTED]
Approver	[REDACTED]

Campus Development Programme – Progress Update

Executive Summary

The purpose of this paper is to provide the Commission with a status update on the Campus Development Programme. This paper builds on the details provided to the Commission in previous papers, including May 2019 when the Commission approved the overall indicative cost envelope of [REDACTED] for the Programme, and outlines the risks emerging due to the impact the COVID-19 pandemic to the successful delivery of the Programme, in terms of time, quality and cost.

As at 1 March 2020 the Programme was reporting a RAG status of Green. At that date the Programme was broadly achieving all key milestones, was forecasting to remain within the approved budget envelope, and overall risk profile of the programme was acceptable. The Programme had developed high level plans with supply stakeholders for the completion of the programme and had prepared indicative timelines for moving into the new premises, and the most likely scenario was that the relocation would be completed by end of September 2021. However, the developments arising from the COVID-19 pandemic will have a material impact on the Programme. All supply stakeholders have indicated significant risks to meeting the timelines previously provided and the Programme is now reporting a RAG status of Red.

While the full impact of the COVID-19 Emergency measures on the Programme have yet to be determined, it can be expected that works to complete the construction of the new premises and the fit out works will be delayed. [REDACTED]

[REDACTED] There are a number of significant risks identified so far that could materialise from the impact of the COVID-19 pandemic and adversely impact on the Programme in terms of quality, cost, and time. The paper provides a high level summary of the risks. The top risks are: a delay to the construction and fit out of the premises due to government restrictions; the cost of the construction works and Fit Out works will exceed budget due to delay costs being passed to the Bank and cost increases in the supply chain; [REDACTED]

[REDACTED] The programme is working to identify the materiality of the potential risks and steps to mitigate them.

The Commission is invited to note the status report of the Campus Development Programme.

1. Overview

The purpose of this paper is to brief the Commission on the status of the Campus Development Programme. This paper builds on the details provided to the Commission in previous papers¹, including in May 2019² when the Commission approved the overall indicative cost envelope of ██████ for the Programme (including ██████ contingency allowance, drawdown of which has to be approved by the Governor with notification to the Budget and Remuneration Committee). The Programme has reported regular² updates on its risk profile to the Commission Risk Committee. This paper provides an update on the Programme in the context of the COVID-19 outbreak and emerging risks arising from measures related to the COVID-19 Emergency.

2. Overall Programme Status

As at 1 March 2020 the Programme was reporting a RAG status of Green. At that date the Programme was broadly achieving all key milestones, was forecasting to remain within the approved budget envelope, and the overall risk profile of the programme was acceptable. The Programme had provided regular updates to the Commission Risk Committee (CRC), and the most recent report was presented in February 2020³. The Programme had developed high level plans with supply stakeholders for the completion of the programme and had prepared indicative timelines for moving into the new premises. The timelines were based on three possible scenarios – an optimistic scenario where the relocation would be completed by end of July 2021; a pessimistic scenario where the relocation would be completed by end of November 2021; and the most likely scenario was that the relocation would be completed by end of September 2021. However, the developments arising from the COVID-19 pandemic will have a material impact on the Programme. All supply stakeholders have indicated significant risks to meeting the timelines previously provided, and the Programme is now reporting a RAG status of Red.

¹ Commission papers 141, 154, 223, 240, 305 of 2018; C19 119, C19 158, C19 205.

² Commission Risk papers C19 225, C20 040

³ Paper C20 040

⁴ The developer has formally put the Bank on notice, as per the terms of the contract, of a delay.



3. Emerging risks to the delivery of the Programme in light of the COVID-19 outbreak

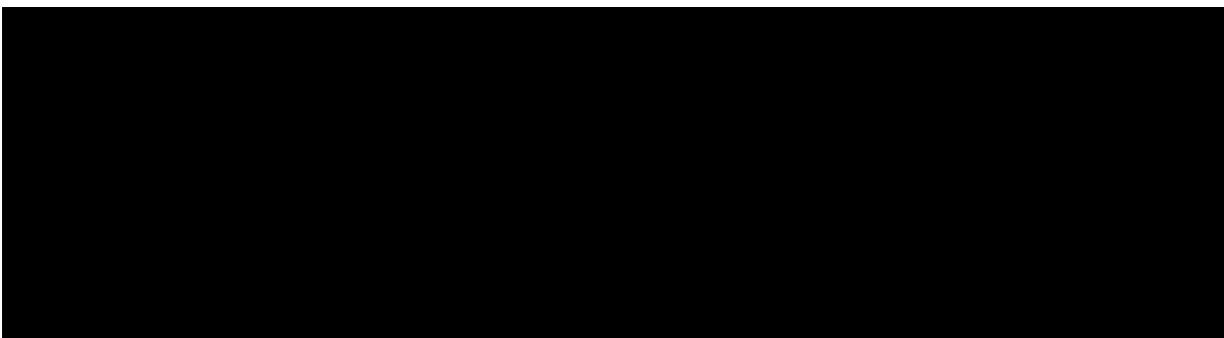
A detailed risk log is maintained by the Programme. To date the full impact of the COVID-19 pandemic on the programme has yet to be determined, and the programme is working to identify the materiality of the related emerging risks and steps to mitigate them. Summarised below are the likely risks identified so far that could materialise from the impact of the COVID-19 pandemic on the Programme:

3.1. Risks to Building & Premise Project

- **The Design Process will be delayed.** This risk is considered low, as all design team members are working remotely and continue to work as per the agreed schedule. The scheme design process is 100 per cent complete, while the detailed design process remains on schedule to be completed by the end of June 2020. Progress is being closely monitored by the Project team with regular touch points with our external Project Managers and Cost Consultants.
- **The Construction of the premises will be delayed.** This risk is considered high, as following direction from the Government on 27 March 2020, all construction work on site ceased on

30 March, when the site was closed down and secured. The duration of the shutdown is unknown so the impact on the scheduled final completion date for works⁵ has not yet been determined. While the onsite works have ceased, the Contractor is continuing, where possible, procurement/ordering processes to minimise delay when the site is re-activated.

- **The cost of the construction works and Fit Out works will exceed budget.** This risk is considered high, as there is no precedent for allocation of liability for delay costs in this scenario. The Main Contractor, Walls Construction Limited (WCL) have formally notified the Employer (Oxley) that the Works are being delayed and they will seek an Extension of Time in relation to the COVID-19 pandemic. The scale of the cost impact is yet to be confirmed. There are several aspects that could affect the costs – e.g. delays and costs associated with Extensions of Time, site de-mobilisation and re-mobilisation, costs for extension to professional services, replacement material uplift etc. The programme team are working with our external industry professionals (Cogent Project Managers, Aecom Quantity Surveyors), the developer, our internal legal team, and our external legal advisors (McCann Fitzgerald) to determine options for the Bank’s response to potential claims for costs. In addition, the Programme continues to be informed by national developments, Construction Industry Federation statements, and developments with large public service construction programmes. It may be some time before the programme will have a definitive position on the consequences of the delay and where liability for any delay costs may lie.
- **Delay to delivery of products, and increase in costs, for Client Direct Contracts (IT/AV, Furniture, etc.):** This risk is considered high as while the specific impact on the supply chains for the client direct contracts has not yet been determined our advisors consider the likelihood of delay, and possible increase in costs due to stock shortages, to be high. In relation to supply of IT/AV products, some mitigations have been identified relating to the design schedule, however no specific cost impacts relating to supply chain can be identified at this time.

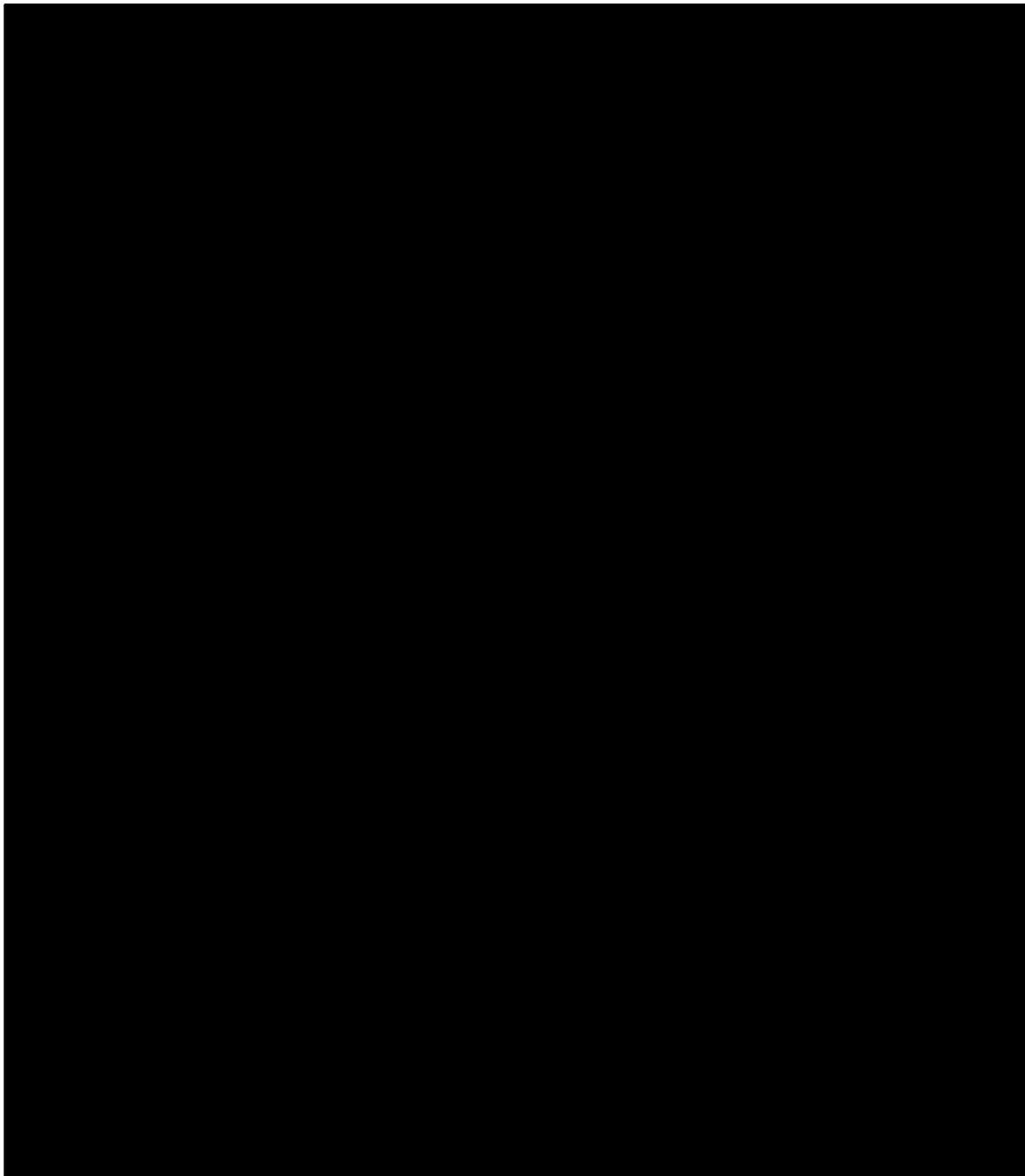


⁵ Prior to Covid-19 the scheduled date for completion of the works was circa end May 2021

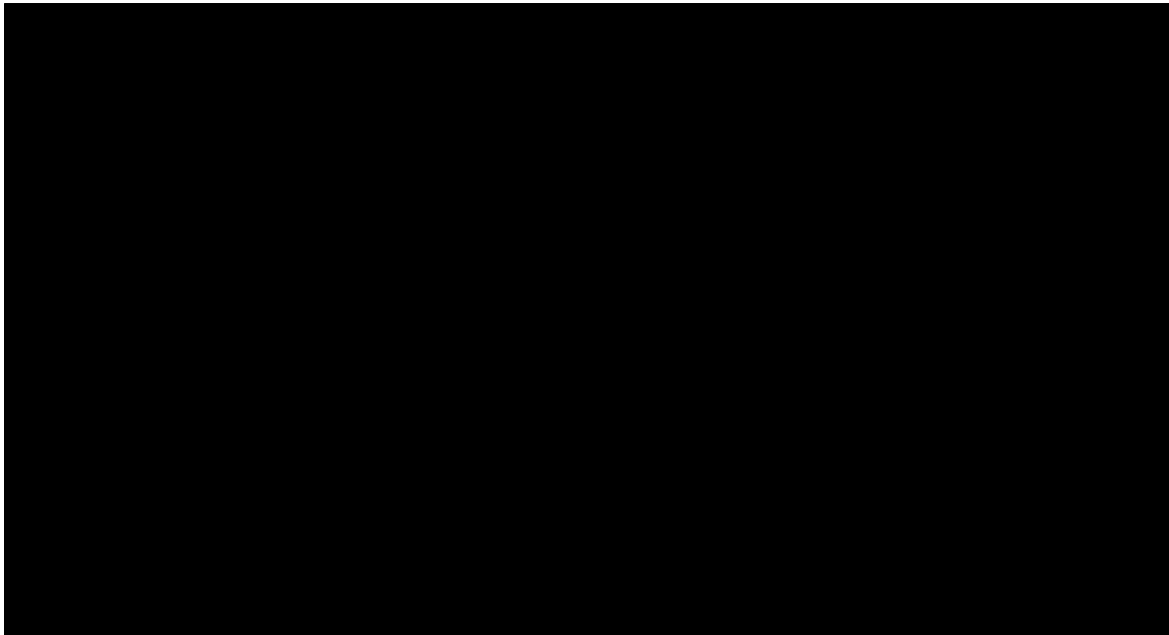


Appendix 2 provides a detailed assessment of the current impact of COVID-19 on the work streams in the Building & Premises project.

3.2. Risks to Work Place Experience Project:

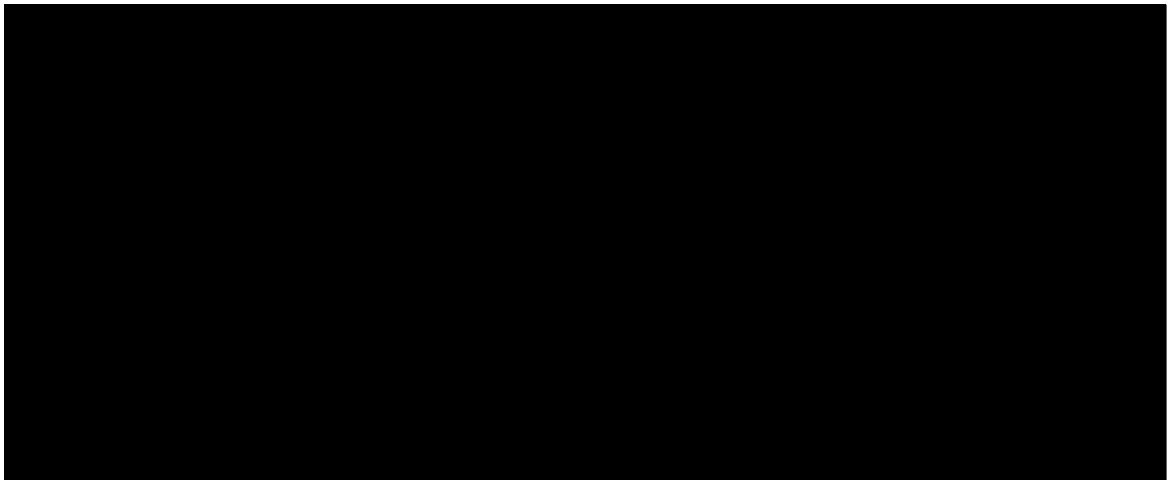


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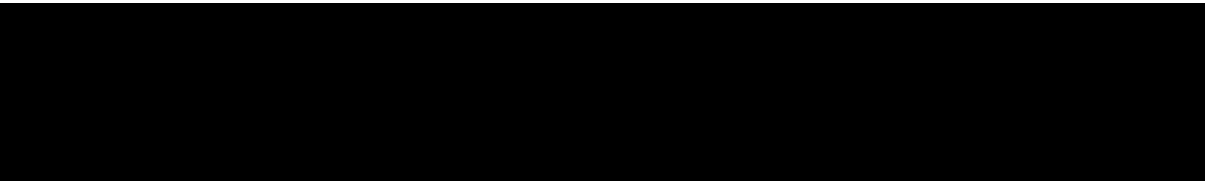


Other risks relating to the integrated Programme

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The forecast budget for spend on the premises over the next 18 months is circa [REDACTED] the detailed design of works to implement the pedestrian bridge to link the NWQ building and the new building have commenced and the physical works⁹ will commence in October 2020. A business rationale for the new premises is to provide improved proximity for all staff working the city centre, however if the required levels of staff can be accommodated on a day to day basis in one building the



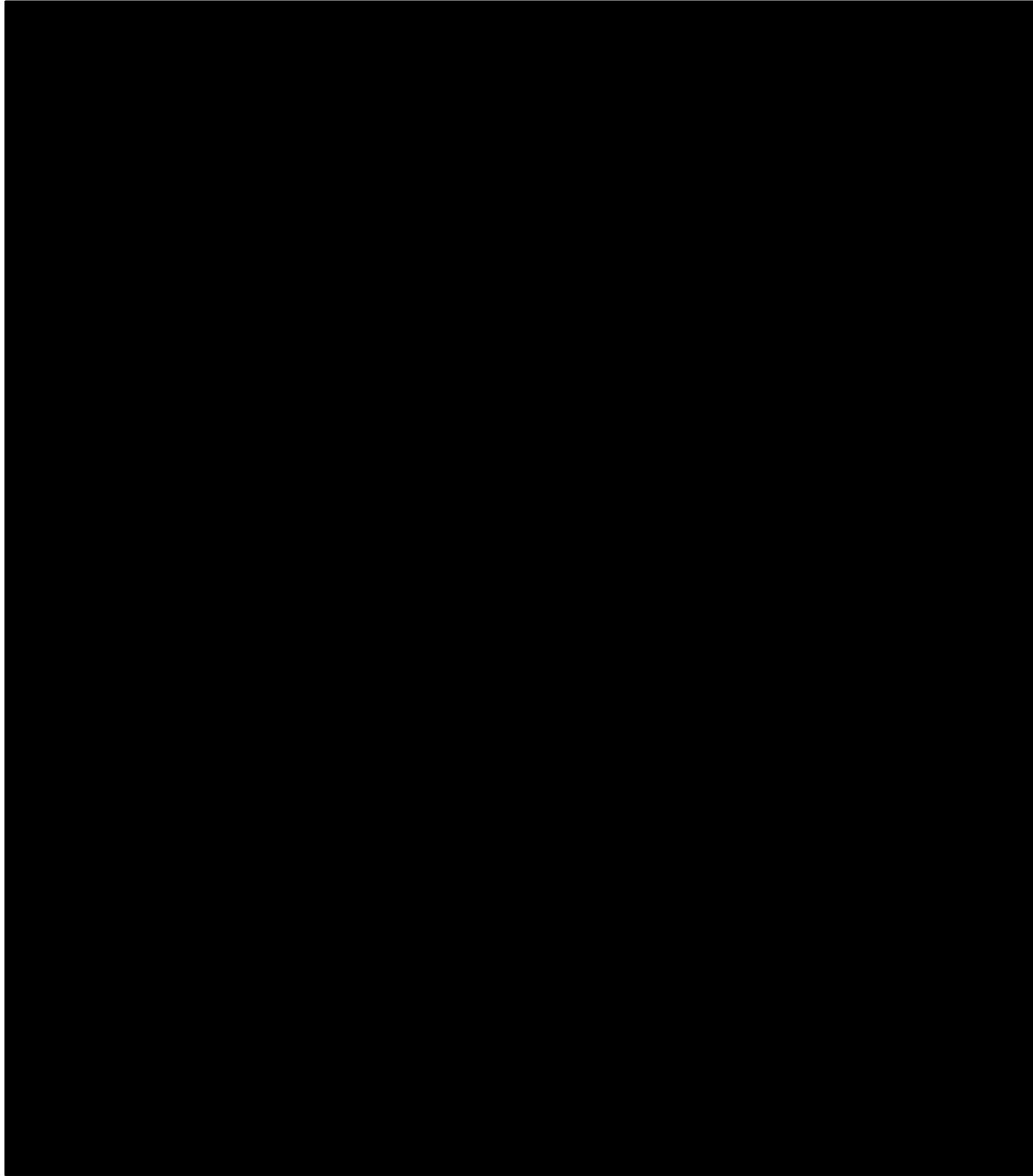
⁹ Physical works include 'breaking in' to exterior envelope of both buildings, and construction of a new stair case in NWQ.

case for proximity may no longer be required.

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4. Conclusion

To date the full impact of the COVID-19 pandemic on the programme has yet to be determined, and it is unlikely that the full impact can be assessed until Government plans for the phased lifting of restrictions is published. The programme is working to identify the materiality of the



current risks and steps to mitigate them. It can be expected that the variables and environment within which the Programme will operate for its duration over the next 18 to 24 months will be very fluid and risk management will remain a key element of managing the Programme.

The Commission is invited to note the status report of the Campus Development Programme.

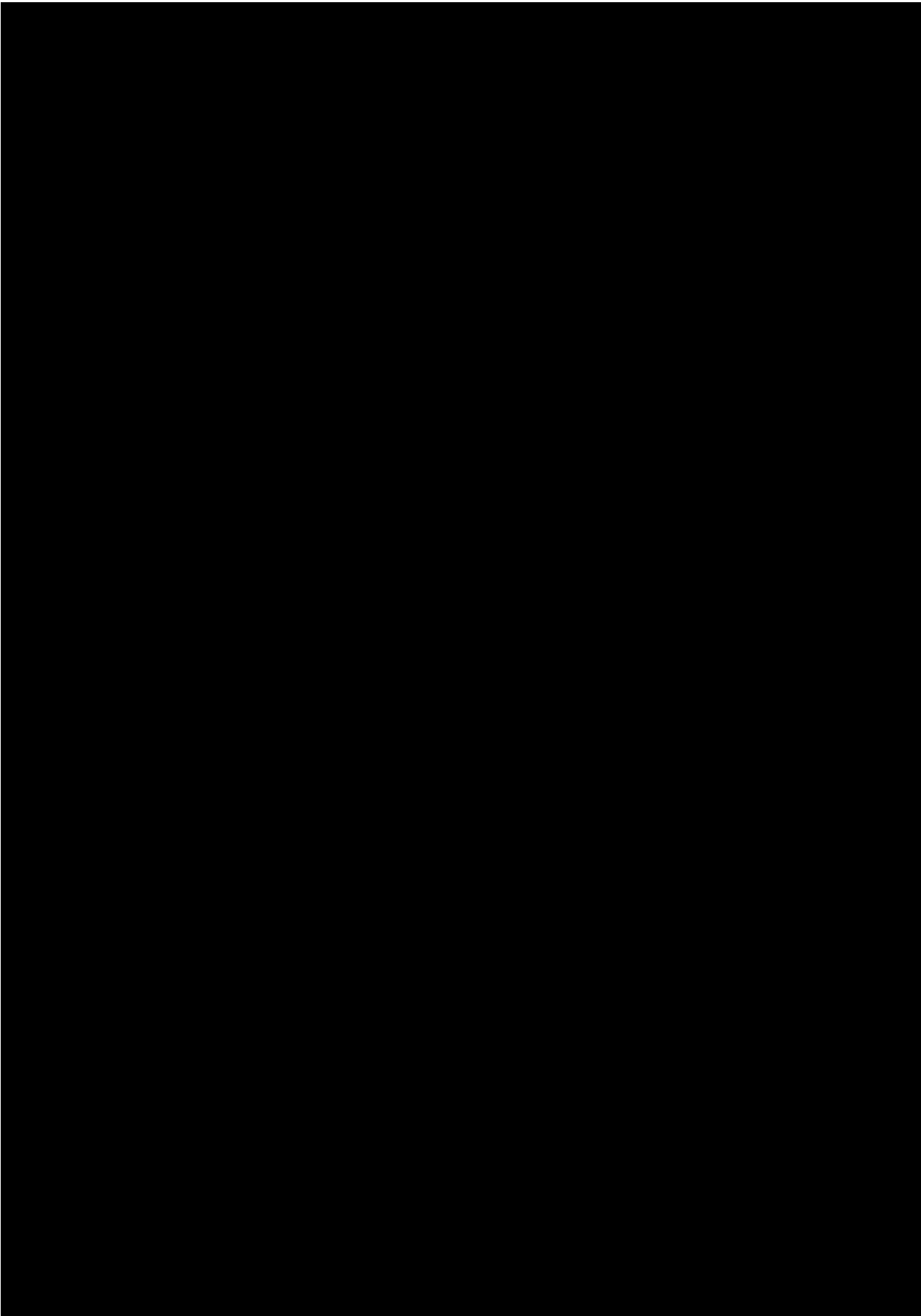
Appendices

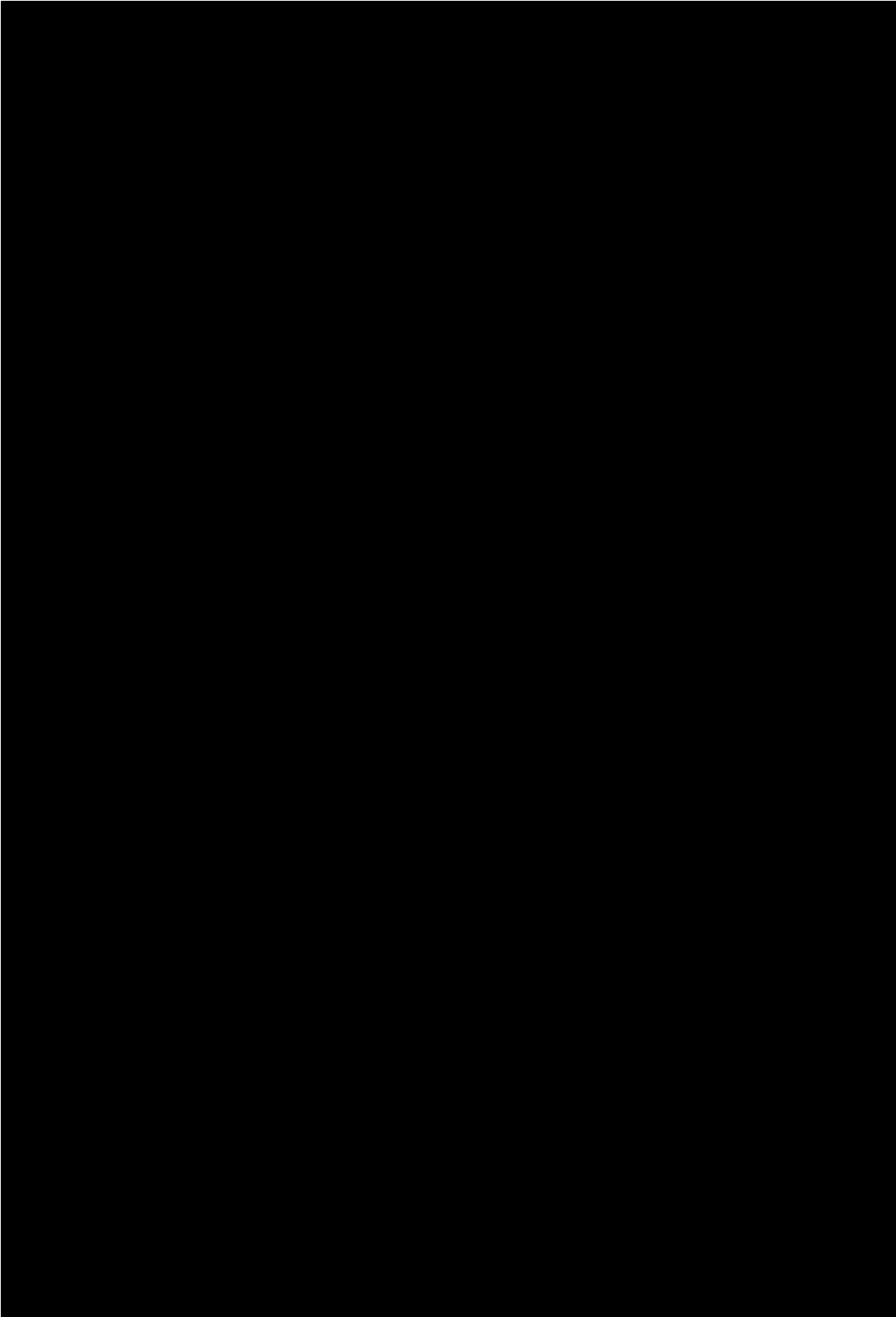
Appendix .1: Programme Governance.

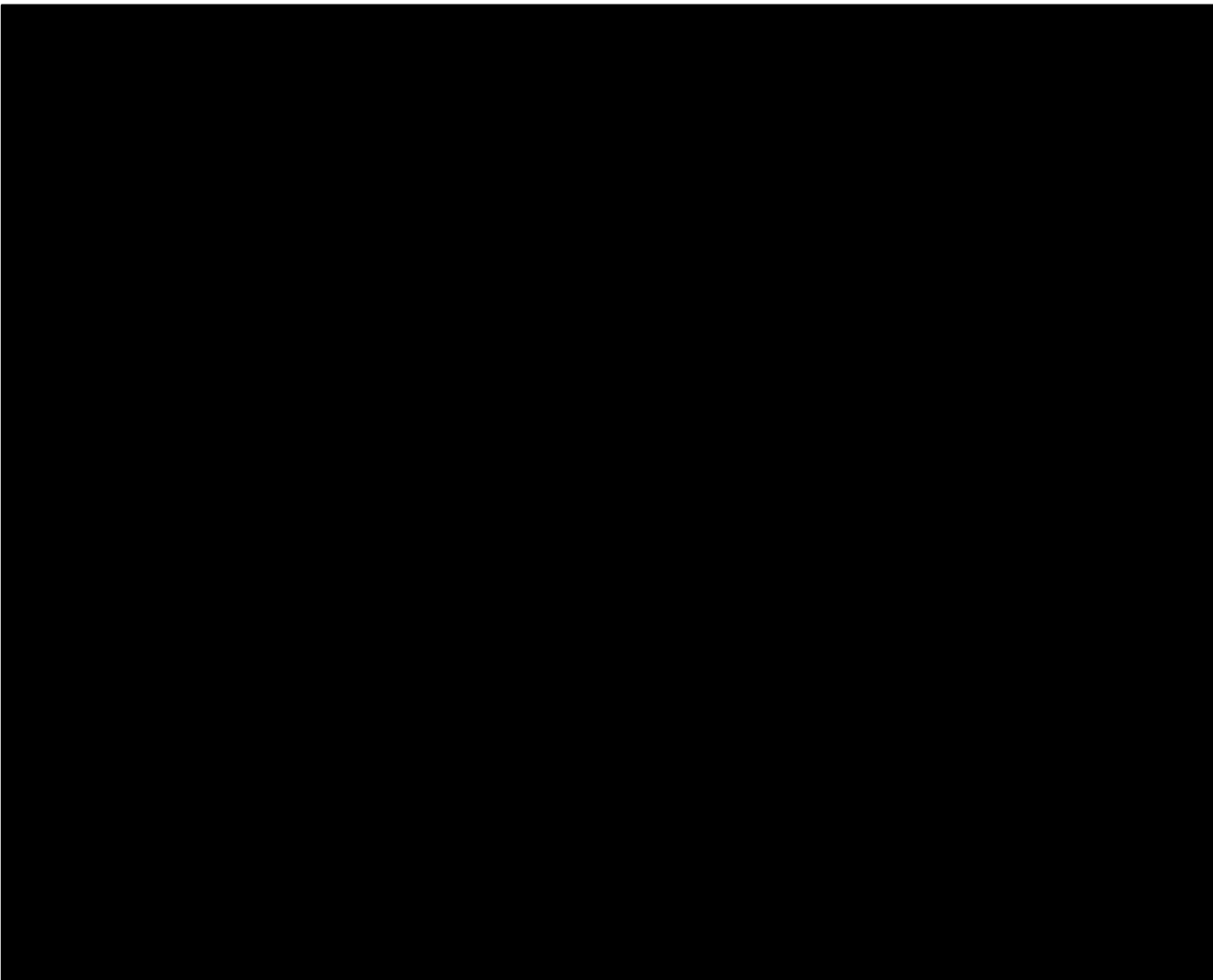
Appendix.2: Update on impact of COVID-19 on the Building & Premises Programme as of 8 April 2020

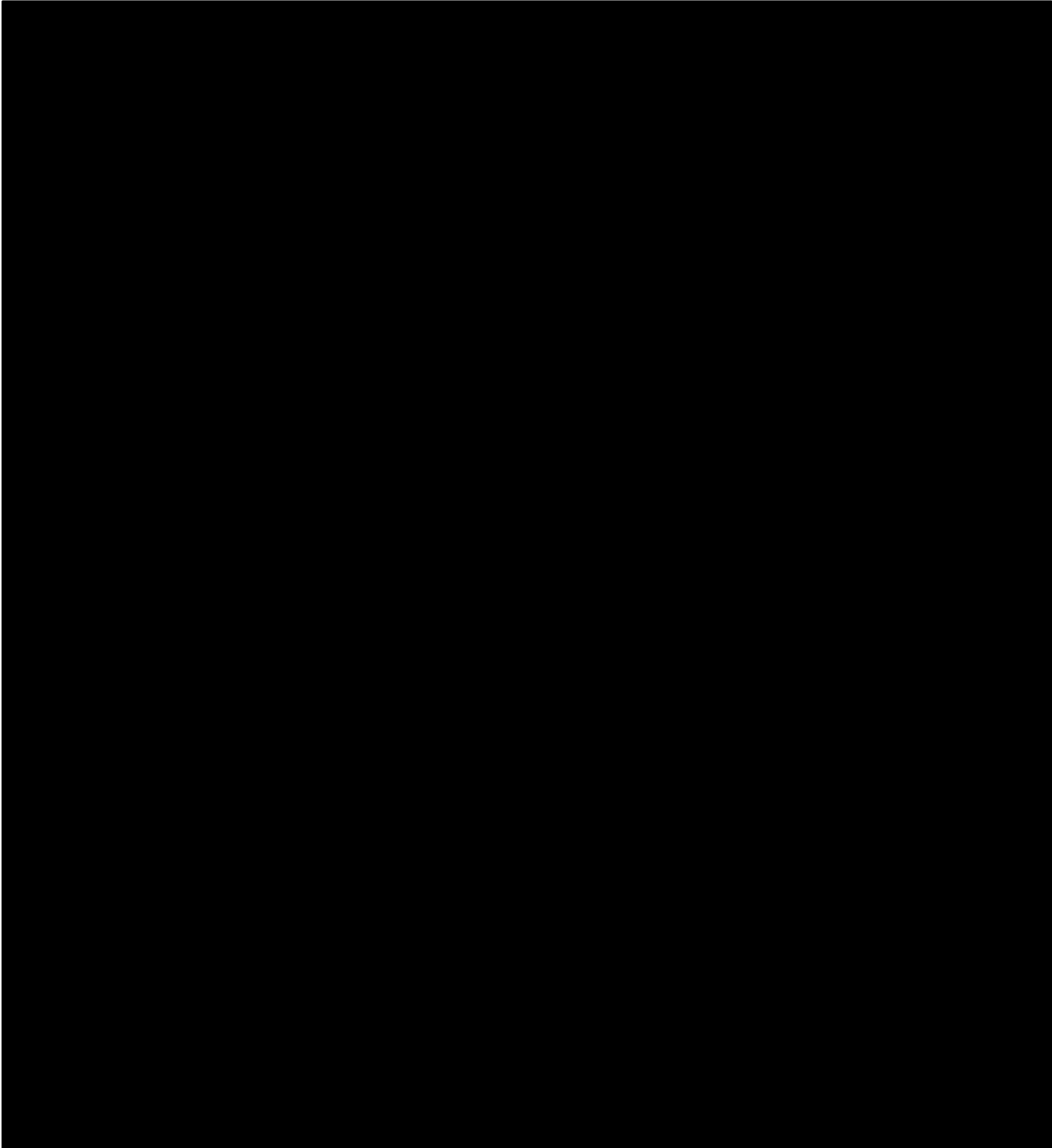
Appendix 3: Additional Works – Uplift of building to A2 Building Energy Rating

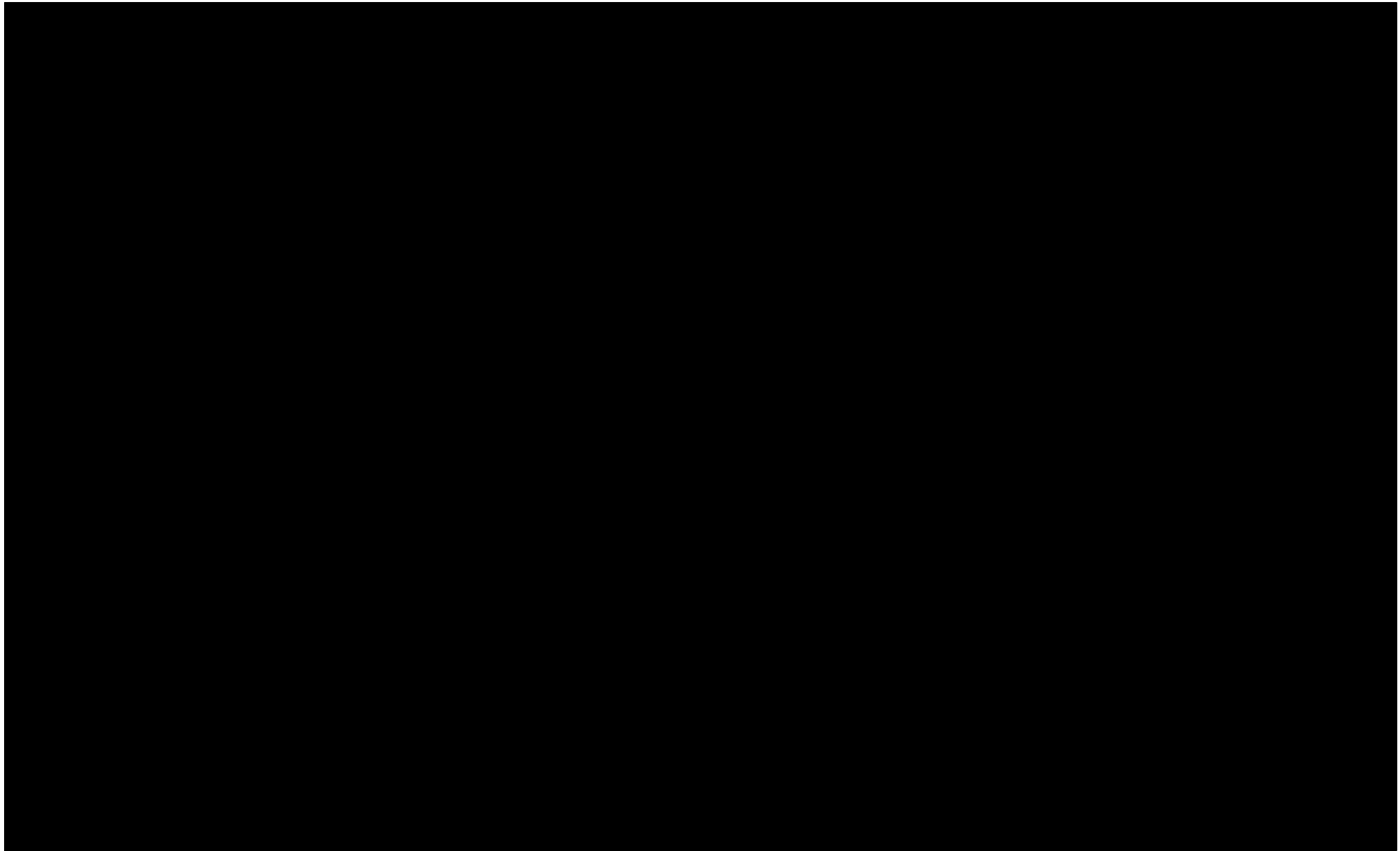
APPENDIX 1. Programme Governance













APPENDIX 2. Update on impact of COVID-19 on the Building & Premises Programme as of 8 April 2020

1. Optional Works

1.1. Background

The Bank entered into a contract with Oxley Docklands Quay Two Limited (“Oxley”) to purchase No 4&5 Dublin Landings. The Bank subsequently instructed Oxley to complete additional works including the fit-out of the new buildings, integration works and the link bridge (“Optional Works”). Oxley engaged Walls Construction Limited (the “Contractor”) to complete the Optional Works.

1.2. Construction & Development Management

As of the morning of 28th March 2020 all ‘non-essential’ construction ceased on the direction of the Government. The Optional Works are deemed ‘non-essential’ and all works have ceased. The Contractor, in co-operation with the local Gardai, has secured the site. A structured close down of the site was carried out by the Contractor and evidence supplied to the Bank.

In letters dated 13 and 31 March 2020 the Contractor notified Oxley that the Optional Works are being delayed and they will be seeking an extension of time in relation to matters arising from the COVID 19 pandemic. They advised the situation remains extremely fluid and are unable at this stage to assess the full impact of the pandemic on the Optional Works. They also advised the suspension of the works will likely impact on proposed material delivery dates. The Contractor has committed to using their best endeavours to mitigate any delay and disruption by attempting to carry out as much work remotely as possible. In this regard the Contractor believe there is an opportunity to progress with necessary design works to prepare and issue ‘for construction drawings’ thereby ensuring that upon resumption of works full production can be achieved as soon as possible.

Similarly, on 2 April 2020 Oxley wrote to the Bank, notifying of a potential delay event under the Bank’s contract due to the effects of COVID-19 which may warrant an extension of time of all ongoing works.

Neither letter is in itself a claim, merely notification that a future claim is likely. We are currently assessing all likely possibilities to ensure the Bank takes any necessary actions in a timely manner. As part of this work stream, [REDACTED]

1.3. Design

Oxley's Design Team are all working remotely and productivity is strong, with the team continuing to work successfully at this time to the design programme included in the construction contract. This will mitigate schedule risks i.e. the more design complete when construction restarts the greater the mitigation of delay that will be possible. Notwithstanding this, the delay to the overall Optional Works Programme is likely to incur additional design and development management fees

1.4. Site Monitoring

The Site Monitoring Team employed by the Bank is continuing to undertake their role on the project, however the delay to the overall Optional Works Programme is likely to incur additional fees for the Site Monitoring Team.

1.5. Project Management and Quantity Surveying

The PM and QS employed directly by the Bank are all working remotely and successfully providing all deliverables to programme. Notwithstanding this, the delay to the overall Optional Works Programme is likely to incur additional PM and QS management fees. In addition there are likely to be additional exercises required in order to evaluate the potential impacts of this delay on the programme and cost of the fit out works

1.6. Statutory

Work on Statutory applications is ongoing. The project has planning permission. A 7 Day Notice application for the Optional Works was lodged 16th March 2020, along with the Fire Safety Certificate application. This 7 Day Notice facilitates commencement of works prior to the issue of the Grant of Fire Safety Certificate. The Disability Access Cert application is under development by Oxley's Design Team and is scheduled to lodge on the 17.04.2020.

1.7. Insurance

The Optional Works are insured under an Owner Controlled Insurance Policy and the insurers are being kept apprised on all developments on an ongoing basis.

1.8. Cost Management

The latest Cost Report from Oxley dated 24 March 2020 and reviewed by the Bank's QS, confirmed that at that time the Optional Works were moving forward as planned with no material issues. Non-Construction Costs i.e. design and development fees and statutory payments, are being invoiced by Oxley on an ongoing basis for work completed. These are validated by the Bank's PM and QS and paid on that basis. The first Construction Cost claim for payment from the Contractor for works completed to end of March 2020 has been received by Oxley (value of circa €650k excl. VAT) and is being reviewed by their QS prior to being validated by the Bank's QS for payment by the Bank. Professional Services (PM, QS, etc.) are continuing to provide their services as per their contracts and are continuing to invoice and be paid.

1.9. Pedestrian Link Bridge

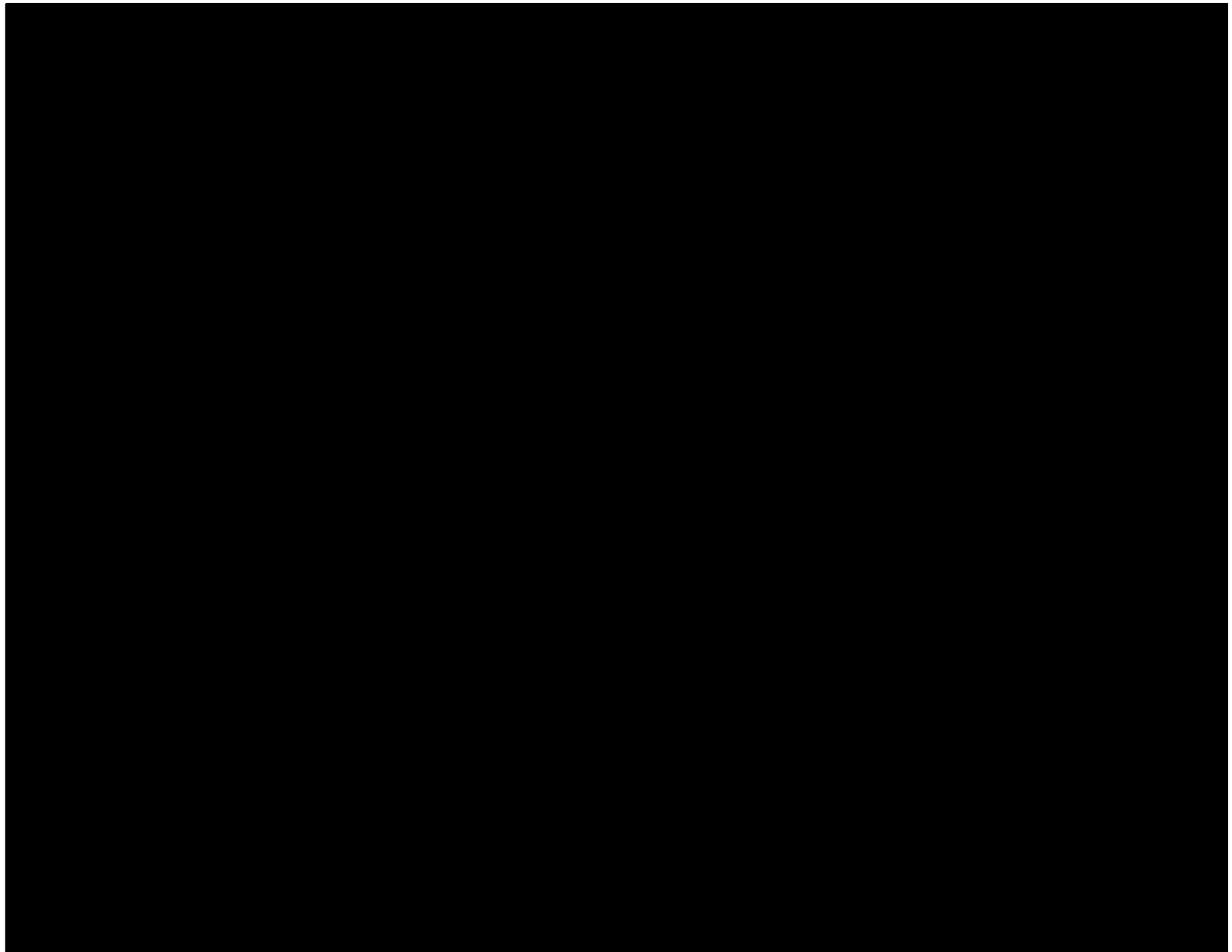
The Contractor has appointed the Specialist Subcontractor to design, fabricate and install the bridge. They will appoint several other contractors to carry out other aspects of the work. The procurement for these works will commence at the beginning of June 2020. The work forming openings in to the facades of NWQ and the new building commencing 12 October 2020. The impact of COVID-19 on this programme will be assessed once sufficient information is available. Note: Physically the NWQ and new buildings are separate structures with the exception of the link bridge openings. These can be closed using the fire shutter at the Dublin Landings end of the bridge. All systems are independent with exception of the ESB network connection. It will be possible, with the exception of the ESB supply, to close off one building while maintaining access to the other building.

2. Direct Contracts

Furniture: Design of the furniture requirements is ongoing with reviews of tenders by the Bank for Workplace Furniture, Collaboration Furniture and Meeting Room furniture currently being scheduled. The furniture is being procured via Framework Agreements already in place. These Framework Agreements expire between July and November 2020. The first order will have a value of circa €2m and will be placed in June 2020.

IT/AV: Design: The design phase activities are delivered by professional services that continue to work remotely. There is good forward visibility with design activities. **Supply chain:** The Bank has been put on notice that the COVID-19 pandemic will cause delays for delivery of hardware sourced in China. One of the mitigants being considered is to place orders allowing for

additional time for delivery. **Site works:** The impact of the shut down on the site works for the IT/AV is unknown at this stage. Once things get back to normal an assessment will be conducted to determine the impact of the delay on the IT/AV Site works.



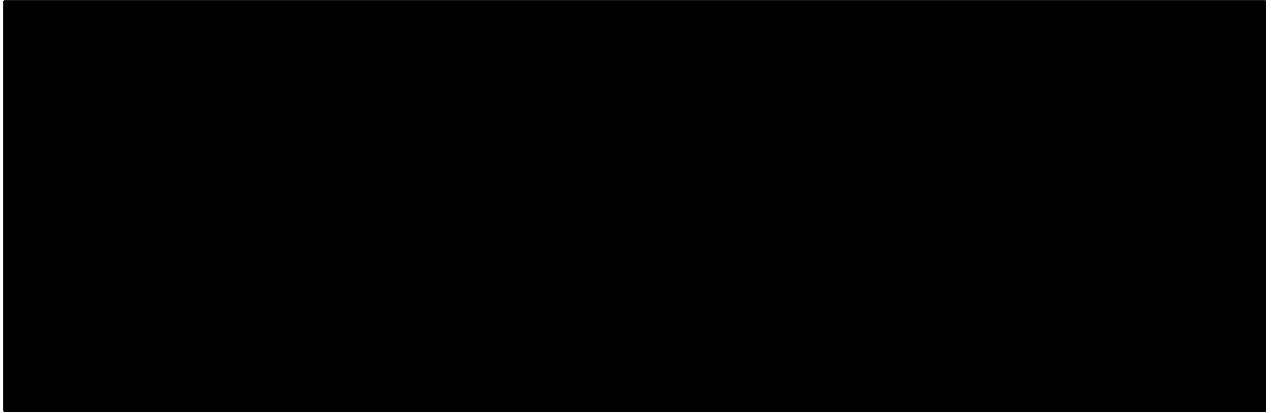
5. Leasing of office accommodation in Spencer Dock and the New Building

Linsey, property advisor to the Bank, has advised that the COVID-19 pandemic has introduced considerable uncertainty to forecasting activity in the leasing of office accommodation and developments in office property market for both occupiers and investors. Notwithstanding this the Programme is progressing with plans to bring to market this leasing of our properties:

Leasing of office accommodation in New Building: The Programme is progressing the marketing of the office accommodation in the new building with a view to completing and producing the marketing brochure for the leasing. We will be instructing a design agency to



create an original brand identity for the scheme and to support Lisney to coordinate the development of the marketing tools required, including CGIs. A cost of circa [REDACTED] excl. VAT is estimated for this work.



Commission	Campus Development Programme – Briefing For Approval
	Circulated to Commission Members on 9 June 2020 Paper No. C20 172
Issue	The purpose of this paper is to update the Commission on the risks to the Campus Development Programme, and seek agreement to the recommended way forward.
Key Points	<p>The Bank has entered into significant financial and contractual commitments with the Developer and, as time progresses, it will become increasingly difficult and more expensive for the Bank to seek changes to the agreed design of the premises or to extract itself entirely from the contractual commitments.</p> <div style="background-color: black; width: 100%; height: 100px; margin-bottom: 5px;"></div> <p>The Programme is recommending to proceed with an option that provides the highest level of flexibility with lowest risk. This will allow the Bank to make modifications to the current design and delivery plan as long term changes in the requirements for the design are identified.</p>
The Commission is invited to:	<ul style="list-style-type: none"> • note the analysis relating to the uncertainties and challenges facing the Programme; • note that a delay to the Programme, as a consequence of the Pandemic, is inevitable and the extent of the delay will become apparent in the coming months. • note that the Bank may be liable for additional costs arising from the delay and the shutdown, and the extent of these will become apparent in the coming months. • agree with the recommendation that the Programme pursue the option that maximises flexibility while continuing with contractual commitments.
Authors	
Approver	

Campus Development Programme – Briefing

Executive Summary

This paper is a follow up to the April Commission briefing¹ on risks emerging with the Campus Development Programme. The COVID-19 Pandemic has introduced uncertainty and two significant risks to the Campus Development Programme, referred to as delay risk and design risk. The paper outlines the level of flexibility and optionality required by the Programme because of the uncertainty and proposes a way forward taking account of the contractual, reputational and financial risks for the Bank.

In an ideal situation, in the context of the outbreak of COVID-19, the Bank would pause the Campus Development Programme pending clarity on the long term accommodation requirements in a post-pandemic environment. However, the Bank has entered into significant financial and contractual commitments with the Developer and, as time progresses, it will become increasingly difficult and more expensive for the Bank to seek changes to the agreed design of the premises or to extract itself entirely from the contractual commitments.

[REDACTED]

[REDACTED] the Programme is recommending to proceed with an option that provides the highest level of flexibility with lowest risk. This will allow the Bank to make modifications to the current design and delivery plan as long term changes in the requirements for the design are identified.

[REDACTED]

¹ Paper C20 127

The Commission is invited to:

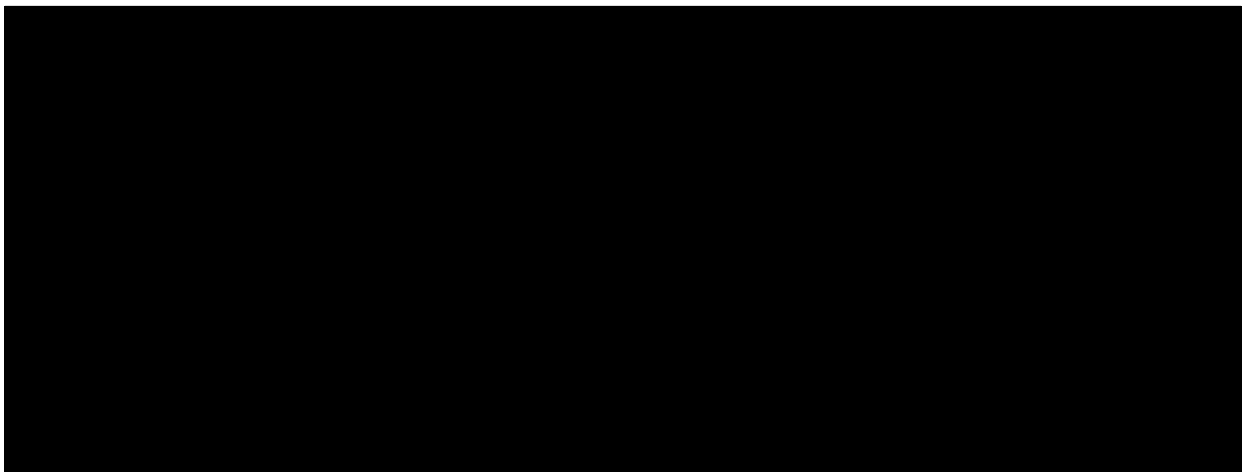
- **note the analysis relating to the uncertainties and challenges facing the Programme;**
- **note that a delay to the Programme, as a consequence of the Pandemic, is inevitable and the extent of the delay will become apparent in the coming months;**
- **note that the Bank may be liable for additional costs arising from the delay and the shutdown, and the extent of these will become apparent in the coming months; and**
- **agree with the recommendation that the Programme pursue the option that maximises flexibility while continuing with contractual commitments.**

Introduction

The COVID-19 Pandemic has introduced two significant risks to the Campus Development Programme, [REDACTED] and the second being a risk of material delay to the Construction and Fit Out of the premises (*the Delay Risk*).

This paper provides an outline of the current situation (section 2), including budgets, and an insight to the complexities for the Programme arising from the uncertainties regarding the workplace of the future (section 3). Section 4 outlines some options that may address the *Design Risk*, and a briefing on the impact of the *Delay Risk*. As well as the uncertainties the Programme is dealing with, section 5 highlights other considerations which need to be borne in mind before making any decisions on the future and section 6 provides a recommendation for agreement.

1. Current situation



To progress the strategy, property at Dublin Landings was purchased in January 2019 at a cost of €225.5m³. The purchase contract included “Optional works”, which obliged the vendor to provide construction works (including a pedestrian bridge and basement segregation) and for the fit out of the premises (in line with design of NWQ).

The forecast budget spend on the Construction and Premises Project is circa [REDACTED] and the most significant element of this is the cost for the Optional Works of circa [REDACTED] including VAT

[REDACTED]

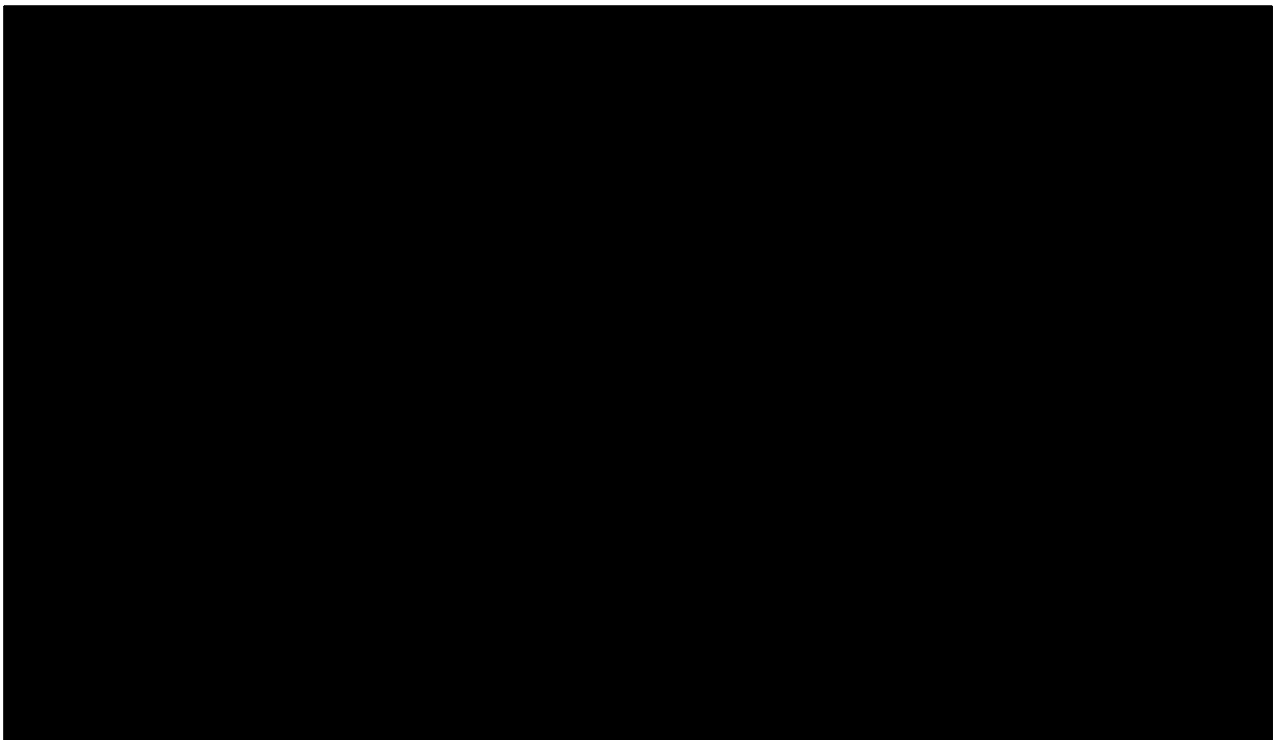
³ Commission paper #305 of 2018

(includes all aspects of design, construction, etc.). The Bank is already contractually committed to the Developer for [REDACTED] and expects this to increase to circa [REDACTED] over the life of the contract.

Other budgeted costs for the project are circa [REDACTED] payable to a range of contractors that will be contracted directly by the Bank. In addition there is a budget of [REDACTED] and a [REDACTED] Programme contingency, the expenditure of the latter requiring approval from the Governor⁶.

To date the Programme has contractual commitments of circa [REDACTED] to Developer and circa [REDACTED] for professional services) and is scheduled to commit to an additional [REDACTED] before the end of 2020.

2. Considerations for the Office Environment in light of COVID-19



⁶ The Commission agreed the programme budget Cost Envelope of [REDACTED] in May 2019, paper C19 158.

- a) The extent to which physical distancing will have to be incorporated into the design of office accommodation.

[Redacted]

[Redacted]

[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
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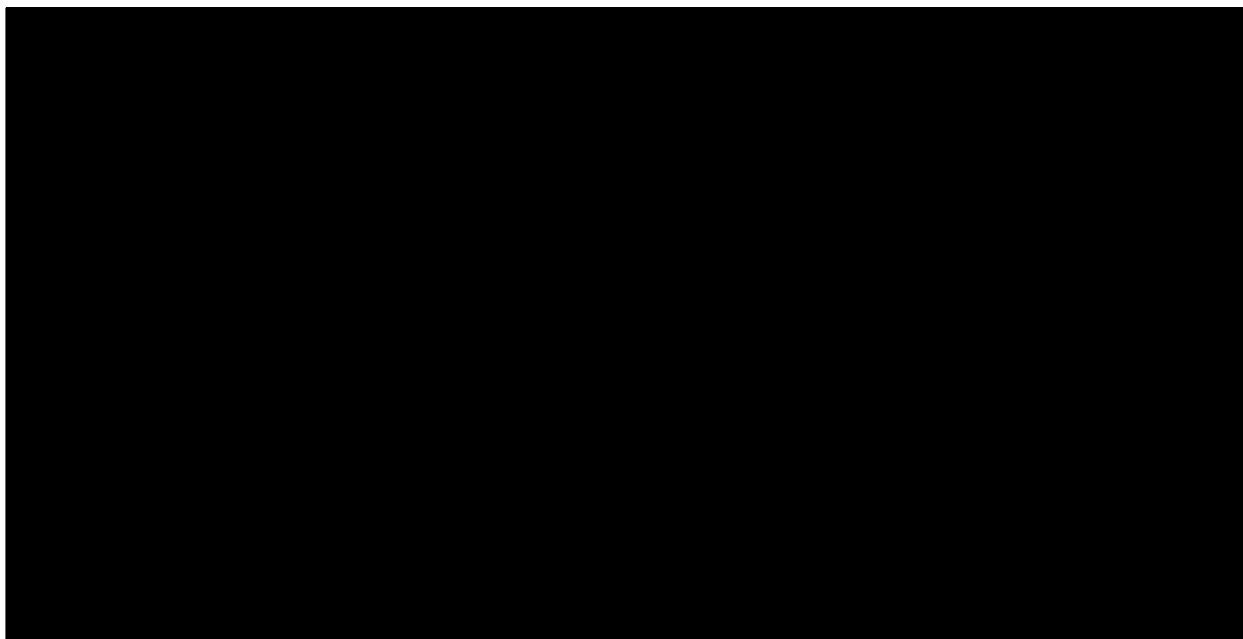
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- b) The extent to which remote working would be incorporated in the Bank's operating model.

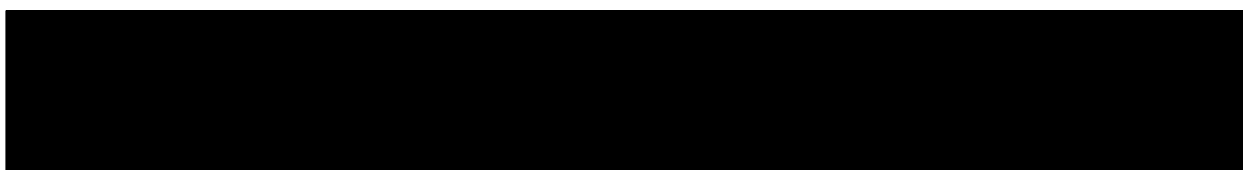
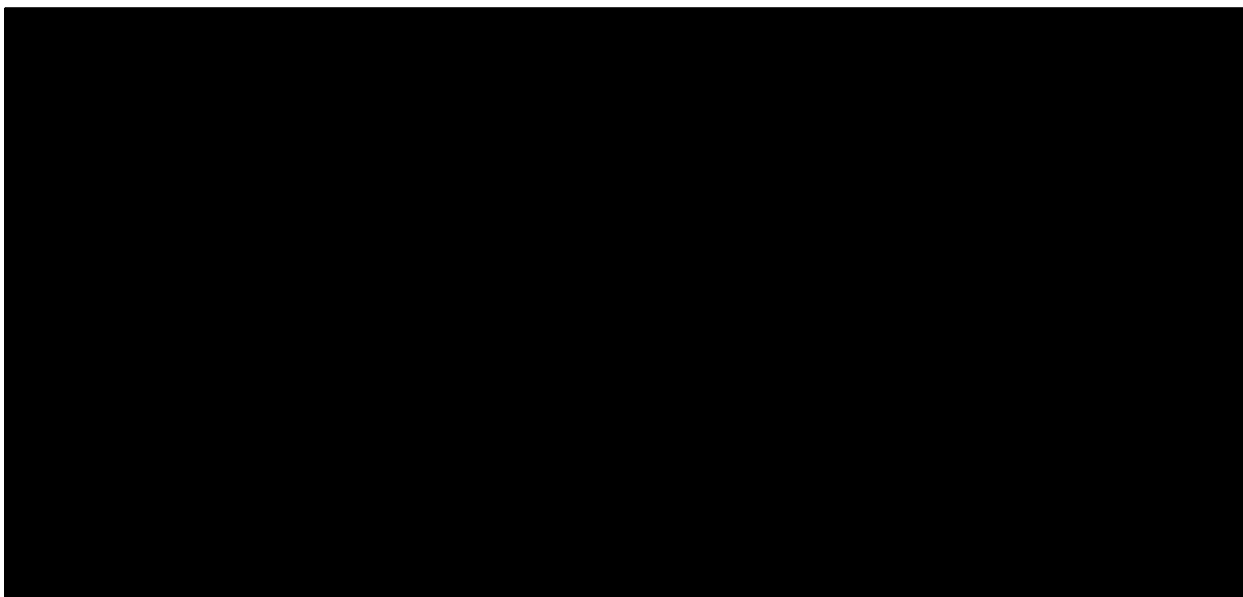
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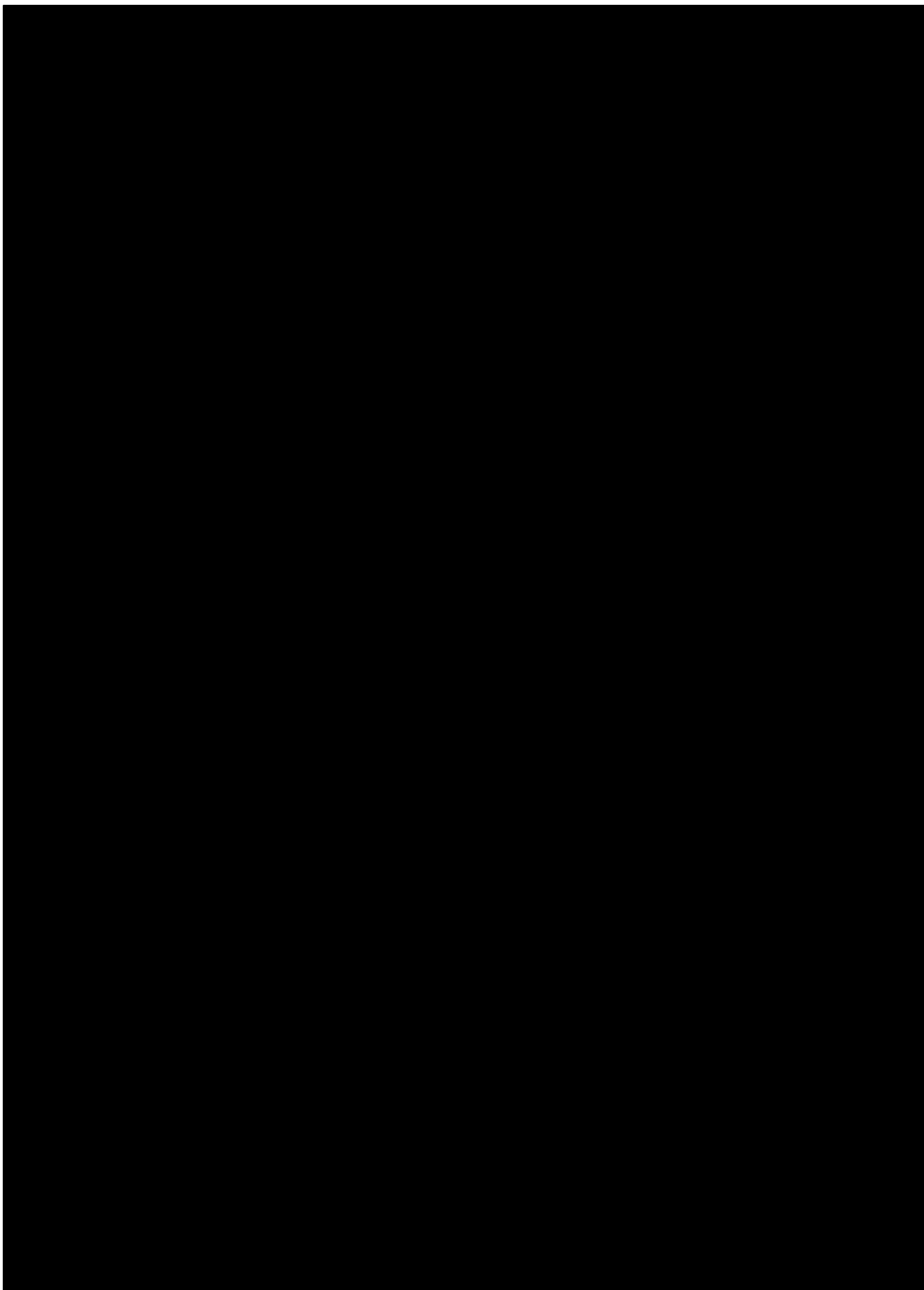
[Redacted]

⁸ This excludes an additional 5 per cent for 'Swing Space' to allow for flexibility, growth etc. The actual total number is 2,132 (1,480 in NWQ and 710 in DL).



- c) The extent to which Desk Sharing will continue to be incorporated in the Bank's accommodation strategy.





[REDACTED]

[REDACTED]

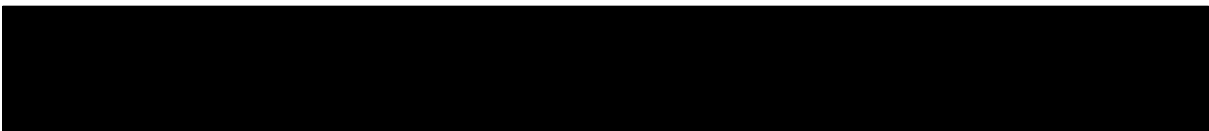
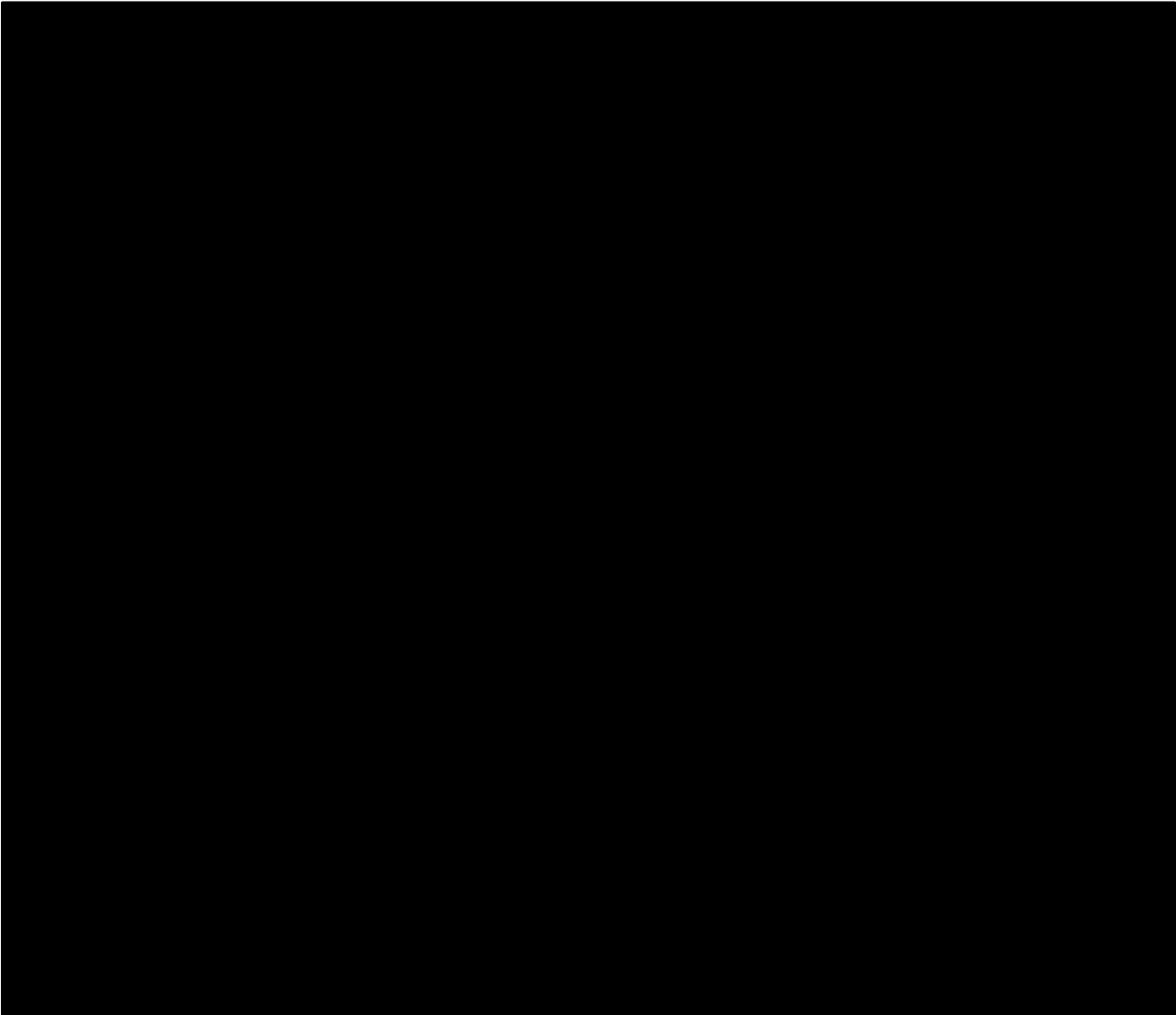
[REDACTED] For example, we will need optionality around floor design, density, COVID-proofing requirements, [REDACTED] and the top three floors in Dublin Landings.

[REDACTED]

[REDACTED]

3. Options available

There are currently three options available to the Bank, detailed below, in relation to the Campus Development Programme. The cost estimates provided in the options below are indicative only, and are intended to offer a very broad comparative cost estimate for each of the options relative to each other. The cost estimates should not be considered as a basis for capital planning. The developer's design team and our professional advisors have not been formally engaged in preparing these cost estimates, and detailed analysis with these parties will be required to substantiate the costs.



3.2. Continue with the programme, but amending the design to provide the greatest level of flexibility to the Bank

With this option, the Bank would continue with the contract and complete the Campus Development Programme and make modifications to the design and delivery plan for the new premises, where feasible, as long term¹³ changes in the requirements for the design of the new building are identified. [REDACTED]

[REDACTED] The assumed delay to the Programme from the impact of the pandemic may provide a window of opportunity in which to change the design without (relative to other options) significantly impacting the project programme while changes in design will add additional cost. As time progresses and the fit out progresses, however, it will become increasingly difficult and more expensive for the Bank to seek changes to the agreed design of the premises.

The modifications to the design and delivery plan for the new premises could include changes to the timing of the installation of the pedestrian bridge; [REDACTED]

[REDACTED] These matters relate for the most part to arrangements and types of loose furniture, so the Programme could commence engagement to make provisions to change the design and delivery schedule for loose furniture to the latest possible dates. This option could provide the Bank with flexibility to accommodate density requirements, amended floor layouts and incorporation of COVID-related Health and Safety risk measures into the design.

While at this stage the impact of this option on programme schedule and cost has not been quantified, it is probable that these developments could significantly absorb the Governor's contingency allowance of [REDACTED] of which [REDACTED] has already been marked. The intention would be to prioritise the scale of changes with this option, to remain within the value of the Governor's contingency allowance, and any potential change that may cause this allowance to be exceed

¹³ Short term changes in NWQ and SD will be implemented as part of the Pandemic Response and Resumption to Work Safely measures. However there is currently consideration of changes in the design and construction to provide the long term risk mitigation measures as a consequence of the pandemic experience.

will be brought to Commission Risk Committee for consideration in advance of any commitments being made.

If the Bank determined that additional floors in the new building are required this would give rise to an additional budget provision of circa ██████ per floor. Holding this option would require a delay on the decision to lease the top three floors of the new building and the leasing/sale timetable for the Spencer Dock Building until clarity has been achieved on any additional accommodation requirements.

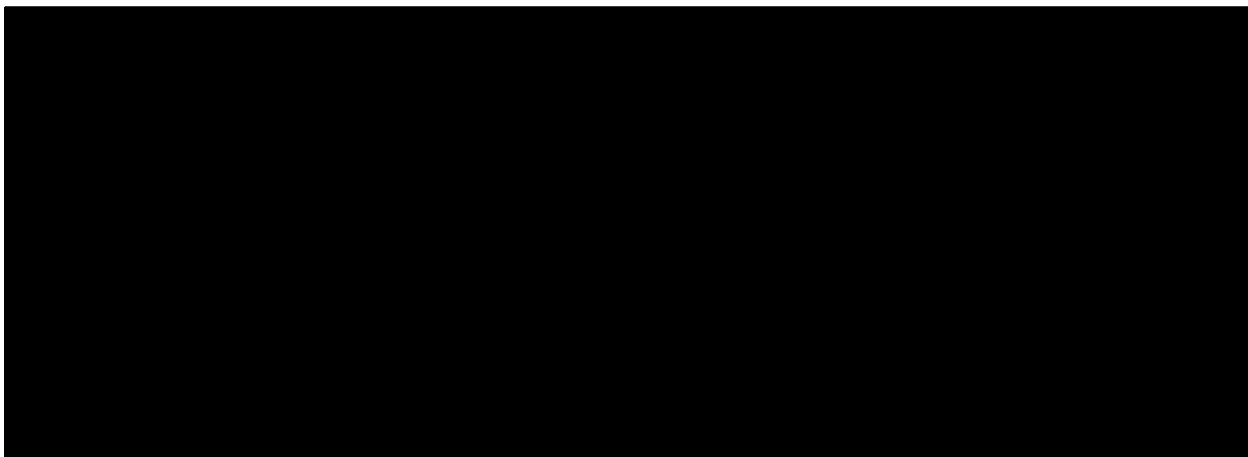
The table below provides an indicative timetable for decision on some changes that could be achieved without significantly altering the overall Programme completion schedule¹⁵.

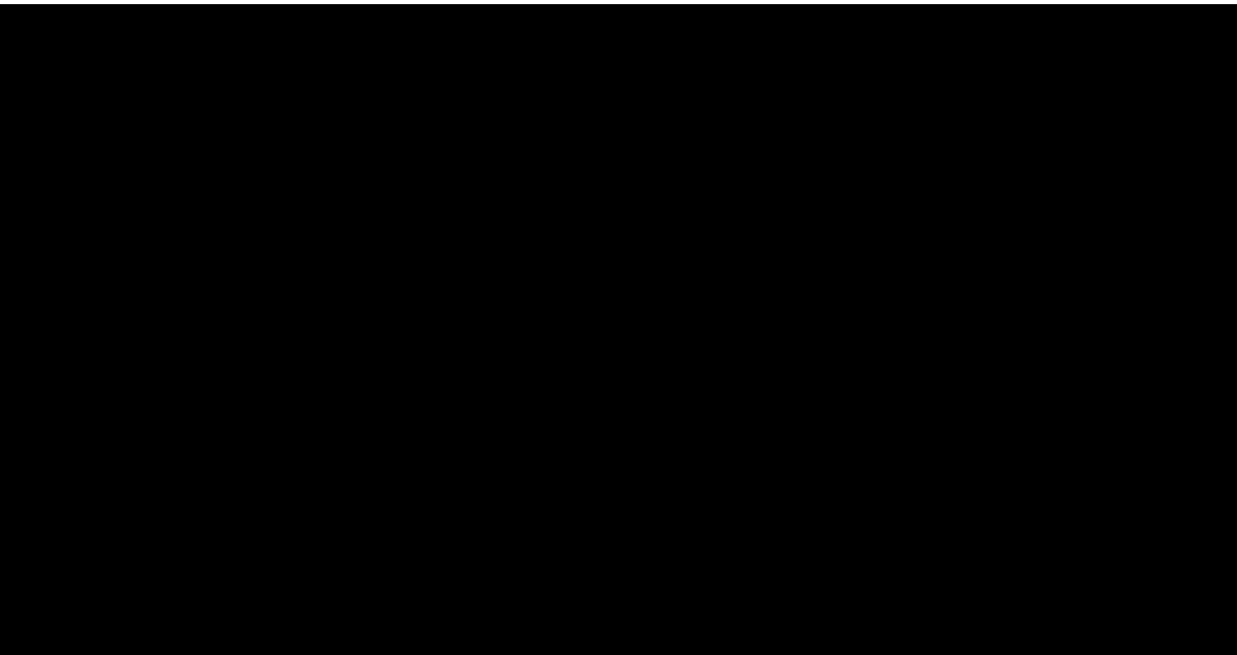
Change	Latest date for Decision	Additional information
Installation of Bridge (Cost is committed, Design is completed, and fabrication commences in August).	Decide by September to delay the installation; latest date for installation will have to be confirmed with Developer;	Current schedule is to commence installation in October; bridge installation has been identified as the critical path for the Programme.
COVID related Health and Safety risk measures	Decide by end June 2020 the principle of including features and risk measures (assuming they are predominantly touch point related)	Assessment is that no downside to making this decision and material cost increases can be considered on an ongoing basis.
[REDACTED]		
Meeting Rooms sizes (assumes that the M&E infrastructure will not change)	Decide by end June 2020 the principle to review of meeting room designs. (This would allow Developer to	Current schedule reflects NWQ design. Seek design options and material cost

¹⁵ These dates have not been reviewed by the Developer and are based on current known schedules. The impact of Covid-19 on these schedules has not yet been determined. The dates will be reviewed when the Developer is able to provide the revised schedule following Covid-19 impact assessment.

	reschedule the contract for partitions, glazing, lighting, etc.)	increases can be considered on an ongoing basis.
[REDACTED]		
Collaboration spaces and dining spaces	Decide by end June 2020 the principle to review of designs. (This would allow Developer to reschedule the contract for partitions, glazing, lighting, etc.)	Current schedule reflects NWQ design. Seek design options and material cost increases can be considered on an ongoing basis.

The risk associated with this option is that if after the fit out is completed the Bank determined it did not require the new premises, then the sale value of the premises will not reflect the investment in fit out costs and the Bank would not recover the circa [REDACTED] invested in the Bank specific fit out of the premises.





Conclusion

In an ideal situation, in the context of the outbreak of COVID-19, the Bank would pause the Campus Development Programme pending clarity on the long term accommodation requirements in a post-pandemic environment. [REDACTED]

[REDACTED] Given the current uncertainty, [REDACTED]

[REDACTED]

[REDACTED] the lowest risk option for the Bank is to proceed with the Programme (i.e. option 4.2). This option provides the highest level of flexibility with lowest risk. It will allow the Bank to make modifications to the current design and delivery plan as more certainty emerges and long term changes in the requirements for the design are identified.

4. Other Considerations

4.1. The direct cost of the shutdown

Following direction from the Government on 27 March 2020 to close all construction sites, a re-activation of the site has commenced from 18 May 2020. The full impact of the 7 week shutdown and the reduced productivity as a consequence of the pandemic control measures, have yet to be determined. However, there will be additional costs associated with

the shutdown, the extent of which are yet to be confirmed. It is also likely that productivity on site will reduce between circa 20 per cent and 40 per cent for a significant period of time.

[REDACTED] These matters are expected to be formally agreed in the next two to three months. The Commission/GovCo are asked to note that a delay to the Programme, as a consequence of the Pandemic, is inevitable and the extent of the delay will not become fully apparent for several months. [REDACTED]

[REDACTED] The Programme will report to the Commission Risk Committee with updates on impact of the shutdown as they become clearer.

4.2. The operational costs of the new campus

Based on the current planned occupation levels in the new premises, the annual operating costs for facilities will increase by circa €1.1m. The Bank will occupy 11,600 sqm in the new building, at an estimated cost of circa €286 per sqm; whereas the Bank currently occupies 5,470 sqm in Spencer Dock at a cost of circa €398 per sqm. The move to the new building will provide for a lower cost per sq metre for facilities, however the increased space will have a net cost increase of circa €1.1m in cost¹⁶ of maintaining the facilities. [REDACTED]

[REDACTED] If additional floors were to be occupied in the new building, the operational cost would increase by circa €600k per annum per floor with in a reduction of income from leased space.

5. Recommendation

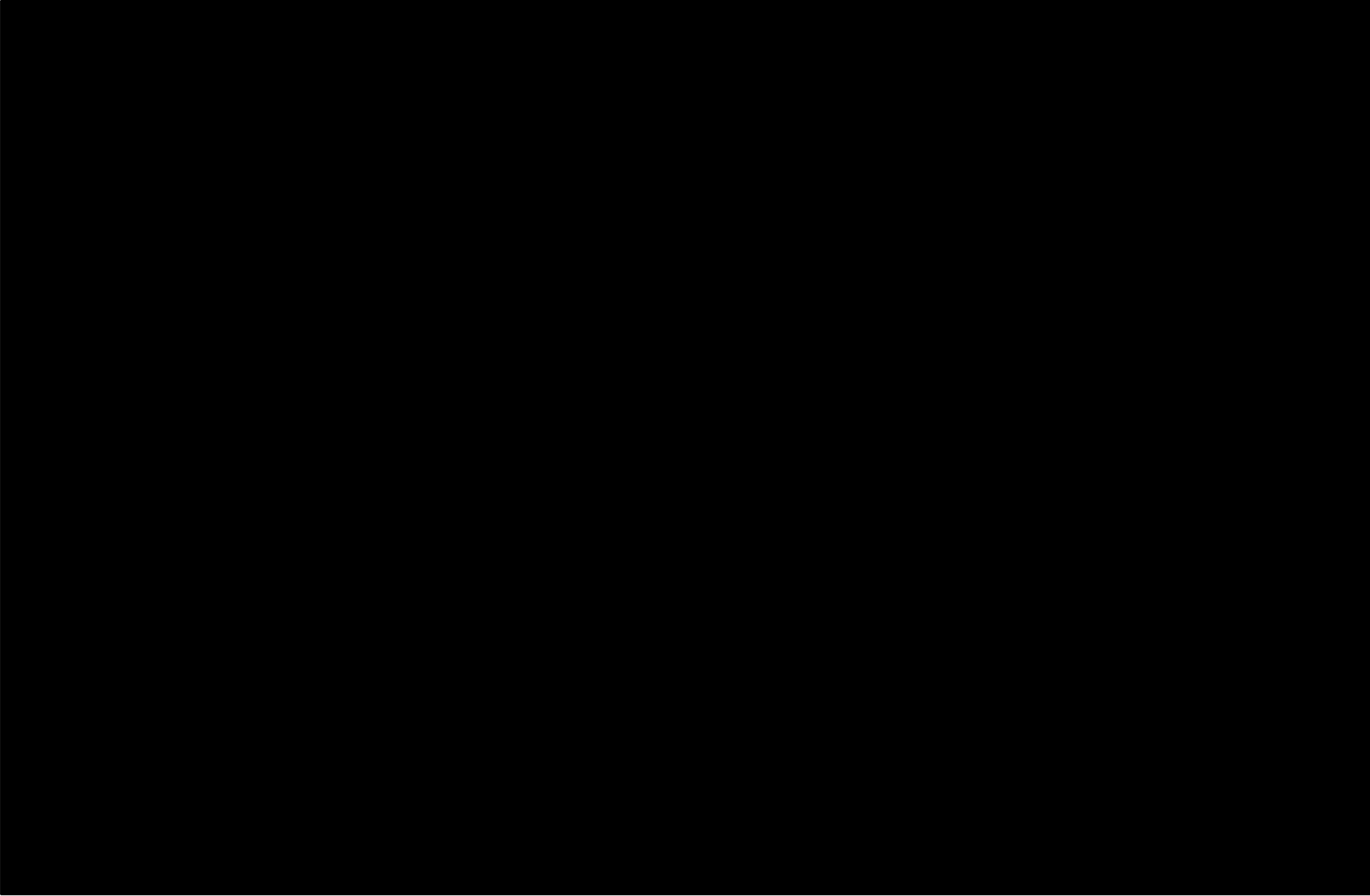
The various options listed in section 4 present the dilemma of having to continue with the contracted financial commitments at a time of so much uncertainty regarding the workplace accommodation requirements for the future. To mitigate this, it is recommended that the Bank


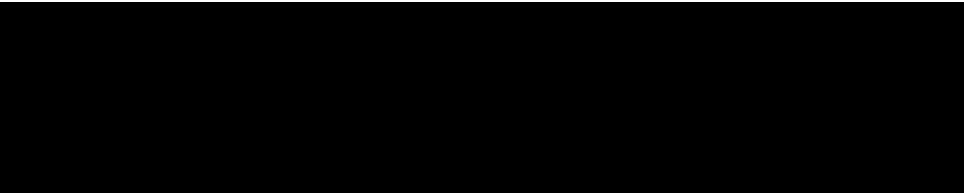
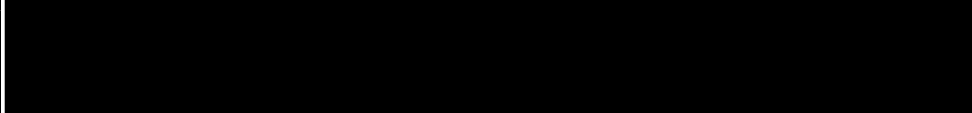

¹⁶ These are facilities related costs only, and does not include an uplift for IT / AV costs.

pursue the path that provides it with the greatest level of flexibility i.e. to continue with the engagement as per the contractual commitments, and commence engagement to defer the purchase of the furniture and kitchen equipment etc., incorporate the health and safety measures relating to COVID-19 into the design, retain the option to occupy additional floor, retain the option to reduce the density of the floors and deferring the leasing / [REDACTED] [REDACTED] and the upper floors of the new building (option 4.2).

The Commission is invited to:

- **note the analysis relating to the uncertainties and challenges facing the Programme;**
- **that a delay to the Programme, as a consequence of the Pandemic, is inevitable and the extent of the delay will become apparent in the coming months;**
- [REDACTED]
- **agree with the recommendation that the Programme pursue the option that maximises flexibility while continuing with contractual commitments.**



<p>Risk Committee</p>	<p align="center">Campus Development Programme – Progress Update For Information</p>
	<p>Circulated to the Risk committee on 6 July 2020 Paper No C20 195</p>
<p>Issue</p>	<p>The purpose of this paper is to brief the Risk Committee on the risk status of the Campus Development Programme.</p>
<p>Key Points</p>	<p>The risk of a delay to the completion of the construction works for the fit-out of the new buildings, due to the restrictions in place as a result of the COVID-19 Emergency, is accepted. The delay may also result in additional costs to the Programme, while the scale of and liability for any additional costs has yet to be determined.</p> <p></p> <p>Delayed identification of material changes to the design of the workplace, emerging from the project, could create delays and increase costs for the overall Programme.</p> <p></p> <p>The programme team continues to develop action plans to mitigate the risks.</p>
<p>The Risk Committee is invited to:</p>	<p>note the recent developments and current risk profile of the Campus Development Programme.</p>
<p>Other Business Areas Consulted</p>	<p>Not Applicable</p>
<p>Communications Requirements</p>	<p>Not Applicable</p>
<p>Authors</p>	<p></p>
<p>Approver</p>	<p></p>

NWQ CAMPUS DEVELOPMENT PROGRAMME - STATUS UPDATE

Executive Summary

In September 2019, the Risk Committee noted that the Campus Development Programme (CDP) would report regularly to allow the Committee to monitor the Programme risk profile.

The purpose of this paper is to provide the Commission Risk Committee with a status update on the CDP. This paper builds on the details provided in the February paper to the Risk Committee, and previous papers¹, and outlines the risks emerging due to the impact of the COVID-19 pandemic on the successful delivery of the Programme, in terms of time, quality and cost.

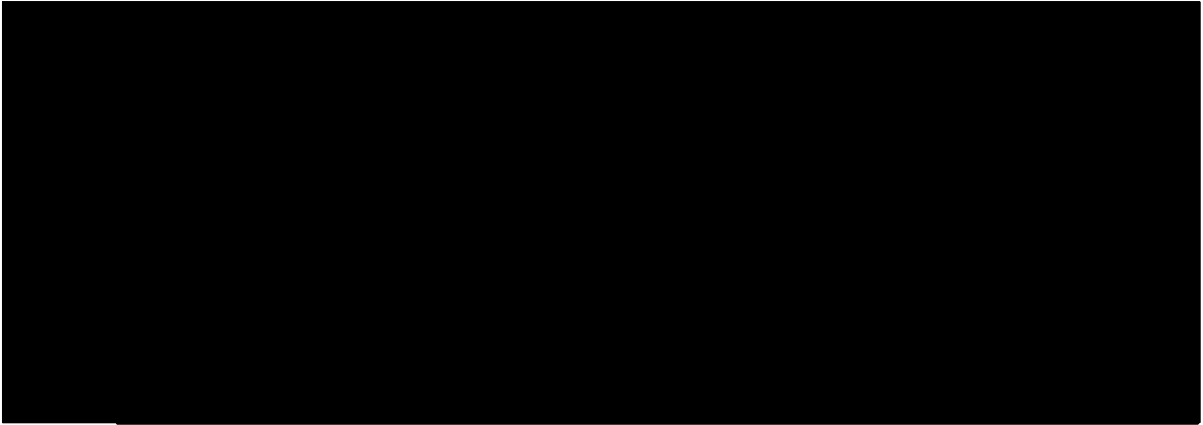
As at 1 March 2020 the Programme was reporting a RAG status of Green. At that date the Programme was broadly achieving all key milestones, was forecasting to remain within the approved budget envelope, and the overall risk profile of the programme was acceptable. The Programme had developed high level plans with supply stakeholders for the completion of the programme and had prepared indicative timelines for moving into the new premises i.e. the most likely scenario was that the relocation would be completed by end of September 2021. However, the developments arising from the COVID-19 pandemic will have a material impact on the Programme. All supply stakeholders have indicated that the timelines previously provided are no longer attainable and the Programme is now reporting a RAG status of Red.

While the full impact of the COVID-19 Emergency measures on the Programme have yet to be determined, it can be expected that works to complete the construction of the new premises and the fit out works will be delayed and COVID-19 Emergency measures may also potentially adversely impact on the Programme in terms of workplace design and cost. The developments arising from the COVID-19 pandemic are also having a detrimental impact on the Workplace Experience Project. This paper provides a high level summary of the risks. The top risks are:

- i) The risk to the financial health of the Programme as a result of COVID 19 i.e.
 - the cost of the construction works and Fit Out works will exceed budget due to delay costs being passed to the Bank and cost increases in the supply chain;

¹ This paper builds on information provided in Commission papers 141, 154, 223, 240, 305 of 2018; C19 119, C19 158, C19 205, C20 127, C20 172; and Commission Risk papers C19 225, C20 040

- ii) The risk of delay to the completion of the construction programme i.e.
- a delay to the construction and fit out of the premises due to government shutdown;
 - a delay to the construction as a result in a drop in productivity resulting from the implementation of government guidelines relating to social distancing;



The programme team continues to develop action plans to mitigate the risks.

The Risk Committee is requested to note the recent developments and current risk profile of the Campus Development Programme.

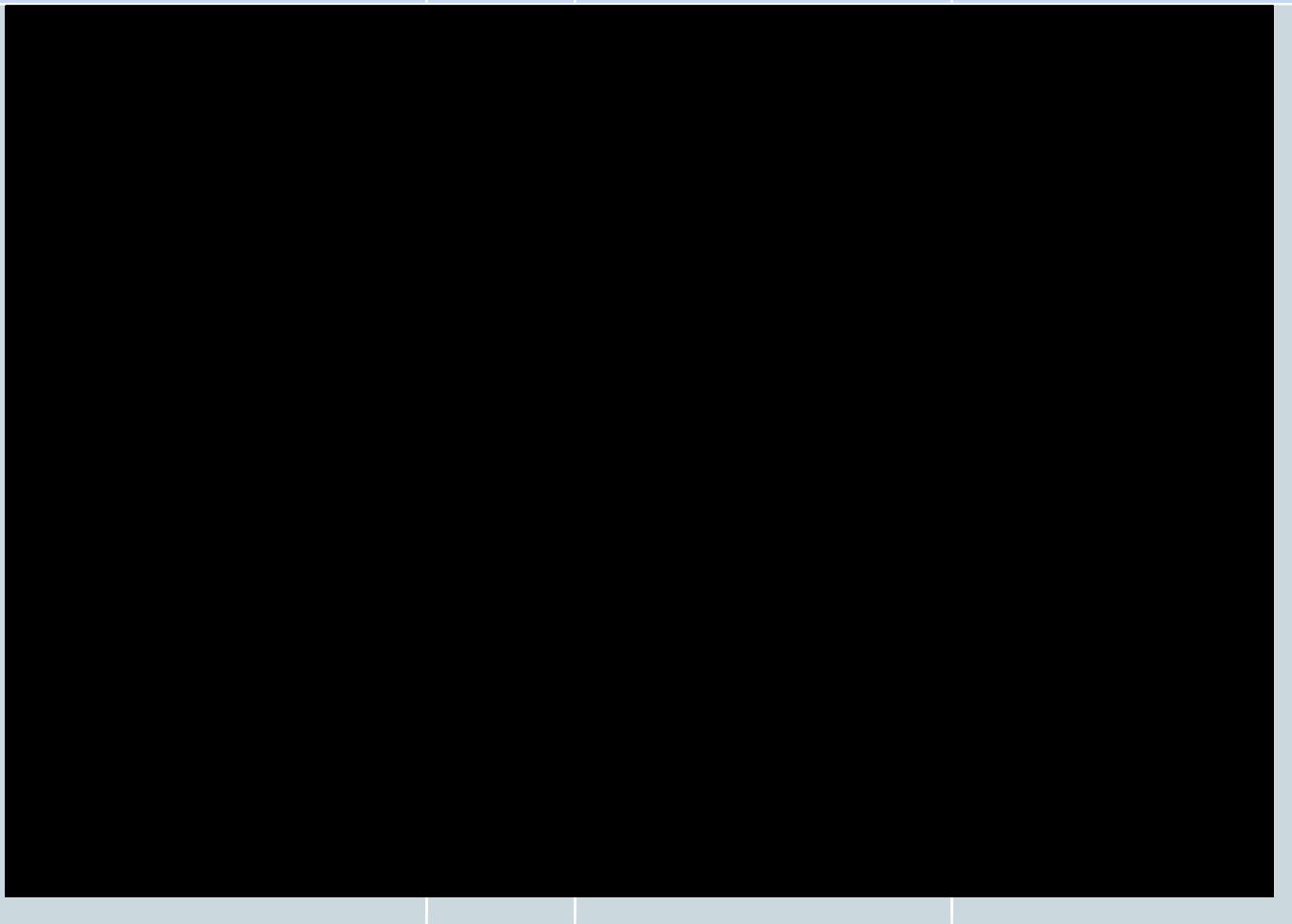
North Wall Quay Campus Development Programme Risk Profile Update

Description of possible risk and impact on project objectives	Status	Actions	Monitoring Update
<p>Risk to the financial health of the Programme as a result of COVID-19. There is financial risk associated with the 9.5 week site shutdown and re-mobilisation period, delays as a result of a reduced productivity as a result of Socially Distanced working, constraints in the supply chain for building materials and client direct contracts (FF&E, IT/AV), sourcing of alternative products, additional costs associated with extending existing commercial contracts for professional services etc.</p> <p>There is also a financial risk to the Programme as it seeks to amend the design to provide the greatest level of flexibility to the Bank in the context of possible changes in ways of working as a consequence of the pandemic e.g. changes to the timing of the installation of the pedestrian bridge; changes to the density and number of desks; changes to meeting room configurations; changes to design of dining areas and collaboration spaces, amended floor layouts and incorporation of COVID-related Health and Safety risk measures.</p>	<p>RED</p>	<ul style="list-style-type: none"> • Work with the Developer to consider any cost exposure of the COVID-19 Shutdown • [REDACTED] • Work with the Developer to keep informed as the Contractor actively engages with his suppliers and manages his procurement programmes to eliminate and or minimise delays and costs • Provide recommendations to the SPE with the findings. • Implement change via the Programme Change process where justified. 	<p>Programme team have engaged with [REDACTED]</p> <p>The QS has indicated a potential financial impact of circa [REDACTED] for the construction project as a result of the impact of COVID-19 related matters.</p> <p>It is probable that amendments to the design to provide level of flexibility could significantly absorb the Governor’s contingency allowance of [REDACTED], of which [REDACTED] has already been earmarked. The intention would be to prioritise the scale of changes with this option, to remain within the value of the Governor’s contingency allowance, and where that is not possible the options will be reported to the Risk Committee.</p>

Description of possible risk and impact on project objectives	Status	Actions	Monitoring Update
<p>The project schedule will be delayed due to COVID-19. The delay relates to the duration of the shutdown and re-start, the loss of productivity on site, the constraints in the supply chain for building materials and client direct contracts (FF&E, IT/AV) necessitating the need to carry out alternative procurements, sourcing of alternative products, and necessitating additional time thus extending existing commercial contracts for professional services.</p>	<p>RED</p>	<ul style="list-style-type: none"> • The Programme team are working with the Developer to confirm a revised project schedule incorporating the Shut-Down Period and the loss of productivity on site. • Once the revised schedule has been received it will be validated by our professional advisors • It is likely that the schedule will have be revised over the course of the Programme to reflect changes in productivity levels, and revisions to COVID-19 measures. 	<p>The Contractor has re-mobilised on site, with a total delay for shutdown and re-mobilisation of 9.5 weeks (including measures to make the site safe). Scenarios are being modelled to ascertain the programme impacts of varying % of reduced productivity on site, effects on supply chain, etc. It is likely that a confirmed date for occupation of the new premises will not be available for some time, and this risk will require active management for some time to come.</p>



Description of possible risk and impact on project objectives	Status	Actions	Monitoring Update
<p>Design Risk: The current design for Mayor Street is "as per NWQ" and does not include explicit design provision for 'COVID-Mitigating' the building. There is a risk that if COVID-mitigation design elements are deemed a requirement, and are not taken into consideration now, there could be cost and delay to update designs in the future.</p>	<p>AMBER</p>	<ul style="list-style-type: none"> • The team will work with the architects to understand options for "COVID-Mitigating" Mayor Street. • Each option will be costed and a proposal will be presented at the appropriate Governance level (PgLT, SPE, etc.). • Once the options have been approved, they will be incorporated into the design schedule. 	<p>The Programme team have engaged the Design Team to understand aspects of "COVID-mitigating". A workshop to determine options took place on 2 July. The outcome of the meeting will confirm those options that merit further investigation.</p>

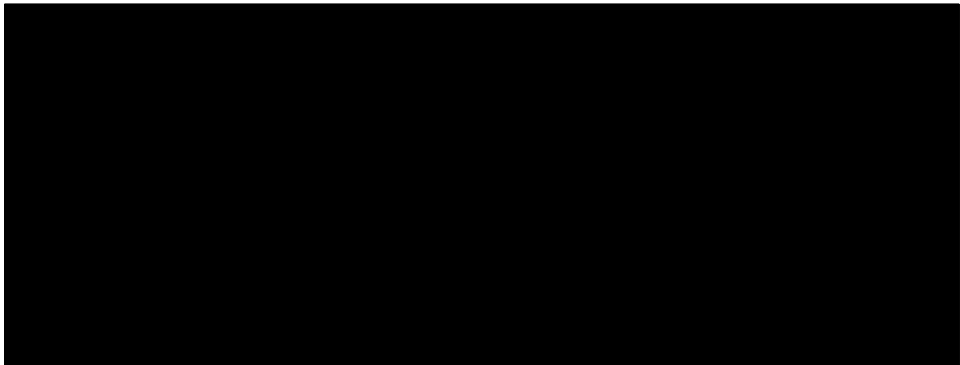
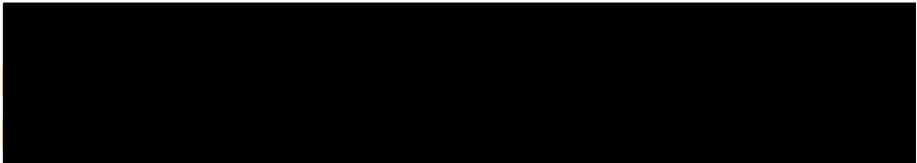
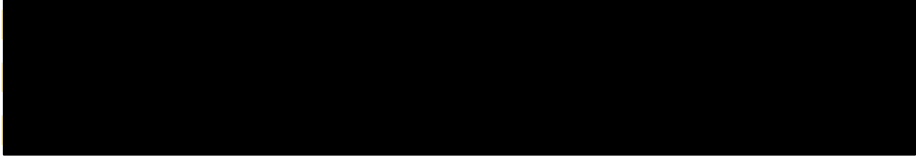
Description of possible risk and impact on project objectives	Status	Actions	Monitoring Update
			

Commission	Campus Development Programme – Progress Update For Information
	Circulated to Commission Members on 13 October 2020 Paper No C20 66
Issue	<p>The purpose of this paper is to brief the Commission on the current status and risk profile of the Campus Development Programme (CDP). The CDP last reported to the Commission in June 2020¹ and to the Commission Risk Committee in July 2020². [REDACTED]</p> <p>Note: CDP provides regular update on the risk profile of the Programme to the Risk Committee, and in the absence of being able to bring this risk report directly to the Risk Committee, the CPD is taking the opportunity to provide a full status report to the Commission.</p>
Key Points	<p>The Construction Programme is progressing at pace. The Developer has concluded its firstpost site-shutdown review of the construction and fit-out programme with the Contractor. The Building and Premises Project is now forecasting a Practical Completion date of 20 October 2021. On this basis, and subject to no additional delays caused by COVID-19 or design changes, occupation of the new premises (Mayor Street) could be possible in the first half of 2022. These dates will be further reviewed at end-November 2020 and beginning of March 2021.</p> <p>Detailed Design is ongoing. The Programme is working on developing a timetable for the ordering of furniture that will seek to balance the requirement to fix the layout design and not delay the occupation of the premises, while giving time to explore the impact of our future ways of working on the layout design. [REDACTED]</p> <p>[REDACTED] Fixed rate framework contracts with furniture suppliers (established for Fusion in 2016) have been extended out to Q 4 2021.</p> <p>The Bank is working with the Design Team on potential infection-mitigating measures that can be built into the design. The adaptation of the end-of journey facilities, including shower facilities, has already been</p>

¹ Paper number C20 172

² Paper number C20 195.

³ Paper number C20 237.

	<p>agreed and costs are awaited for further measures, mainly relating to touchless technology and work-floor configurations based on different levels of workstation density.</p>  <p>Key risks to the Programme remain around (i) delays to completion of the construction works for the fit-out of the new buildings, due to the restrictions in place as a result of the COVID-19 Emergency; (ii) the financial health of the Programme due to additional costs and potential liability relating to COVID-19; (iii) potential that the design and fit-out of the new premises may not be fully appropriate for the Bank’s new ways of working in a post COVID-19 world. The programme team continues to develop action plans to mitigate the risks.</p> <p>The Projected Final Out-Turn Cost for the Fit Out including Direct Contracts as originally scoped remains within Budget, inclusive of the contingency amount assigned for the Governor’s approval.</p>
<p>The Commission is invited to:</p>	<p>Take note:</p> <ul style="list-style-type: none">(a) that the Building and Premises Project is progressing with a forecasted Practical Completion date circa end October 2021 which, tentatively, could allow for occupation in the first half of 2022;(b) that the Detailed Design is ongoing with the Bank’s Design Team and is now including consideration of some infection-mitigating features including adaptation of the end-of journey facilities;(c) (d) 

	<p>[REDACTED]</p> <p>(e) of the key Programme risks and that the Programme team continues to take actions to mitigate the risks; and</p> <p>(f) that the Budget is on track and that circa [REDACTED] of the [REDACTED] Governor's contingency is provisionally allocated.</p>
<p>Other Business Areas Consulted</p>	<p>Not Applicable</p>
<p>Communications Requirements</p>	<p>Not Applicable</p>
<p>Authors</p>	<p>[REDACTED]</p>
<p>Approver</p>	<p>[REDACTED]</p>

NWQ CAMPUS DEVELOPMENT PROGRAMME - STATUS UPDATE

1. Building and Premises Project

1.1 Construction Programme

The construction programme is progressing well. The Developer has concluded the first post site-shutdown review of the construction and fit-out programme with the Contractor. The review factors in that the Contractors' assessment of COVID-19 related impact remains at c.10%, that there are no further shutdowns which impact the works (immediate to the site, labour or a fabricator / supplier) and that further design changes are such that they can be accommodated within the overall programme. Following review of the Contractor's Programme and its assumptions with the Bank's professional advisors, the Building and Premises Project is forecasting a 'Practical Completion' (PC)⁴ date of 20 October 2021. It is too early at this point to set a firm occupation date due to continued uncertainty regarding potential future delays relating to the pandemic and decisions that will need to be made regarding the fit-out of the building for future ways of working. However, should delays and design changes be minimal, occupation in the first half of 2022 is a possibility. The programme dates will be reviewed again by the Developer, the Contractor and the Bank at the end of November 2020 and again at the beginning of March 2021. Physical works in and around NWQ to facilitate the construction of the Link Bridge are currently scheduled to commence end November 2020.

1.2 Detailed Design

Work on the detailed design is ongoing, focused primarily on "Issued for Construction" documentation (i.e. signed off detailed specifications for the construction works) for the Contractor. The Bank is working closely with the Developer and their Design Team to identify potential infection-mitigating features that could be incorporated into the design of Mayor Street. The Bank is then reviewing if these features could/should be potentially retro-fitted into North Wall Quay. With shower and changing areas generally identified as high risk for virus transmission, the Bank has instructed an alternative layout for the end-of-journey facilities in Mayor Street, incorporating a gender neutral installation with private individual shower/changing cubicles and a one way system around the area, and revised drying room arrangements. This design change, approved by the Programme SPE and Governor's Committee, will cost an additional circa [REDACTED] to redesign and construct and will be funded from the

⁴ Practical Completion (PC) date is a contractual term used in Building Contracts to signify the date on which a building project is handed over to the client. The date triggers a number of contractual mechanisms. It can be expected that some defects and snags will exist at PC date, and further work will be required by the client and Contractor before the premises is ready for occupation.

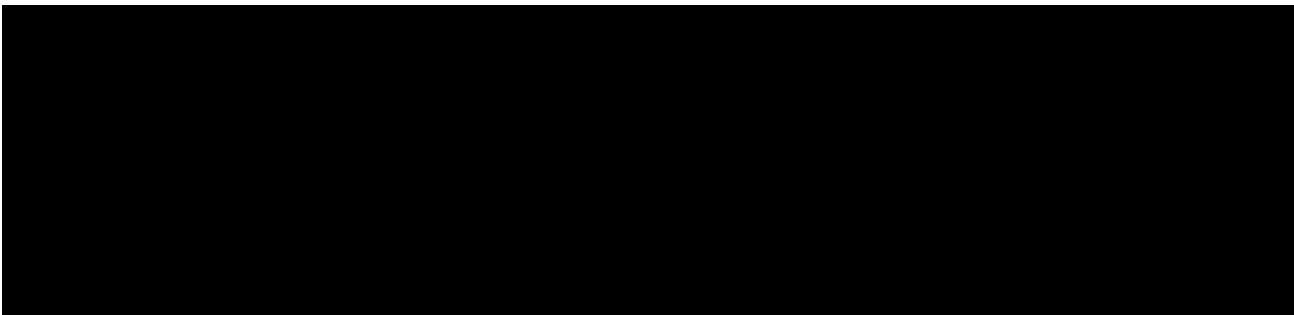
Governors Contingency (see section 4 below). Other infection-mitigating features (which may also provide benefit even if COVID-19 is eradicated), mainly relating to touchless technology, iron mongery and work-floor configurations based on different levels of workstation density, are currently under consideration.

The specifications (as per NWQ design) and quantities, (as per maximum density configurations) for the furniture packages are nearing completion. The Programme, together with the Procurement function, has extended the Framework Agreements with furniture suppliers out to end September 2021 at the same prices⁵. The Programme is working on developing a timetable for the ordering of furniture that will seek to balance the requirement to fix the layout design and not delay the occupation of the premises, while giving limited time to explore the impact of our future ways of working (collaborating with Future@Work initiative) on the layout design (see also section 3.3 on 'Design Risk'). The full the impact of our future ways of working on the design of the building will not be clear before decisions need to be taken around work floor layouts and densities, and these decisions will need to be made before the Future@Work will be in a position to provide clear direction.

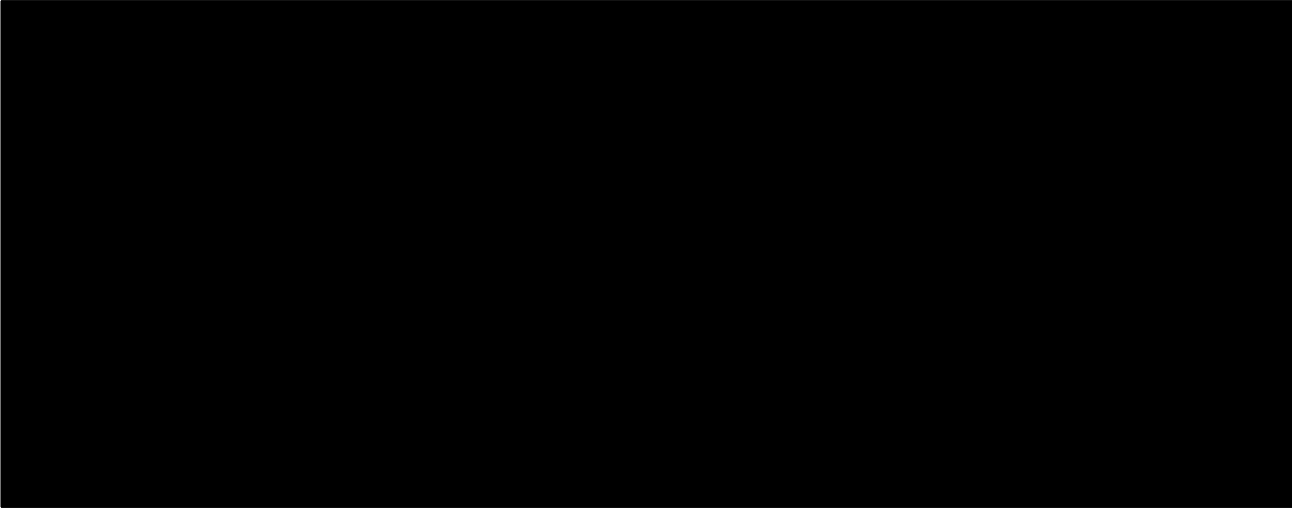
1.3 Leasing Activities

1.3.1 Leasing of 3 floors in Mayor Street

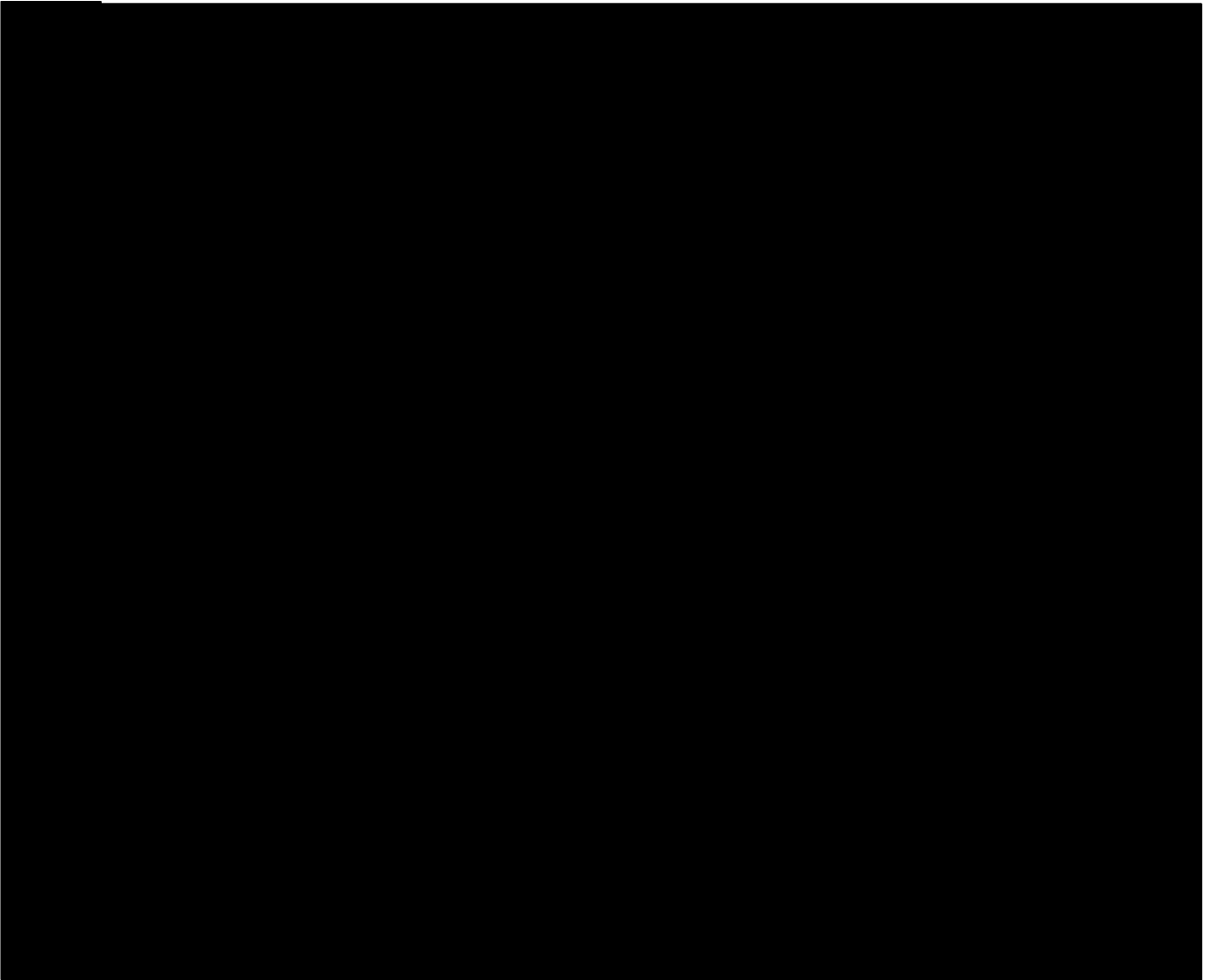
Our agent Lisney is progressing the preparation of the marketing collateral for the leasing of three floors of office accommodation in Mayor Street, including the appointment of a branding agency. A cost of circa [REDACTED] excl. VAT is estimated for this work. A decision will be required on the timing of bringing these three floors to the market. This decision will be influenced by the Programme's evaluation on the need for the Bank to occupy any of these floors, or not, which will depend on the impact of requirements from future ways of working (Future@Work initiative), government and public health guidelines on social distancing, and levels of remote working on the density levels of the Bank occupied floors.



⁵ The Fusion Programme in 2016 entered into 4 year fixed rates contracts with three furniture suppliers. In order to ensure continuity of design and quality it was decided to use the existing furniture Frameworks for the provision of the furniture in Mayor Street.



2. Workplace Experience Project



3. Programme Risks

In September 2019 the Risk Committee (RC) noted that the CDP would report regularly to allow the Committee to monitor the Programme risk profile. The most recent reported to the RC was

July 2020⁶. The information in this section builds on the details provided in the July paper to the RC, and provides an update on the risks associated with the impact of the COVID-19 pandemic on the successful delivery of the Programme, in terms of time, quality and cost.

At the July meeting of the Risk Committee, the Committee noted that the top risks associated with the programme were: Delay Risk, Financial Risk, Design Risk and Misalignment Risk. (see also Annex 2 for a more detailed profile of the key risks to the Programme)

3.1 Delay Risk:

The risk of delay to the completion of the construction programme i.e.

- a delay to the construction and fit out of the premises due to government shutdown;
- a delay to the construction as a result in a drop in productivity resulting from the implementation of government guidelines relating to social distancing.

Current Status: While the full impact of the Pandemic is yet to be fully determined, there is more clarity on the impact as time passes. The Programme has been reporting a RAG status of RED since the outbreak of the pandemic, due to uncertainty relating to the construction project timelines, and the RAG status is expected to return to GREEN shortly given the revised construction timelines detailed in the Construction update above. . However, given the ongoing risk of further shutdowns and the likelihood of that further design changes the risk of delay remains under active management and reviews of the schedule with the Developer have been formally agreed for November 2020 and March 2021.

3.2 Financial Risk:

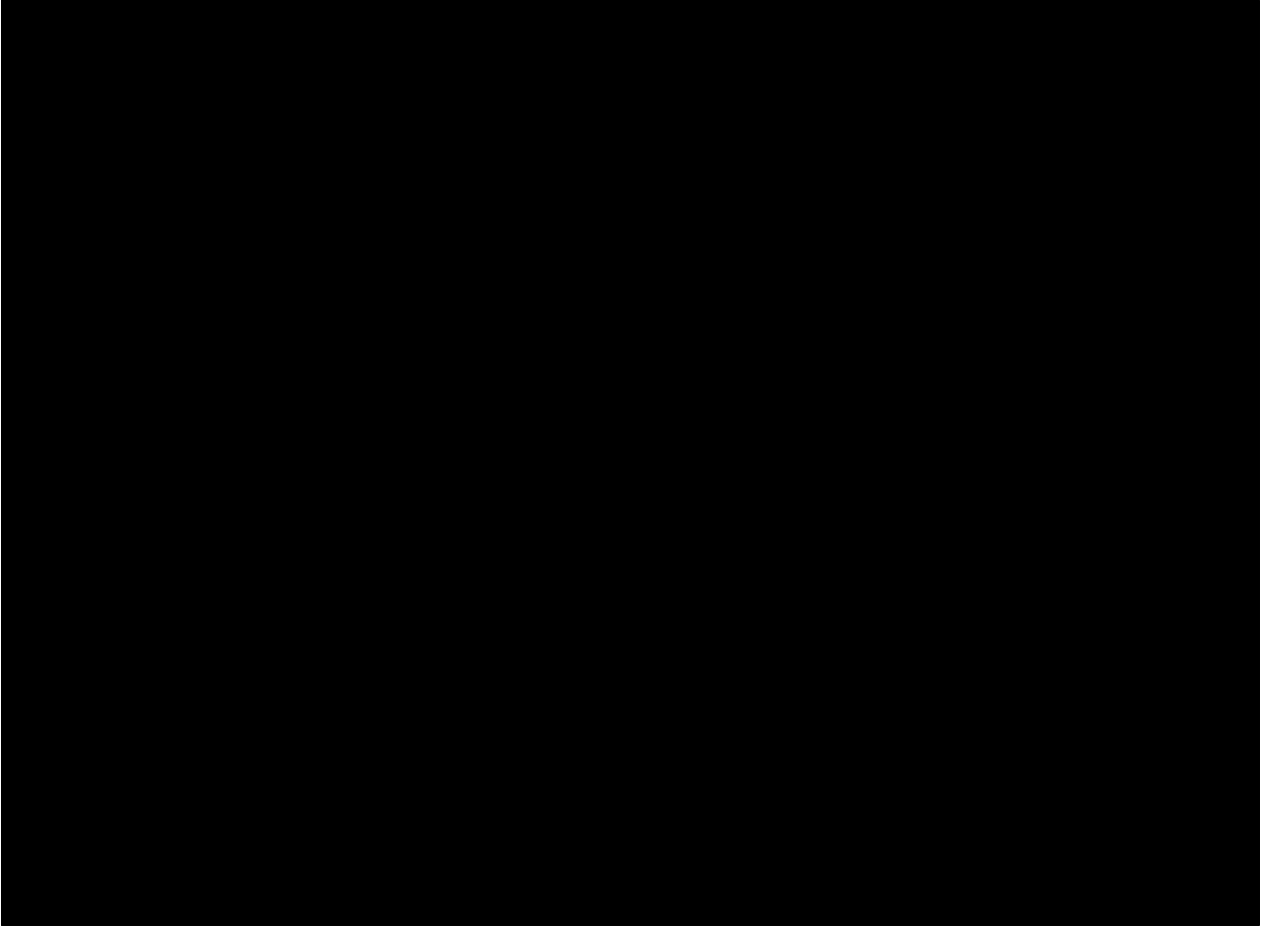
The risk to the financial health of the Programme as a result of COVID 19 i.e. the cost of the construction works and Fit Out works will exceed budget due to delay costs being passed to the Bank and cost increases in the supply chain.

Current Status: In relation to the cost implications of the COVID-19 emergency, the Bank's Quantity Surveyor (QS) has provided a range of estimates (between circa ██████████ to cover the risk. Based on this professional advice, the ██████████ considers that a prudent budget allocation of circa ██████████ should be allowed for this cost and this is currently allocated against the Governors Contingency. No claims have been received by the Bank to date and the full financial extent of the potential impact/liability is unknown. [Our contract does not address these matters, nor are there any market norms as yet.](#) Should claims be received, they will be fully evaluated by our professional advisors (QS and Legal). All relevant Programme governance will

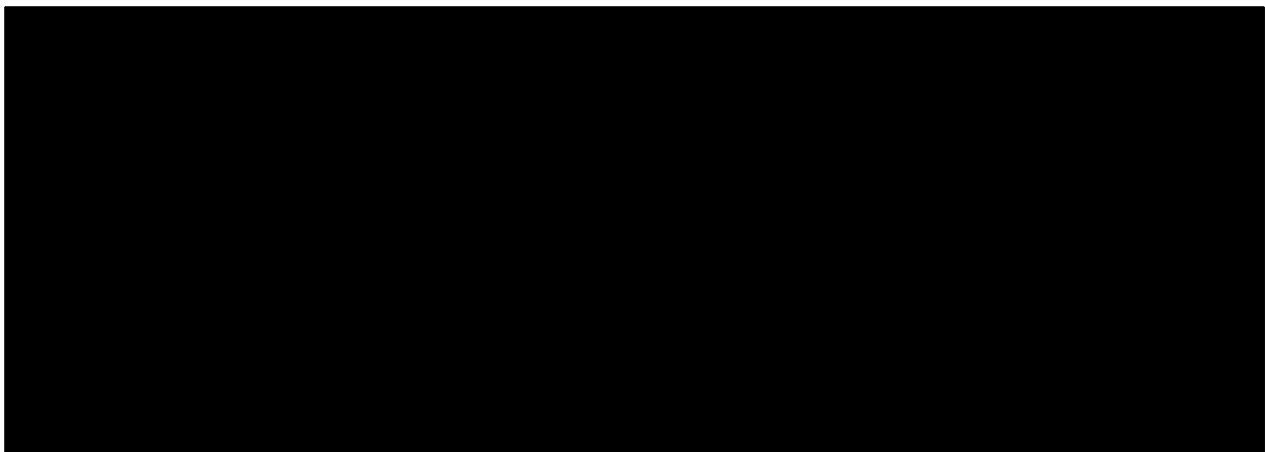
⁶ Paper C20 040

be kept fully advised of when claims are received and of how they are being addressed.

3.3. Design Risk:



3.4. Misalignment Risk:



4. Programme Budget

In May 2019⁷ the Commission approved the overall indicative cost envelope for the Programme

⁷ Paper C19 158

of [REDACTED] plus a [REDACTED] contingency allowance, drawdown of which has to be approved by the Governor (the 'Governor's Contingency') with notification to the Budget and Remuneration Committee. The Programme is currently operating within the approved [REDACTED] envelope plus an estimated [REDACTED] cost allocated against the Governors Contingency. The Programme is not seeking draw down against the Governor's Contingency allowance at this stage, however a number of costs headings for additional works that were not accommodated within the budget envelope controlled by the Programme have been agreed and these will most likely have to be funded from the Governor's Contingency in due course. The costs of these additional works are being formalised with the Vendor and, if savings cannot be found in the Programme controlled budget envelope, a formal request to drawdown Governor's Contingency to cover these costs will be prepared.

The following is a list of those items currently allocated to the Governor's Contingency, the total of which is currently circa [REDACTED] Annex 1 provides a greater level of detail on each of these items:

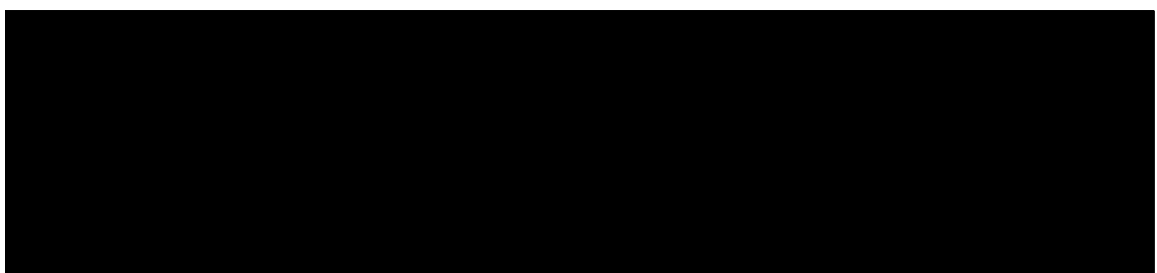
Item	Cost
Purchase of Dublin Landings buildings – higher price based on final measurement of space being purchased than anticipated in original budget	€429,000
Uplift energy rating of Mayor Street from a Building Energy Rating (BER) of A3 to A2	[REDACTED]
Changes to the end of journey facilities at Mayor Street	[REDACTED]
Impact of COVID- 19 shutdown and loss of productivity to the construction schedule	[REDACTED]
Total	[REDACTED]

The Commission is invited to take note:

- (a) that the **Building and Premises Project is progressing with a forecasted Practical Completion date circa end October 2021 which, tentatively, could allow for occupation in the first half of 2022;**
- (b) that the **Detailed Design is ongoing with the Bank's Design Team and is now including consideration of some infection-mitigating features including adaptation of the end-of journey facilities;**

(c)

(d)



- [REDACTED]
- (e) of the key Programme risks and that the Programme team continues to take actions to mitigate the risks; and
 - (f) that the Budget is on track and that circa [REDACTED] Governor's contingency is provisionally allocated.

Annex 1 - Items currently intended to be funded by the Governor's Contingency

a. Purchase of Dublin Landings buildings

A Budget of €225m including VAT and Stamp Duty was allocated to the purchase in the approved budget. Following professional measurement by Plowman Craven (as per the agreement to purchase) of the footprint of the building, the final agreed price was €225,429,000. The €429,000 over the €225m budget estimate is allocated against the Governors Contingency. This cost has been incurred and monies have been paid.

b. Uplift energy rating of Mayor Street from a Building Energy Rating (BER) of A3 to A2

The Vendor designed the buildings to achieve a BER of A3. Given the Bank's experience of NWQ and our commitment to reducing our Scope 1 and Scope 2 greenhouse gas emission intensity, the SPE agreed with a recommendation to uplift the BER to A2. The cost of the uplift was estimated at that time as circa [REDACTED] (subject to detailed design) with a payback of circa 20 years. Following further detailed design the provisional order of cost is now circa [REDACTED], inclusive of VAT and fees etc.. These works are a Client instigated addition to scope. The [REDACTED] budget estimate for these works is allocated against the Governors Contingency.

c. Changes to the end of journey facilities at Mayor Street

A range of infection control measures can support limiting the transmission of COVID-19 in the workplace. With this in mind the Campus Development Programme investigated the possibility of amending certain aspects of the design of Mayor Street to incorporate additional measures to support infection control. Transmission of the virus occurs when people are in close proximity. The end of journey facilities (showers and particularly the changing areas) were identified as a space where there would regularly be a high concentration of staff in close proximity to each other. In order to reduce the risk of transmission, and maintain the number of showers, the design team proposed an alternative layout for the end of journey facilities i.e. an enlarged unisex installation that enables staff to shower and change within individual shower/changing cubicles. The design incorporates a one way system around the area, individual changing cubicles, limited communal spaces, and unisex WC facilities. The provisional order of cost for this change to the existing design and alteration to existing physical layouts is circa [REDACTED]. These works are a Client instigated variation of and addition to scope. The proposal was endorsed at the Campus Development Programme SPE on 21 August 2020. The [REDACTED] budget estimate for these works is allocated against the Governors Contingency.

d. Impact of COVID- 19 shutdown and loss of productivity to the construction schedule

The Banks Quantity Surveyor (QS) has provided a range of estimates (between circa [REDACTED] to cover impact of COVID risks associated with, inter alia, the Government mandated COVID-19 shutdown, allowance for onsite COVID mitigation measures, delays to the construction and design programmes, loss of productivity due to COVID restrictions, impact of any confirmed on site cases, impact of any additional restrictions, and impacts on supply chains as a result of COVID. The full extent of the impact/liability is unknown at this stage and no claims have been received to date. Once claims are received the Bank will engage with LEG, McCann Fitzgerald and the QS to determine the contractual liability.. All relevant Programme Governance will be kept fully advised of when claims are received and of how they are being addressed.

Based on current knowledge the Programme Director considers that a prudent budget allocation of circa [REDACTED] should be allowed for this cost and this is currently allocated against the Governors Contingency.

Annex 2 - Campus Development Programme - Risk Profile Update

Description of possible risk and impact on project objectives	Status	Actions	Expected Status Post Response	Monitoring Update
<p>Delay Risk: Risk of delay to the Construction Programme as a result of COVID-19: The project schedule will be delayed due to the outbreak of COVID-19. The delay risk relates to the duration of the shutdown and re-start, the supply chain for building materials, the supply chain for client direct contracts (FF&E, IT/AV) necessitating the need to carry out alternative procurements, sourcing of alternative products, additional time associated with extending existing commercial contracts for professional services and the loss of productivity on site as a result of the Government regulations.</p>	<p>RED</p>	<ul style="list-style-type: none"> • The Programme are working with the Developer to confirm a revised project schedule incorporating the Shut-Down Period. • Once the revised schedule has been received it will be validated by the Banks industry advisors • When the final schedule for the construction is agreed, it will be reported to the SPE. 	<p>GREEN</p>	<p>The developer's team has concluded its end of August review on the construction fit-out programme with the Contractor resulting in a Practical Completion date of 25th August 2021. This date assumes that the contractors' assessment of COVID-19 related impact remains at c.10%, that there are no further shutdowns which impact the works (immediate to the site, labour or a fabricator / supplier) and that further design changes are such that they can be accommodated within the overall programme. Following review with the Banks professional advisors of the contractors programme and its assumptions, the B&P programme is currently factoring in an additional 8 weeks to the overall CDP programme to allow for COVID-19 related impacts and a minimal level of design change. This will be refined at the end of November 2020 and again at the beginning of March 2021.</p>

Financial Risk: Risk to the financial health of the Programme as a result of COVID-19. There is financial risk associated with the shut-down of the site, delays as a result of a reduced productivity as a result of socially distanced working, the supply chain for building materials, the supply chain for client direct contracts (FF&E, IT/AV), sourcing of alternative products, additional costs associated with extending existing commercial contracts for professional services etc.

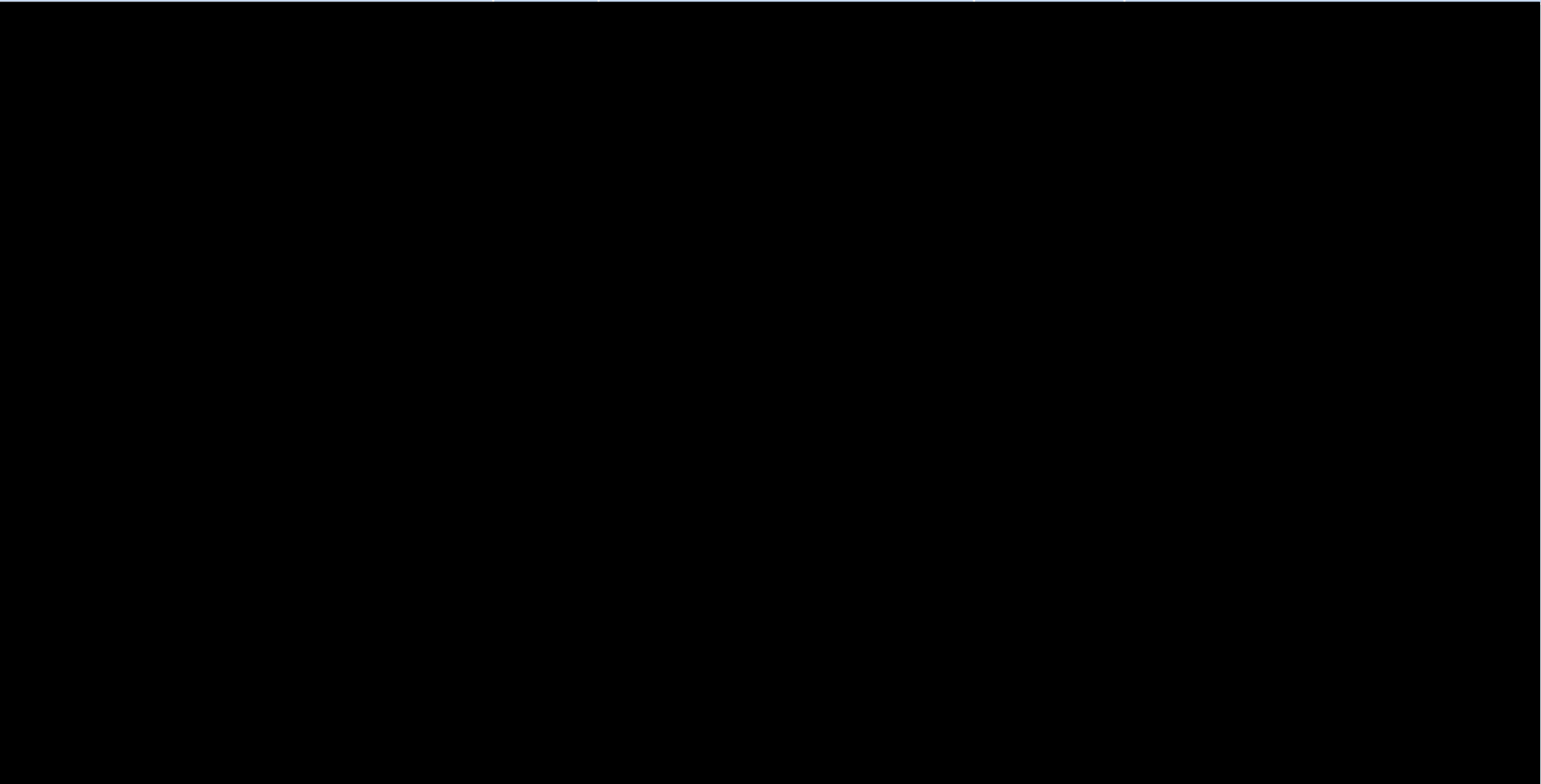
RED

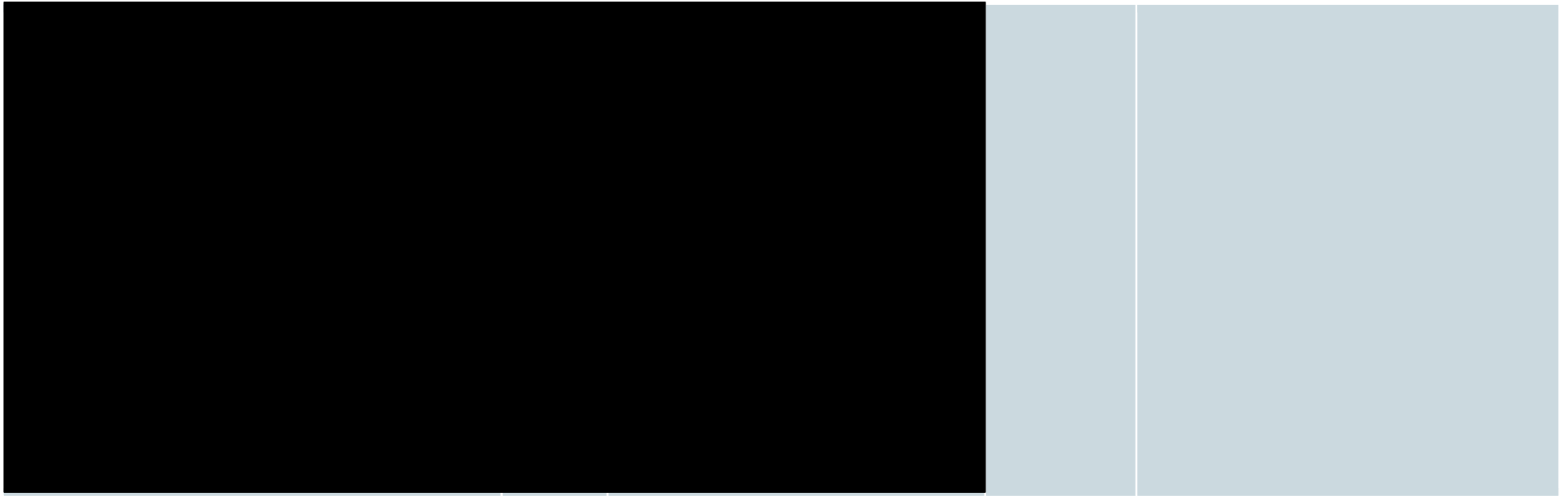
- Work with the Developer to consider any cost exposure of the COVID-19 Shutdown
- Engage Legal advice on where and to what extent any liability lies with the Bank
- Provide recommendations to the SPE with the findings.
- Implement change via the Programme Change process where justified.

GREEN

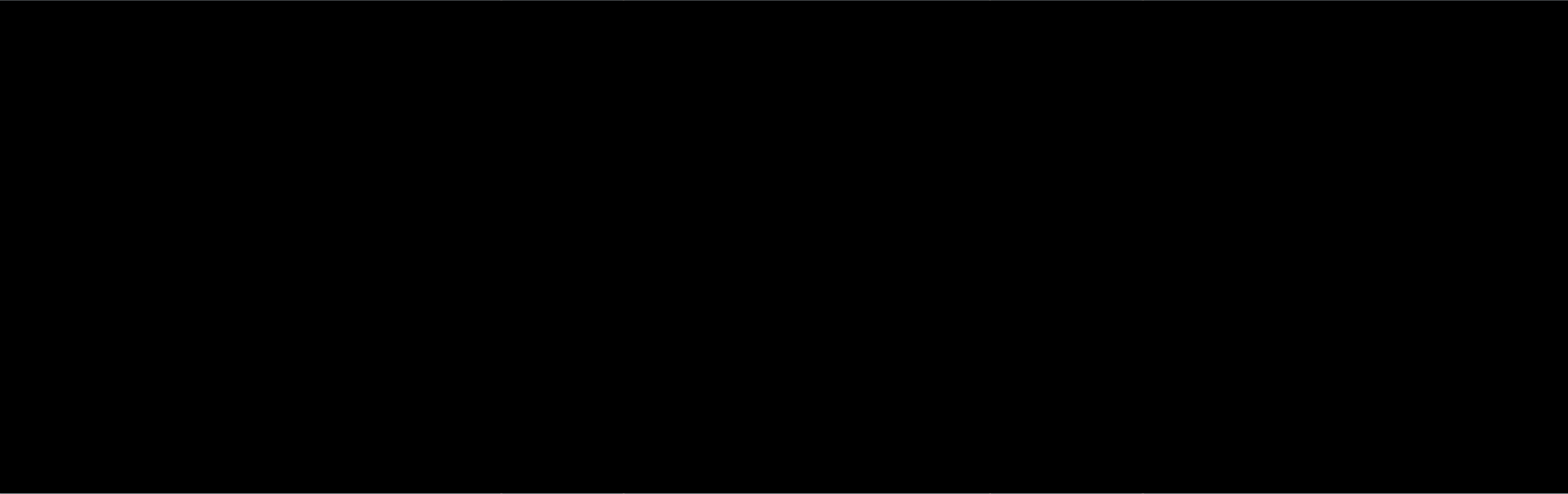
No claims have been received from the Developer in relation to COVID-19 to date. The QS has provided a range of estimates to cover the impact of risks associated with COVID-19. The full extent of impact liability is unknown. Based on the current knowledge, the Programme Director considers that a prudent budget allocation of circa [REDACTED] should be allowed for this cost and this is allocated against the Governors Contingency. This work is ongoing. All relevant Programme Governance will be kept fully advised of when claims are received and of how they are being addressed.

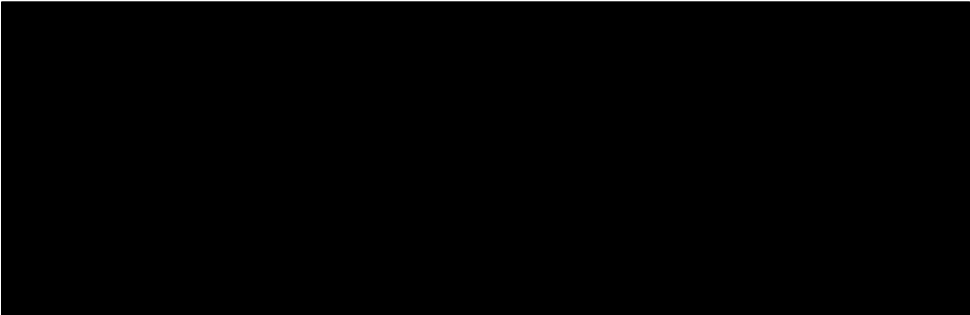
Description of possible risk and impact on project objectives	Status	Actions	Expected Status Post Response	Monitoring Update
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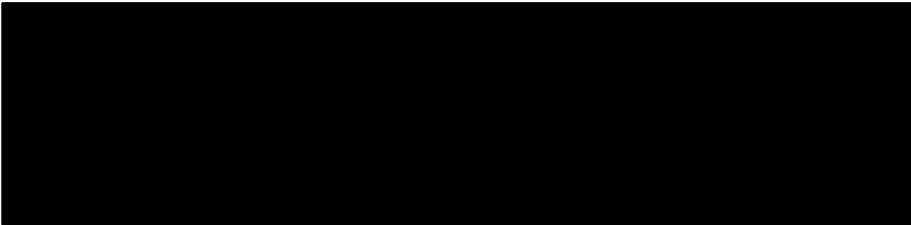
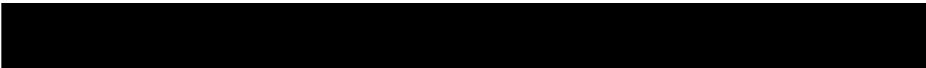





Description of possible risk and impact on project objectives	Status	Actions	Expected Status Post Response	Monitoring Update
<p>COVID Design Risk: The current design for Mayor Street is "as per NWQ" and does not include provision for 'COVID -Mitigating the building. There is a risk that if these changes are not taken into consideration now, the building will not be fit-for-purpose for the future and there could be cost and delay to update designs in the future.</p>	<p>AMBER</p>	<ul style="list-style-type: none"> • The team will work with the architects to understand the requirements on the "COVID-Mitigating" of Mayor Street. • Each option will be costed and a proposal will be presented at the appropriate Governance level (PgLT, SPE, etc.). 	<p>GREEN</p>	<p>A change request to redesign the end of journey facilities was approved by SPE on the 21st of August. Further COVID Mitigating measures are under consideration. All relevant Programme Governance will be kept fully advised if further CRs are to be recommended.</p>

- | | | | | |
|--|--|--|--|--|
| | | <ul style="list-style-type: none">• Once the options have been approved, they will be incorporated into the design schedule. | | |
|--|--|--|--|--|
- 

Risk Committee	Campus Development Portfolio – Progress Update For Information
	Circulated to the Risk Committee on 17 February 2021 Paper No. C21 040
Issue	The purpose of this paper is to brief the Commission on the current status of the Campus Development Portfolio (CDP).
Key Points	<p>The Construction Schedule for Mayor Street has been further impacted by the current Level 5 restrictions. The target date for occupation of Mayor Street in Q2 2022 cannot be verified until the impact of the current national shutdown is quantified. The cost and liability impact of these delays will not be quantified until work recommences and the portfolio continues to carry this financial risk.</p> <p>Detailed Design is ongoing. The main changes to the design involve re-design of the Welfare Facilities and amendments to the design of working floors. These changes arise as a consequence of the Pandemic and the proposed move to a hybrid working model. An increase in the levels of video conferencing facilities is under consideration.</p>  <p>While the Portfolio remains within approved Budget, with [REDACTED] of Governor's [REDACTED] contingency allocated, this is not without significant risk, and the Portfolio team continues to maintain action plans to mitigate other significant risks across the projects</p>
The Risk Committee is invited to:	<p>note that:</p> <p>a) the Detailed Design of Mayor Street is ongoing, and design changes of some working floors is being progressed;</p>

	<p>b) the Building and Premises Project is progressing however, the target date for occupation of Mayor Street in Q2 2022 cannot be verified until the impact of the current national shutdown is quantified;</p> <p>c) </p> <p>d) the Portfolio remains within approved Budget, however this is not without significant risk, and the Portfolio team continues to maintain action plans to mitigate other significant risks across the projects.</p>
<p>For onward submission to</p>	<p>the Commission</p>
<p>Other business areas consulted</p>	<p>IMTD, FCD, Future@Work</p>
<p>Authors</p>	
<p>Approver</p>	

CAMPUS DEVELOPMENT PORTFOLIO – PROGRESS UPDATE


INTRODUCTION

This paper provides a status report on the various elements of the Campus Development Portfolio (CDP). The CDP last reported to the Commission in October 2020¹ and updates on the risk profile of the Portfolio have been provided to the Risk Committee².

1. Building and Premises Project

1.1. Detailed Design

1.1.1 Recent decisions on design revisions

Work on the detailed design continues. A review of the Mayor Street design was carried out in the context of the pandemic and Future@Work initiative. Particular concerns were around future virus mitigation and accommodating the Banks future ways of working. With a view to virus mitigation in the future, it was decided to adapt the office floor plate to facilitate maximum flexibility and minimum disruption to the works on site. The revised design of floor layout provides the capacity to create discreet zones and a reorientation of on-floor meeting pods and print stations which minimises pinch points for pedestrian traffic. 



Having clarified that desk supply³ will be more than capable of meeting demand⁴ it was decided that, instead of using the 3 floors in Mayor Street as ‘Working Desked Floors’, we will design one of the floors as a Collaboration Hub. This judgement was taken pre-Christmas and post a walk of the building site on 7 December as it was clear that failure to make design changes then had the potential to add significant additional cost and delay if changes were made at a later stage. The current assumption is that the Collaboration Hub will be on Floor 2, which is home to the IT Hub, accessible from NWQ by the

¹ Paper number C20 266

² The most recent paper to the Commission Risk Committee was in July 2020, paper ref # C20 195

³ Total desks in the Campus will be 1,910 with 1,472 desk in NWQ and 438 desks in Mayor Street.

⁴ This is based on daily attendance assumptions and a desk allocation by business area. There will not be 1:1 desk allocation.

Link Bridge and therefore best placed to provide the environment associated with a Collaboration Hub. See Appendix 1: Imagination Sketch for Collaboration Hub on 2nd Floor Mayor Street. This sketch is only indicative of the eventual design concept. Work on the creation of the Design Brief for the Collaboration Hub has commenced. It is necessary for the design of the Collaboration Hub to be completed mid-March 2021 and then issued to the Developer for minimising cost and impact on the Portfolio.

1.1.2 Video Conferencing Facilities

The current plan for the provision of Video Conferencing (VC) facilities in Mayor Street is to replicate the level provided in NWQ i.e. in one meeting room per working floor. This satisfied the low usage of VC in NWQ and expected Mayor Street usage pre-pandemic. With a hybrid model the levels of usage of VC required will be significantly increased. Depending on the type of technology and the extent to which it is provided across the premises, the cost for Mayor Street, which was unforeseen in the budget, may be in the region of [REDACTED]

[REDACTED] It is anticipated that a decision on VC will progress through formal governance before end of March. It is likely that this spend will exhaust the remaining 'Governor's' contingency and possibly exceed it.

1.1.3 Catering

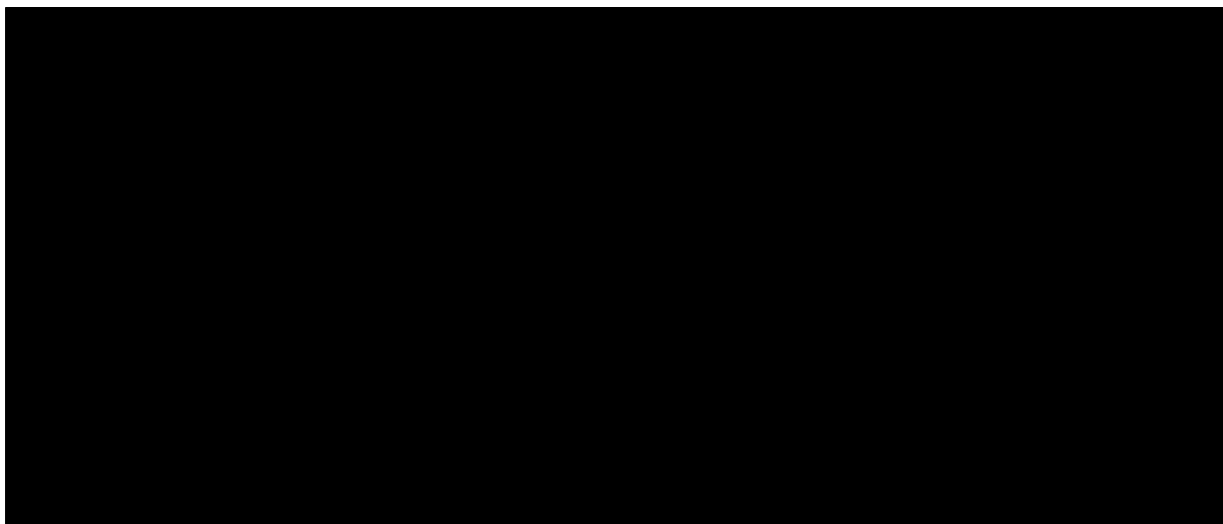
The plan for the kitchen in Mayor Street is for a facility that can service the full six floors if ever occupied by the Bank. The fit-out requirements of the kitchen were reviewed given the likelihood of a hybrid working model and consequently potentially fewer people on site. Given future uncertainties, we will seek to minimise upfront capital costs by deferring the procurement and installation of some kitchen equipment while minimising the impacts on design and construction schedule.

1.2. Construction Schedule


Onsite construction work ceased for a second time on 8 January 2021 and the date for re-commencement of work is currently unknown. The Contractor is continuing to work remotely during the site shut-down with the Design Team and the Bank on relevant services co-ordination, sign-off of detailed specifications for the construction works, and the impacts of design changes. Enabling works in and around NWQ premises to facilitate the construction of the Link Bridge have completed on schedule. The commencement of the bridge structure works, previously scheduled for February 2021 and expected to be completed by May 2021, are also delayed due to government restrictions.

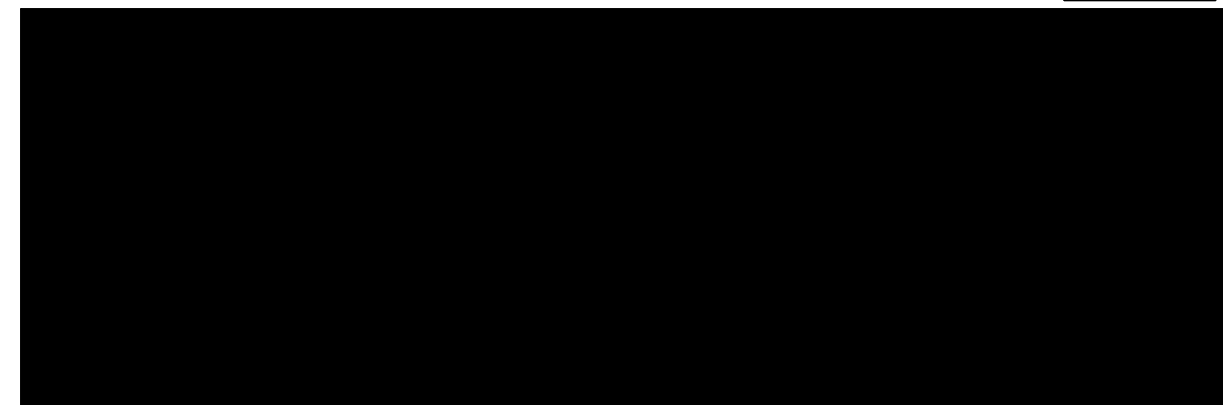
Based on a review of the impacts following the previous site shutdown, the Building and

Premises Project is now forecasting a 'Practical Completion' (PC) date⁵ of end December 2021 however, this cannot be verified until construction recommences. It is too early at this point to set a firm date for occupation due to continued pandemic uncertainty and the impact of the design changes referenced. When the return to site is confirmed, an updated construction schedule will be prepared by the Contractor for validation, based on which the Project will calculate a 'ready for occupation' date and this will be reported to the Commission.



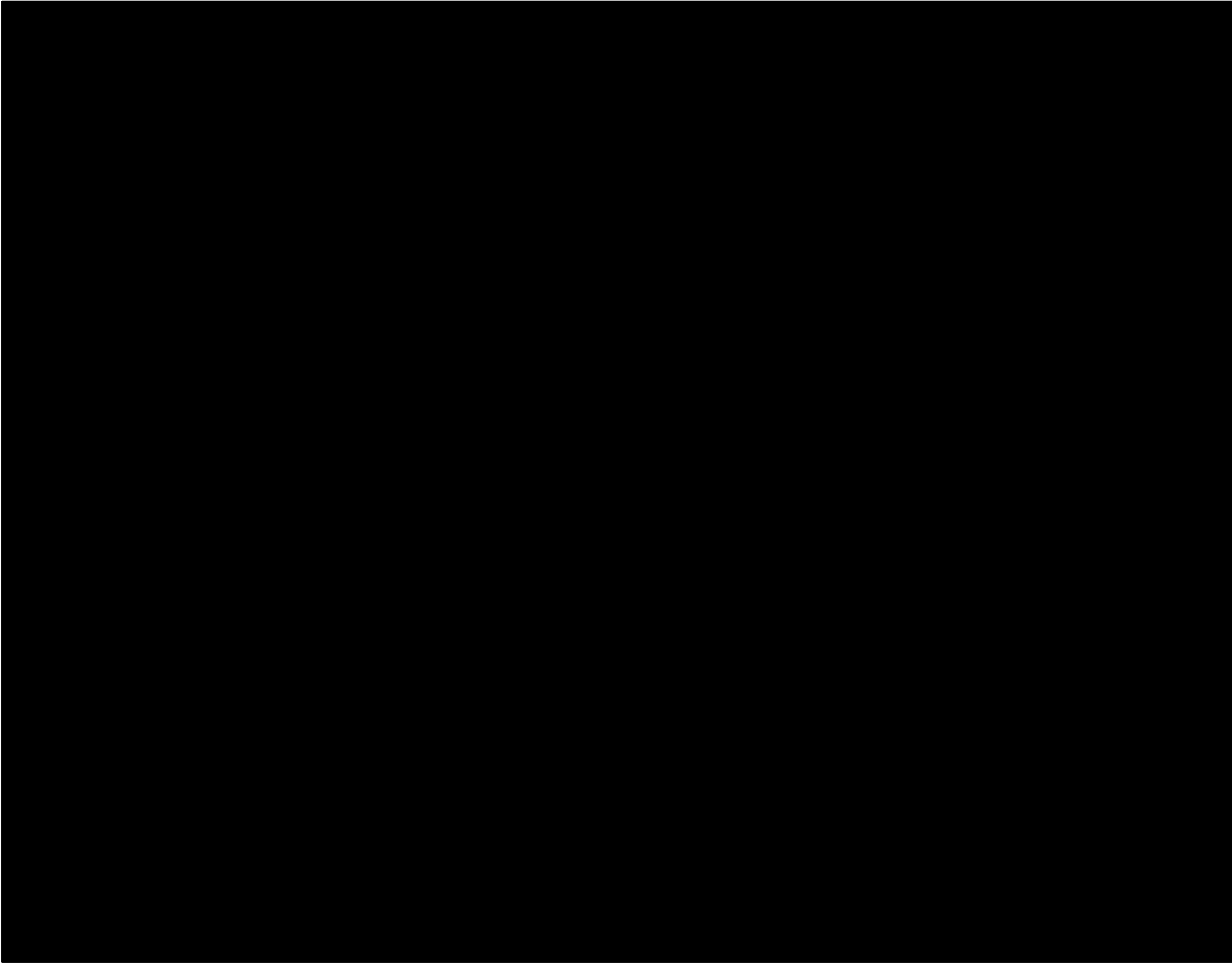
2. Spencer Dock and Leasing Activities

Our agent Lisney has prepared the marketing collateral for the leasing of three floors of office accommodation in Mayor Street. The active marketing of the accommodation is on hold, pending clarity on the number of working floors required for the use of the Bank. 



⁵ (PC) date is a contractual term used in Building Contracts to signify the date on which a building project is handed over to the client. The date triggers a number of contractual mechanisms. It can be expected that some defects and snags will exist at PC date, and further work will be required by the client and Contractor before the premises is ready for occupation.





4. Finance Update

As at the end December 2020, [redacted] has been expended by Building & Premises project (spend primarily on the purchase and fit-out of Mayor Street) [redacted]

[redacted] The following table outlines a breakdown of spend against budget as at the end of December 2020:

A horizontal line is followed by a large black rectangular redaction block that completely obscures the table content. No data or structure of the table is visible.

External Spend Description	Portfolio Budget €'000	Expenditure to end Dec 2020 €'000	Remaining Spend €'000
Building Purchase	€225,000	€225,429	(€429)
Works			
Workplace Experience			
Governor's Contingency			
TOTAL			

Based on the information available at the end of 2020, the Banks Quantity Surveyor (QS) view is that the projected outturn cost for the Fit-Out Works will be within the budget envelope, excluding the items allocated to the Governor's contingency, the impact of another shutdown and any further design changes. The Project will be re-forecast once the duration of the site-shutdown is known and the design and construction schedule re-sequenced which will take account of the various impacts to date which include: two shut-downs, decreased productivity on site, additional design work as a result of COVID mitigation reviews, re-design and the impacts of the Client Instructed variation to the design of Level 2.

As advised to the Commission previously⁹, an estimated [REDACTED] incl. VAT is currently allocated against the Governors Contingency of [REDACTED]. The Portfolio is not seeking to formally draw down against the Governor's Contingency allowance at this stage, however drawdown can be expected when the costs have materialised. The QS has provided a range of estimates (between circa [REDACTED] to cover the risk relating to the COVID-19 emergency. It is likely that the provisional allocation of cost [REDACTED] allocated against the Governors Contingency) to cover claims from the developer for costs related to the pandemic may take some time to materialise. This provisional allocation was provided for on basis of the first shutdown in 2020, and has not been updated to reflect possible claims against the second shutdown, and resolution of this will be progressed when the extent of the shutdown is known and the impact quantified. Our contract with the Developer does not address these matters, nor are there any market norms as yet. Should claims be received, they will be fully evaluated by our professional advisors (QS and Legal). The QS team are proactively engaging with the developer and their team to ensure that accurate records are maintained for the site shutdowns, and delays are mitigated through

⁹ Paper No C20 66, October 2020. Allocations include the change in final price of the building; uplift in the Energy Rating; changes to end of journey facilities; an allowance for the impacts of COVID on construction schedule.

ongoing meetings with the design team and contractor. The QS team are currently collating COVID costs from a number of projects and in particular the costs associated with the CIF standard operating procedure. This will allow the commercial team to gather benchmark costs and challenge any unreasonable costs from the main contractor.

There is unlikely to be capacity in the budget of [REDACTED] for any additional costs not yet identified that may arise between now and the end of the Portfolio. Given the volatility and uncertainty in the current environment and the complexity with completing the remaining work in the Mayor Street premises it is recommended that the remaining Governors Contingency amount of circa [REDACTED] is retained as a 'risk contingency'. The cost impact of delays to the construction schedule and cost of increased VC are likely to exhaust, and possibly exceed, the remainder of Governor's Contingency. Accordingly no items for change in scope should be allocated against it until the overall impacts on the schedule and costs are finalised

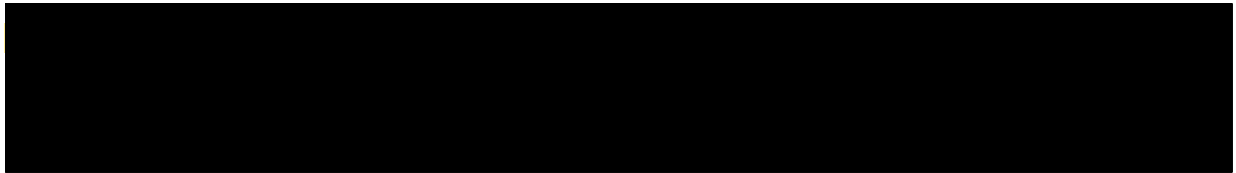
5. Conclusion

In the context of the global pandemic, and in particular its direct impact on construction activities, the overall CDP is progressing satisfactorily. Good progress has been made with the design of Mayor Street premises with some noteworthy changes incorporated to introduce virus mitigation measures and facilitate the Bank's evolving hybrid working model. The intended target date for occupation of Mayor Street in Q2 2022 cannot be verified until the impact of the current national shutdown is quantified. [REDACTED]

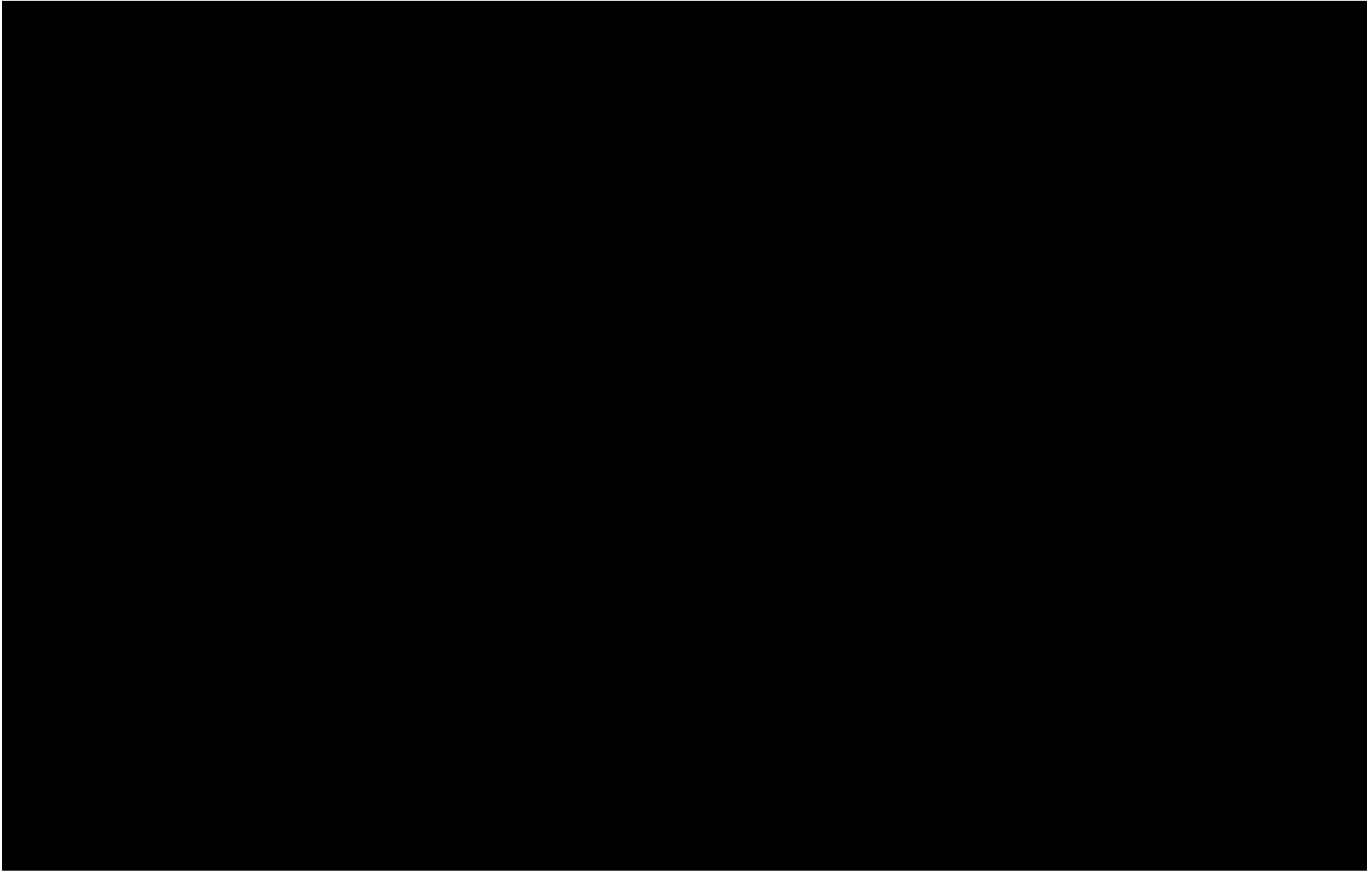
[REDACTED] Currently the Portfolio is forecasting to remain within the budget envelope, however this is not without significant risk, and the Portfolio team continues to maintain action plans to mitigate other significant risks across the projects. Appendix 2: Campus Development Portfolio - Risk Profile Update provides a summary of key risks to the Portfolio.

The Risk Committee is invited to note:

- (a) that the Detailed Design of Mayor Street is ongoing, and design changes of some working floors is being progressed;**
- (b) that the Building and Premises Project is progressing however, the target date for occupation of Mayor Street in Q2 2022 cannot be verified until the impact of the current national shutdown is quantified;**



(d) that the Portfolio remains within approved Budget, however this is not without significant risk, and the Portfolio team continues to maintain action plans to mitigate other significant risks across the projects.



Appendix 2 - Campus Development Portfolio - Risk Profile Update

The following information provides an update on the top risks associated with the Portfolio:

Delay Risk: The risk of delay to the completion of the Construction Schedule due to a delay to the construction and fit out of the premises as a result of government shutdowns; or a delay to the construction as a result in a drop in productivity resulting from the implementation of social distancing.

Current Status: The Portfolio has been further impacted by the current government restrictions and the impact on construction timelines cannot be quantified until work on site resumes. Any further restrictions resulting in a site shutdown will put a target of Q2 2022 for occupancy in jeopardy. The risk remains under active management with design changes being progressed with the Design team in order to build into the revised construction schedule. This schedule will be validated and realigned, when the duration of the shut-down and associated impacts are known, with the relevant project's direct contracts (e.g. furniture) timelines.

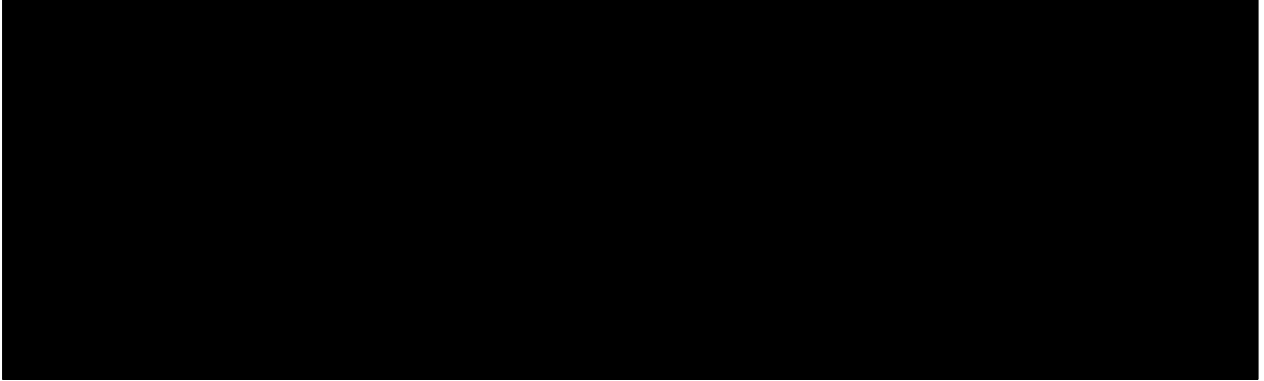
Financial Risk: The risk to the financial health of the Portfolio as a result of COVID 19 i.e. the cost of the construction works and Fit Out works may exceed budget due to delay costs and / or cost increases in the supply chain being passed to the Bank.

Current Status: Site closures as a result of the pandemic may have a serious cost impact. Based on advice from the QS, a budget of circa [REDACTED] for this cost is currently allocated against the Governors Contingency. No claims have been received by the Bank to date and the full financial extent of the potential impact/liability is unknown. Should claims be received, they will be fully evaluated by our professional advisors (QS and Legal). All relevant Portfolio governance will be kept fully advised of when claims are received and how they are being addressed. Further details in section 5 above.

Design Risk: Since the onset of the pandemic, a number of risks relating to the internal design of Mayor Street have emerged. First, that the design has not built-in any future virus mitigating measures: [REDACTED]

Current Status: This Risk has been managed through close collaboration with key stakeholders. Key measures that have been introduced into the Design for virus mitigation include the re-design of the Welfare Facilities and the reconfiguration of working floors 1 and 3. It has been

decided to reconfigure Level 2 of the building as a collaboration 'hub' in anticipation of a greater focus on collaborative activities on the premises. Finally, until the Bank is satisfied that an adequate level of hybrid working will be acceptable across the organisation, the leasing of floors 4, 5 and 6 is currently on hold.



An Introduction to the Campus Development Portfolio (CDP) – the ‘journey to date’, as at December 2020.

The purpose of this appendix is to provide a high level summary of the ‘journey to date’ for the Campus Development Portfolio (CDP). It covers the rationale for the Portfolio; the objectives and scope of the Portfolio; an overview of the contract with the developer; changes to the design of Mayor Street premises; staff communications; and the impacts to date of the pandemic. A table outlining the timeline of specific papers presented to the Commission is included at the end.

The initial paper relating to the Premises and Accommodation Strategy was brought to the Commission in May 2018 which outlined a proposal to make a strategic investment in commercial property known as ‘Dublin Landings’ (DL) adjacent to the Bank’s North Wall Quay premises. The premises front onto Mayor Street and are directly behind the North Wall Quay premises. A revised proposal to purchase two blocks (DL4 & DL5) was presented in October 2018. The revised proposal was to safeguard the Bank’s city centre occupational position in the long term, and provide the Bank with greater optionality and flexibility in terms of future usage of premises including exiting occupation of Spencer Dock (SD). Given the uncertainty regarding the likely growth in demands for accommodation for resources over the medium-term, the investment in the DL properties was considered as a strategic, prudent, cost effective provision of additional city centre campus accommodation, supported by rental income from short to medium term leases of the upper floors of the new premises (floors 4, 5, 6). The partial occupation of the two blocks in DL facilitates the development of a single premises and usage of each floor (across the two blocks) on a horizontal basis (i.e. the two blocks are treated as a single premises), which provides for an equivalency of design with the NWQ premises, and provides for long term growth capacity.

The proposal was agreed with the Commission¹ in October 2018 and a contract for purchase of the two buildings (DL4 and DL5) was signed in January 2019. The contract with the developer (Oxley and Ballymore) also included the design, construction and completion of ‘Optional Works’ (basement integration, fit-out, bridge link, etc.) at the premises. The ‘Optional Works contract’ obliges the developer to offer to complete works requested by the Bank at any time prior to 24 October 2019. In addition the Developer is obliged to offer to complete works in relation to Security Systems, achieving a BER A2 rating and furniture installation requested by the Bank after 24 October 2019. The developer is not obliged to complete works outside these

¹ A full list of all Commission papers related to the Campus Development is provided below

obligations. An indicative cost envelope for the Portfolio of [REDACTED] (including [REDACTED] contingency²) was approved in May 2019 and the costs included for construction and Fit Out of the purchased premises were based on a replication of the NWQ design.

This decision crystallised the Bank's long-term city centre accommodation strategy which is centred on the occupation of an integrated campus of premises at North Wall Quay (NWQ). This strategy envisages (i) the full occupation of the existing NWQ premises, (ii) partial occupation of the premises at Mayor Street (linked to the adjacent NWQ premises via a pedestrian bridge), (iii) the leasing of the surplus space of the Mayor Street premises and [REDACTED]

The Campus Development Portfolio (CDP) was setup to provide the overarching management framework affording the necessary co-ordination, control and monitoring to successfully deliver the constituent projects and to realise the value of the investment. The CDP objectives include creating a "One Bank" integrated campus for all city centre staff which enables a single unified campus (Mayor Street³ and NWQ) which continues to provide a fulfilling work place environment with the technology, tools and facilities that allow our staff to deliver their outputs effectively. To achieve the objective of an integrated environment, where the facilities are spread across the unified campus instead of being replicated in both buildings, the design includes only one reception for visitors, one meeting room suite for visitors, one training facility, one IT Hub, etc.

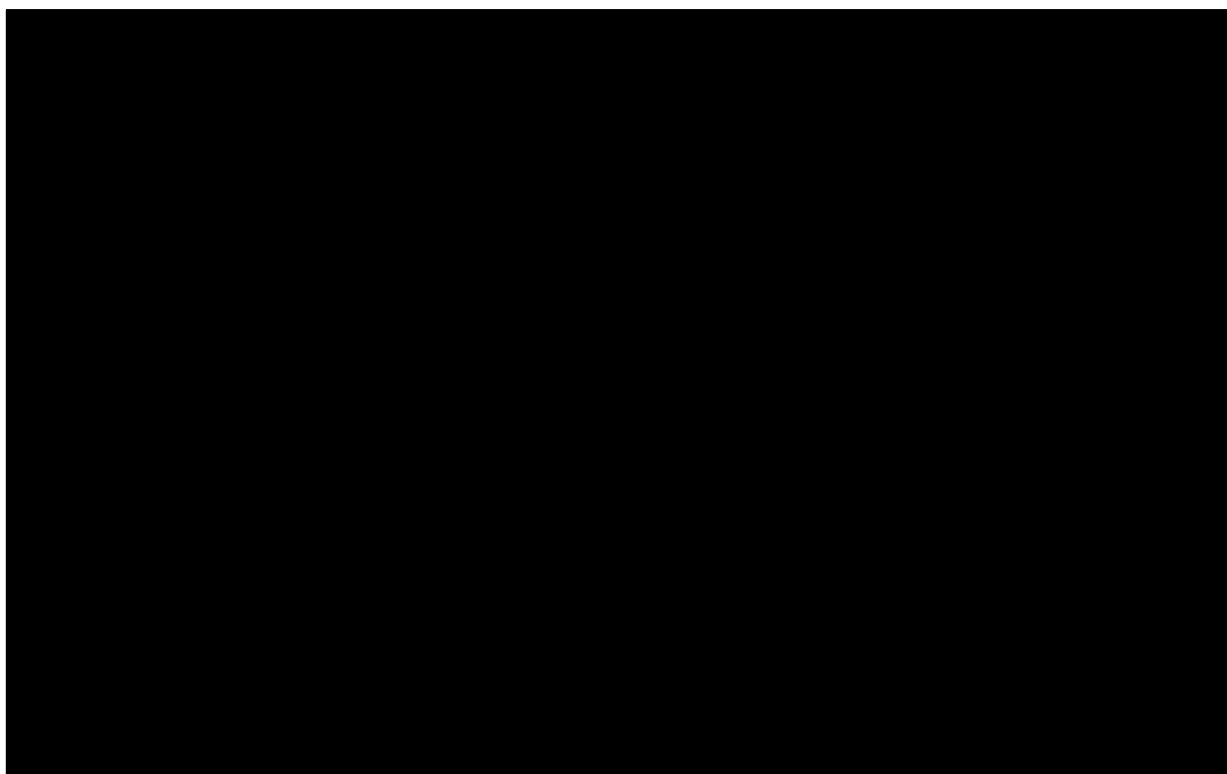
The Portfolio comprises two projects (The Buildings and Premises Project and the Workplace Experience Project) with several attributed work-streams. The overall scope being delivered includes: construction and fit-out of the Mayor St. building; [REDACTED] leasing of three floors in Mayor St.; integration of the buildings into a single Campus; [REDACTED] installation of a pedestrian link bridge between NWQ and Mayor St. buildings; [REDACTED]

² The arrangements for drawdown of Governors contingency are detailed in paper in C19 158

³ The Bank's premises at DL are now referenced as 'Mayor Street', such that the integrated Campus consists of our buildings at NWQ and Mayor Street.

To date there have been two substantial Design changes to the fit out of Mayor Street agreed with the Commission and funded from the [REDACTED] governor’s contingency, being: uplift of Building Energy Rating (BER) for Mayor Street from of A3 to A2; and re-design of the welfare facilities (infection-mitigating measures, revisions to the end-journey facilities including shower facilities and changing areas). These design changes, in addition to other items, have been funded from the Governor’s contingency budget resulting in a current allocation of [REDACTED] from the [REDACTED] budget. The specific items currently allocated from the Governor’s contingency include:

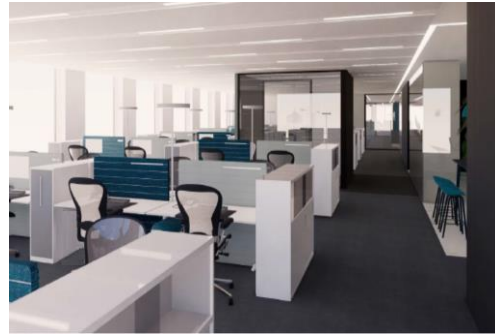
Item	Cost
Purchase of Dublin Landings buildings – higher price based on final measurement of space (as per Conditions of Sale) being purchased than anticipated in original budget	€429,000
Uplift energy rating of Mayor Street from a Building Energy Rating (BER) of A3 to A2	[REDACTED]
Changes to the end of journey facilities at Mayor Street	
Impact of COVID- 19 shutdown and loss of productivity to the construction schedule	
Total	



External view of Art Work (Double Rainbow) and Link Bridge



Typical floor Layout



Link Bridge between NWQ & Mayor


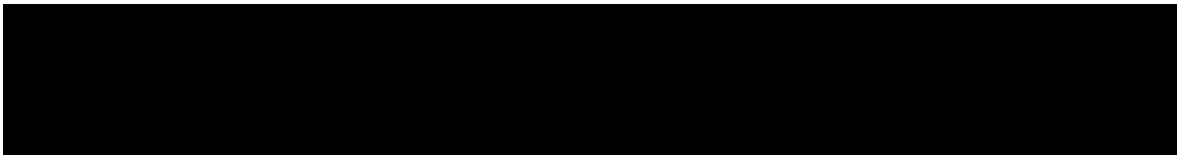


The Mayor Street Atrium



By February 2020 the Portfolio was progressing well and working towards a target of Q1 2021 for occupation of Mayor Street. However, the Covid-19 Pandemic has had a major impact on the construction and Fit Out schedule due to site shutdowns, and impact on productivity. In April 2020 the Commission were advised of a likely delay to the construction and fit out of the premises due to government restrictions; the risk that cost of the construction works and fit out works could exceed budget due to 'delay costs' and cost increases in the supply chain being passed to the Bank; the risk that design of the premises may not meet revised ways of working in a post pandemic environment; the risk that the new premises may not be utilised due to an increased level of remote working in a post COVID-19 environment; the risk that new premises may not have sufficient capacity due to continued social distancing requirements.

A paper was brought to the Commission in June 2020 seeking agreement on the way forward given the impacts of the Covid-19 pandemic on the Portfolio. Three options were presented:

1. 
2. Continue with the Portfolio, but amending the design to provide the greatest level of flexibility to the Bank
3. 

The Commission agreed with Option 2 and the Portfolio has progressed on this basis. Progress to date on other aspects of the Portfolio include:

- [REDACTED]

- Preparation of marketing material for the leasing of Mayor Street is complete;

- [REDACTED]

List of all Commission papers related to the Campus Development

Paper Number	Date Tabled	High Level Summary of Request to Commission
No. 141 of 2018	30/05/18	Requested support of proposal and agreement in principle to purchase Dublin Landings property 5 (DL5) and to note that if the property is purchased the Bank will develop a case to exit occupation and dispose of the Spencer Dock premises and to give views on the opportunity for the Bank to bid for DL4 property (DL4) as a long-term investment
No. 154 of 2018	21/06/18	Requested agreement for the Bank to place a bid for the purchase of DL5 and to note that a decision on the future of Spencer Dock will not be taken until late 2019/2020
No. 223 of 2018	08/10/18	Requested support to purchase DL4 property which would enable decision on Spencer Dock to be brought forward and the vacant floors of DL4 & 5 would replace investment property at Spencer Dock
No. 240 of 2018	23/10/18	Requested agreement to place a bid of €97m for the purchase of DL4 property and to note that if purchased the Bank would exit occupation and dispose of the Spencer Dock premises.
No. 305 of 2018	17/12/18	Requested support of proposal to construct a link bridge between the new properties and NWQ and to note options for contract of sale to include core alterations, link bridge construction and fit-out ('Optional Works')
C19 119	11/04/19	Requested assessment of the options relating to the contract 'Optional Works' to be carried out by the Developer
C19 158	24/05/19	Requested approval of the indicative cost envelope for the Portfolio; the construction of a pedestrian bridge between NWQ and Mayor Street; the governance of drawdown of general contingency allowance from the indicative cost envelope; and the recommendation that the Governor notify the Vendor (Oxley Docklands Quay Two Ltd) of the acceptance of their proposal, including any amendments that may be agreed by the Parties to progress the Optional Works
[REDACTED]	[REDACTED]	[REDACTED]
C20 127	17/04/20	Requested to note the status of the Portfolio and the impact plus associated Risks as a result of the Pandemic
C20 172	10/06/20	Requested to note that delay was inevitable as a result of the Pandemic and approval of the recommendation that the Portfolio pursue the option that maximises flexibility while continuing with contractual commitments
[REDACTED]	[REDACTED]	[REDACTED]
C20 266	13/10/20	Requested to note the status update on the Portfolio.
[REDACTED]	[REDACTED]	[REDACTED]

Risk Committee	Campus Development Portfolio – Progress Update For Information
	Circulated to the Risk Committee on 4 May 2021 Paper No. C21 095
Issue	The purpose of this paper is to brief the Risk Committee on the current Risk status of the Campus Development Portfolio (CDP)
Key Points	<p>The key Risks relate to potential impacts on:</p> <p>Schedule: The Construction Schedule for Mayor Street has been further impacted by the current Level 5 restrictions. The revised target occupation timeline is summer 2022.</p> <p>Quality / Design: The detailed design of the Collaboration Hub has commenced. Changes to support increased levels of video conferencing are under consideration, while any further design changes will have a disproportionate impact on cost and time due to the maturity of the detailed design and status of the building schedule.</p> <p>Cost: There are significant risks to the Portfolio remaining within the approved budget. The incremental cost for the Collaboration Hub has been absorbed by the project budget. Given the uncertainty with cost claims associated with pandemic delays, and industry norms indicate that some unforeseen costs are likely to arise in the remaining circa 12 months of construction activity, the risk of exceeding the approved budget (including the Governor’s contingency budget) has increased. The project in consultation with our professional Cost Advisors is preparing a framework to address these matters.</p> <p>The Portfolio team continues to maintain action plans to mitigate these and other risks across the projects.</p>
The Risk Committee is invited to:	note the risk profile of the Campus Development Portfolio.
Authors	
Approver	

CAMPUS DEVELOPMENT PORTFOLIO – PROGRESS UPDATE

Introduction

This paper builds on the details provided in the February paper to the Commission¹ and provides an update on the risks to the successful delivery of the Portfolio, in terms of schedule, quality and cost.

1. Schedule Risk

The risk of not achieving a target occupation timeline of Q2 2022 has increased. Onsite construction work ceased for a second time on 8 January 2021 and, due to a further extension to the government restrictions, re-commencement of construction work will not be permitted until 4 May at the earliest. An updated construction schedule will be provided by the Contractor 6 weeks post the confirmation of a date for the re-start of construction. Based on this, a 'ready for occupation' date will be calculated by the project by end July 2021. Initial indications are that, if construction commences the 2nd week in May 2021, the delays associated with site shutdowns, public health restrictions, and design changes will result in a 'construction completion date'² of end April 2022³, indicating a revised occupation timeline in summer 2022. The extension to the occupation timeline directly impacts the timeline for the full the implementation of the Bank's future work model (Future @ Work) as it is dependent on the availability of Mayor Street.

2. Quality / Design Risk


As has been previously reported to the Committee⁴, a number of design changes to support the expected post pandemic environment have been agreed based on a best judgement basis. The risk that the design of the working environment in the integrated campus will not meet the requirements of the evolving new ways of working remains, [REDACTED]

¹ Paper number C21 040


² In the contract with the Developer and in Industry terminology this is referred to as 'the practical completion date'.


³ This estimated date is based on a very aggressive programme which has not yet not been validated (and is based on assumptions that the Design Team will re-allocate resources, align the design programme with the Main Contractor's schedule, revise the information release strategy to accelerate the overall process. There are also assumptions regarding interdependencies with the integration of IT/AV systems, catering services, furniture, etc. which have yet to be planned in detail.

⁴ Paper number C20 266 and C21 040



consideration of the evolving new ways of working two design changes are currently being progressed:

- Collaboration Hub: As previously reported to the Committee⁵ the design of Level 2 has been changed to a Collaboration Hub. In April, the high level design of the Collaboration Hub was agreed and a formal instruction to the Developer to progress the design and construction has been issued. The vision and design concept for 'The Hub' was developed by a staff Working Group based on the experiences and learnings from working in NWQ, the expected incremental demands for collaboration facilities on the premises, and flexibility to respond to the Bank's future work model. While the Collaboration Hub is a new facility it is important to recognise it as complimentary to the existing suite of extensive collaboration facilities in the integrated campus, and a continuation of the WorkChoice⁶ model. The provision of the Collaboration Hub will be communicated to staff in the coming weeks. While the development is expected to be well received by staff, it is likely to lead to questions about desk arrangements in the future work model. As previously communicated, provision of the Collaboration Hub reduces the anticipated desk estate across the integrated campus and, while there will be ample desk availability, the development crystallises the fact that we will not provide a dedicated desk per person in the Campus. The Q&A in the Communications material will confirm that a desk allocation model to support future work model will be developed in due course.
- Video Conferencing: 



The current 'plan of record' for Mayor Street is to replicate the limited level of VC facilities in NWQ i.e. one meeting room per floor will have VC capability, and this is not considered adequate to support the future work model. The likely strategic approach for implementing an increase in VC capability will be incremental, and the strategic solution IT will be developed over the summer. To reduce the risk of further impact on the construction schedule the design team have been engaged to specify the enabling works

⁵ Paper No C21 040, February 2021.

⁶ WorkChoice is the term used for selecting the appropriate facility in the premises that best suits the work style for the type of work being performed (e.g. focus, collaborative, project, learning, social, etc.);

for the implementation of VC hardware (e.g. AV screens and cameras), and to implement these works in advance of the selection of the IT solution.

- The Campus Development SPE have noted that no further design changes should be considered, as any further design changes will have a disproportionate impact on cost and time due to the maturity of the detailed design and status of the building schedule.

Given the expected adoption of the future work model, the risk of a lack of space in the integrated campus (due to a requirement for additional working floors to allow for social distancing) has reduced. Our Agent, Lisney, has advised that, with an anticipated completion date for Mayor Street of summer 2022, the timing is now right to commence marketing the leasing of 3 floors of office accommodation in the building, with a view to minimising the risk of the space being vacant for a significant period of time post construction. Marketing the 3 floors does not commit us to leasing, should we decide in the near term that occupation of some additional floors are required. On this basis the Agent has been directed to actively seek prospective clients for leasing of the floors in Mayor Street.

3. Cost Risk

There are significant risks to the Portfolio remaining within the approved budget, which are mainly driven by:

- The budget envelope for the Building & Premises project has now reached its limit. During the initial design phase some savings in the budget envelope had been identified, such that the incremental costs for the design and fit out of the Collaboration Hub of circa [REDACTED] can be covered within the budget. Absorbing these costs pushes the budget envelope for the Building & Premises project to its limit.
- The extended construction and fit out programme has circa 12 months to complete its schedule, with circa [REDACTED] of cost to be expended in this period. Industry norms indicate that unforeseen costs are likely to arise over the remaining period.
- Incremental developer costs due to the impact of the pandemic on the project. These costs were estimated to be between circa [REDACTED] prior to the January 2021 shutdown. The cost and delay impact of the current shutdown has yet to be quantified or agreed with the Developer, and it will take some months yet for these costs to materialise.
- The costs for additional VC in Mayor Street have been indicatively estimated at circa [REDACTED]
[REDACTED] The proposal for VC facilities will become clear as the strategic IT solution is developed and a decision on the extent of VC and associated costs

will be progressed over the summer months. The incremental costs for additional VC for Mayor Street and NWQ were not foreseen when the Portfolio budget was agreed, and it is expected that a separate business case will be developed to secure budget for the expected uplift in the video conferencing facilities.

- The Governor's Contingency budget may not be sufficient to cover the incremental costs, referenced above, that may fall due to the Campus Development Portfolio. When approving the overall budget envelope of [REDACTED] for the Campus Development Portfolio in May 2019⁷, the Commission also approved a [REDACTED] contingency allowance, drawdown of which is approved by the Governor with notification to the Budget and Remuneration Committee (referred to as the 'Governor's Contingency budget'). The Commission have been previously⁸ advised of costs currently allocated against the Governor's Contingency budget, and in April the Governor was requested to approve a drawdown of circa [REDACTED] against the Governor's Contingency budget.

The Portfolio is operating within a volatile, uncertain and complex environment due to, inter alia, the impact of the shut-downs, expected changes to on site productivity, additional design changes, concerns amongst suppliers with resource availability and supply chains, etc. Managing the cost risk in this environment is challenging, and in the absence of a validated construction schedule, completed design, and completed impact assessment of multiple pandemic responses the Developer (and sub-contractors, etc.) is unwilling to give certainty on many cost lines. To address the risk of unforeseen costs and exceeding the approved budget, the project in consultation with our professional Cost Advisors (AECOM QS) is preparing a framework to address the multiple issues at play, including striking a balance between seeking certainty of cost as early as possible with getting best value by giving enough time for identification of costs. This framework is not yet complete, however we expect it to consist of the following:

1. Agree 'Extension of Time' claims to the construction schedule, arising from impact of site shutdowns, start-ups on site, and pandemic mitigation measures on site⁹ for both the 2020 and 2021 shutdown periods. To conclude this the Contractor requires sufficient time to evaluate the impact of revised ways of working safely on site and the completion of design changes. There is no contractual obligation on the Contractor to complete these claims prior

⁷ Paper C19 158.

⁸ Paper No C20 66, October 2020; and Paper No C21 040, February 2021.

⁹ Formal notice of intention to submit 'Extension of Time' claims have been provided, and our contract provides a process for dealing with 'Extension of Time' claims.

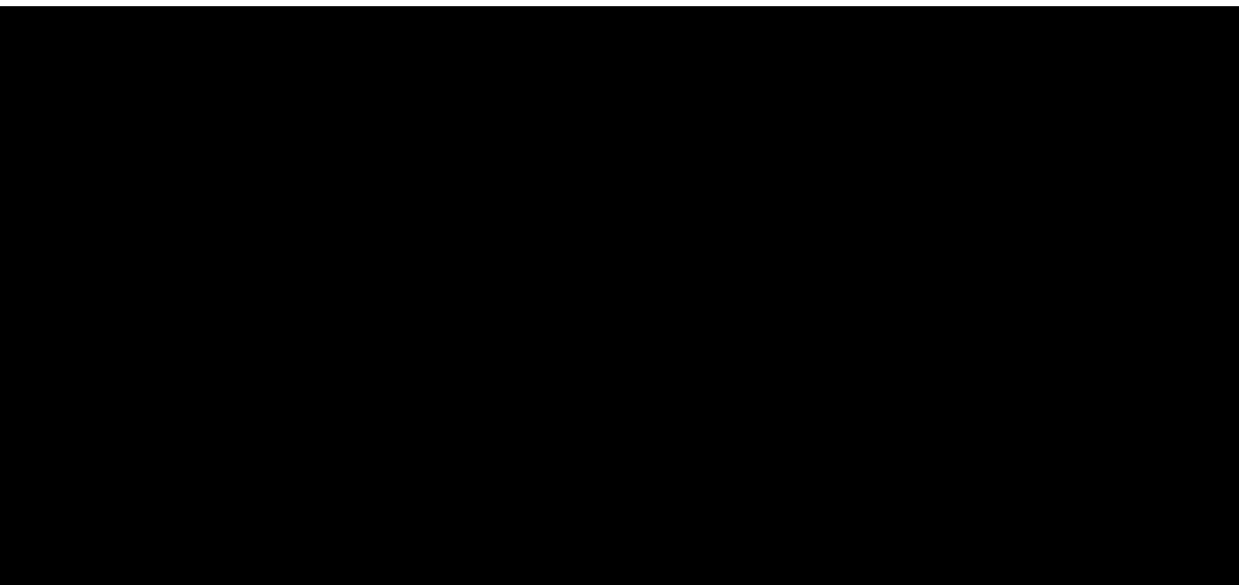
to the end of the construction phase. Discussions are ongoing to agree a schedule for these claims.

2. Identify and agree cost claims for the impact of pandemic mitigation measures and design changes. The cost claims will be significantly influenced, and can only be concluded, when the outcome of the 'Extension of Time' claims are completed. Our contract with the Developer does not address costs for pandemic mitigation measures, nor are there any market norms as yet. When these claims are made they will be fully evaluated by our professional advisors (QS and Legal). The QS team continue to proactively engage with the developer and their team to ensure that accurate records are maintained for the site shutdowns, and delays are mitigated through ongoing meetings with the design team and contractor. The QS team continue to collate COVID costs from a number of projects and the costs associated with the CIF standard operating procedure. This will allow the commercial team to gather benchmark costs, challenge claims, and align the outcome with industry norms. Discussions are ongoing to agree a schedule for these claims.
3. Finalising the Fit Out costs with Developer. Discussions are ongoing to agree a schedule to finalise these costs, and we have proposed the following steps:
 - a. Finalising measurements (quantities) of 'packages'¹⁰. The costs of all finalised measurements are currently being validated and closing this out requires a 'design freeze' and issue of final drawings to the Contractor, who in turn will finalise their procurement schedules and costs with their sub-contractors.
 - b. Agreeing the Rates (cost for the material/piece of equipment/labour etc.): Rates for elements, as per the construction of NWQ, were agreed at the outset and remain unchanged. Rates for those elements that differ (e.g. a change in specification and / or scheme design, requirements specific to Mayor Street etc.) are subject to validated commercial agreements.
 - c. Confirm and cost the service co-ordination, programme and changes to scope (e.g. addition of enabling works for dual screens to meeting rooms to support VC, etc.).
4. Finalising the Fit Out costs for packages procured directly by the Project:
 - a. Furniture (workstations, meeting rooms, dining) is being directly procured under existing (extended duration) Supplier Framework Agreements. These frameworks have expiry dates that are no longer aligned with the expected revisions to the

¹⁰ Examples of 'Packages' include: internal partitions, flooring covers, meeting rooms, stairs and bridges, elevators, kitchen, dining facilities, etc.

construction schedule. The team is working with suppliers to place the orders at the latest possible date and agree costs for storage until the premises is ready.

- b. The furniture for the Collaboration Hub, the design of which emphasises flexibility, may not fall within the agreed Framework rates and will most likely require commercial negotiation. Planning for this is in hand.
5. The Project has extended the commercial contracts for professional services (Cost Advisors, Construction advisors, etc.) ensuring our external team can remain with the project for the extended duration. The cost impact (circa [REDACTED]) has been absorbed by the project.

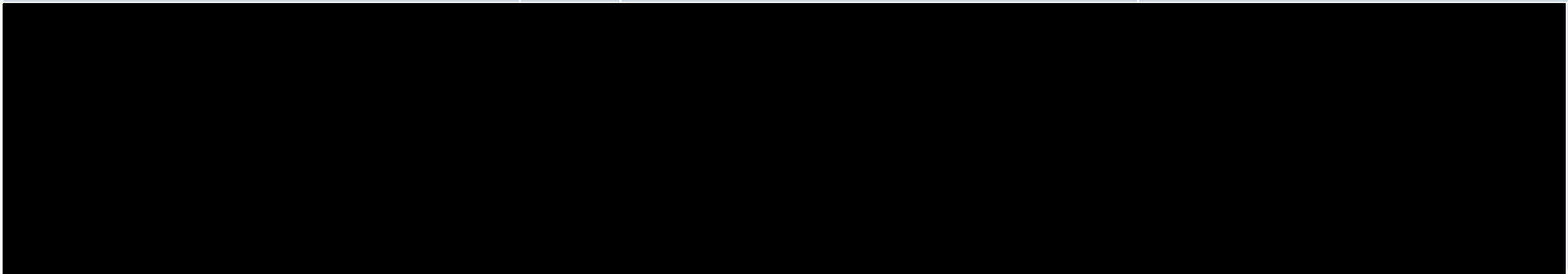


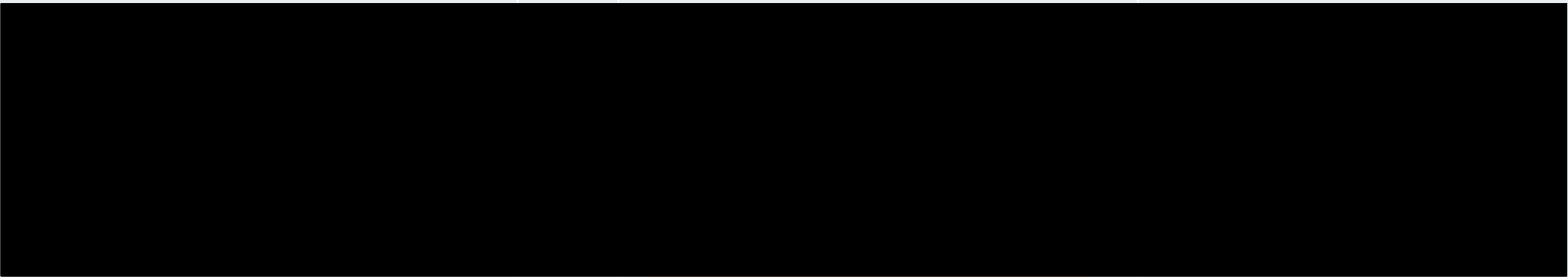
5. Conclusion

The Campus Development Portfolio continues to maintain a high risk profile, primarily driven by operating in a volatile, uncertain and complex environment. The risk profile is impacting on schedule, design and cost. Action plans to mitigate these and other risks across the projects are being maintained. Appendix 1 is an extract from the Portfolio Risk Log

The Risk Committee is invited to note the risk profile of the Campus Development Programme.

Description of risk and impact on project objectives	Status	Actions	Monitoring Update
<p>Delay Risk: Risk of delay to the Construction Programme as a result of COVID-19 measures: The project schedule has been delayed due to the outbreak of COVID-19. The delay risk relates to the duration of the shutdowns and no defined re-start, the risk to supply chain for building materials and client direct contracts (FF&E, IT/AV) necessitating the need to carry out alternative procurements, sourcing of alternative products, additional time associated with extending existing commercial contracts for professional services and the loss of productivity on site as a result of the Government regulations. A delay to the construction schedule could impact the current occupation timeline of Q2 2022 which also puts the implementation timeline of the new ways of working model (1.0) at risk as it is dependent on the availability of the built environment and desk estate.</p>	<p>Red</p>	<ul style="list-style-type: none"> • The Portfolio will work with the Developer to confirm a revised project schedule incorporating the Shut-Down Periods. • Once the revised schedule has been received it will be validated by the Banks industry advisors • When the final construction schedule is agreed and impacts validated, it will be reported to the SPE 	<p>The risk of delay to the construction programme has materialised. The impact on the construction completion date and subsequent risk to the timelines for occupation and the implementation of new ways of working model (1.0) cannot be quantified until 6 weeks post the confirmation of a date for the re-start of construction when the Contractor re-sequences the Construction Programme.</p>





Description of risk and impact on project objectives	Status	Actions	Monitoring Update
<p>Cost Risk: Risk to the financial health of the B&P Project as a result of COVID-19: There is cost risk associated with the two Government mandated shut downs of the site (March 2020 and January 2021), the latter of which is undefined and ongoing, delays resulting from reduced productivity as a result of Socially Distanced working and from scarcity of construction personnel, delays in the supply chain for building materials, delays the supply chain for client direct contracts (FF&E, IT/AV), delays arising from a requirement for sourcing of alternative products, additional costs associated with extending existing commercial contracts for professional services etc.</p>	<p>Red</p>	<ul style="list-style-type: none"> • Work with the Developer to consider any cost exposure of the COVID-19 Shutdown • [REDACTED] • Provide recommendations to the SPE with the findings. • Implement change via the Programme Change process where justified. 	<p>The team is working to reduce risk and uncertainty on an ongoing manner, commencing with agreeing what is currently possible to quantify i.e. the costs of the 2020 shutdown, impacts of the SOP on productivity and Extensions of Time and those works packages where design/measure/rates are complete. In parallel we are working to complete the change in design of Level 2 and the IT/AV/VC requirements prior to the re-opening of the site such that their programme and cost impacts can be agreed.</p> <p>Additional costs associated with extending existing commercial contracts for professional services has been addressed –relevant professional services contracts have been extended to June 2022 and will, subject to PROC agreement, extend them further if necessary</p>



Risk Committee	Campus Development Portfolio – Progress Update For Information
	Circulated to the Risk Committee on 22 June 2021 Paper No. C21 132
Issue	The purpose of this paper is to brief the Committee on the current Risk status of the Campus Development Portfolio (CDP).
Key Points	<p>The key Risks relate to:</p> <p>Schedule: Construction restarted on 4 May. The contractor has provided an updated programme and while this has yet to be validated the indications are that the risk of further delay can be avoided and a June / July 2022 occupation date is feasible.</p> <p>Quality / Design: Design is progressing satisfactorily and the risk of further change requests continues to reduce. Good progress has been made on the detailed design (including the related technology) of the Collaboration Hub.</p> <p>Cost: The Portfolio continues to actively manage the significant costs risks. The Portfolio team continues to maintain action plans to mitigate the risks across the projects.</p>
The Committee is invited to:	note the current risk status of the Campus Development Portfolio.
Authors	
Approver	

CAMPUS DEVELOPMENT PORTFOLIO – PROGRESS UPDATE

Introduction

This paper provides an update¹ on the risks to the successful delivery of the Campus Development Portfolio, in terms of schedule, quality and cost.

1. Schedule Risk

The Construction Site re-opened 4 May 2021 and the contractor has provided an updated programme indicating a construction completion date of March 2022. This draft programme is based on assumptions, not yet validated, on the extensions of time that have yet to be agreed for the site closures and for design changes. It includes very challenging delivery dates for the issuing, from the Bank to the Contractor, of IT/ Audio Visual (AV) information in general and for the detailed design of Level 2. Further analysis of the updated programme is required, following which the programme will be validated and a 'ready for occupation' date will be calculated by the project. This is expected to be completed by end July 2021.

To avoid risk of delay to the schedule Purchase Orders have been raised for elements of the furniture² and alignment of dates with the Developer for delivery and installation has recommended. Further Purchase Orders will be raised in July³ and August⁴ 2021. In order to facilitate agreement on the collaboration furniture for Level 2 the Framework Agreement currently in place will be extended to its maximum termination date of December 2021

2. Quality / Design Risk

Design is progressing satisfactorily and with the passage of time the risk of further change requests is continuing to reduce. As outlined in the previous update to the Commission, in consideration of the evolving new ways of working, a number of design changes are being progressed with the two main items being the Collaboration Hub and the potential uplift to the video conferencing (VC) facilities. An ambitious design delivery schedule of 10 weeks for the Collaboration Hub, followed by a staggered issue of construction information to the Contractor, is being progressed. Options to facilitate the maximum flexibility for the 'coffee offering' on this

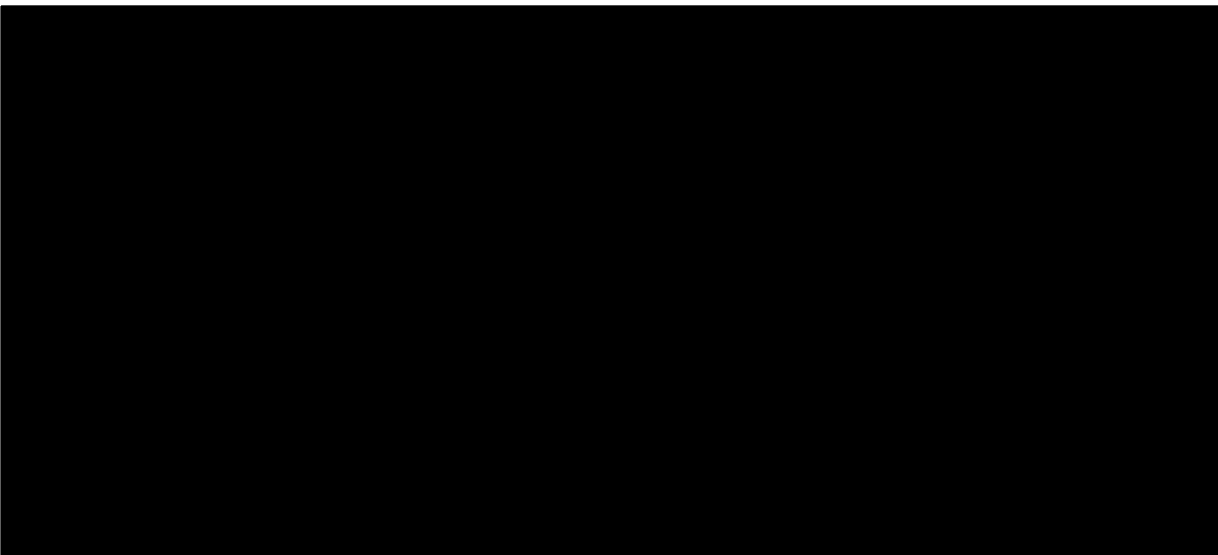
¹ Previous update was provided with Paper number C21 095

² Purchase orders raised totalling €1,295,226 (excl. VAT @ 23%) covering: Meeting Room Tables & Chairs; Collaboration Furniture; Tower Storage

³ Purchase Orders for workstation kits, with budget estimates of ██████ (incl. VAT)

⁴ Purchase Orders for task chairs, , with budget estimates of ██████ (incl. VAT)

floor are being explored with the Design Team. The risk that the very challenging delivery dates for the issuing of IT/AV information may not be met has high impact and is being managed via weekly workshops to progress design with participation from all parties. The Portfolio is working with the Design Team to 'future proof' the building infrastructure to enable the implementation of VC facilities, with the intention that the premises will have the necessary cabling, fittings, etc. in situ which can be used if it is decided to implement VC.



3. Cost Risk

The risk that the project costs may exceed budget remains, and is receiving significant attention, as in the absence of a validated construction schedule, completed design, and the completed impact assessment of multiple pandemic responses the Developer (and sub-contractors, etc.) remains unwilling at this time to give certainty on many cost lines. The approach to address this risk, as previously reported to the Commission⁶, is being progressed, including:

- The cost advisors (AECOM) are agreeing the Provisional Sums⁷ package by package⁸ on the basis of a) measures, b) specification and c) rates in order to finalise the Contract Sum. While good progress has been made on a number⁹ of packages there is still a large body of work to be completed prior to reaching agreement with the main contractor. We are advised that delays in the agreement of costs for substantial packages (e.g. mechanical and electrical) are not unusual due to the current environment.

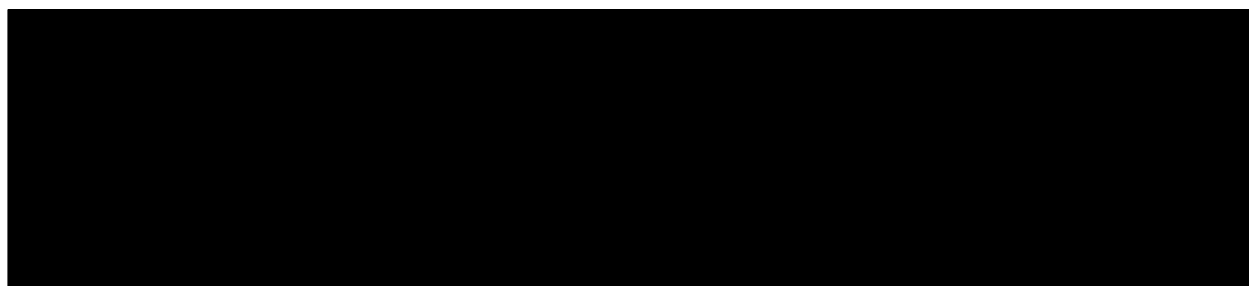
⁶ Paper number C21 095

⁷ A Provisional Sum is an allowance for an element of work when the scope of that element has not been finalised

⁸ 'Package' is the splitting of work in to lots suitable for obtaining tenders and placing orders with the subcontracting and goods supply chain

⁹ Internal walls, doors, screens and finishes; floors; ceilings; catering equipment; and fixtures and fittings.

- There are currently a number of variations raised by the main contractor which are under review by the Developer. As these items are raised by the main contractor their resolution is more complex, iterative and requires time. AECOM have implemented an early warning system with the Developer's QS which allows potential claims to be flagged and risk allowances carried within cost reports. While this process results in proactive cost reporting, variations are reported as 'Open/Un-Agreed' for long periods. The QS teams have committed to close as many open variations as possible over the next month.
- In relation to costs for COVID-19 Shutdowns, Protocols and Delays the Bank has proposed that OGP guidance¹⁰ for contractor claims for delays is followed, and a recently agreed cost framework for COVID-19 Standard Operating Procedure on a similar scale project is accepted¹¹. It is expected that these cost claims should be completed and agreed in the near future.



5. Conclusion

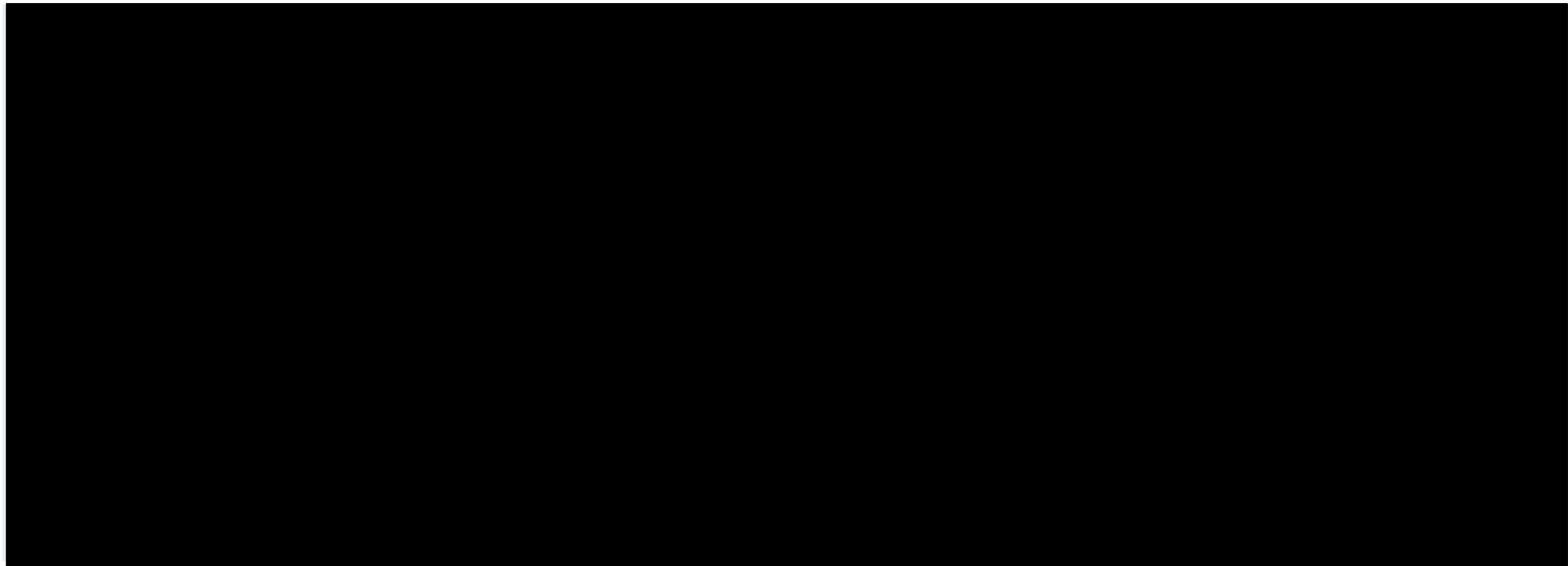
The Campus Development Portfolio continues to maintain a high risk profile, primarily driven by operating in a volatile, uncertain and complex environment. The Portfolio continues to work to reduce the risk profile. Action plans to mitigate risks across the projects are being maintained. Appendix 1 is an extract from the Portfolio Risk Log

The Risk Committee is invited to note the risk profile of the Campus Development Programme.

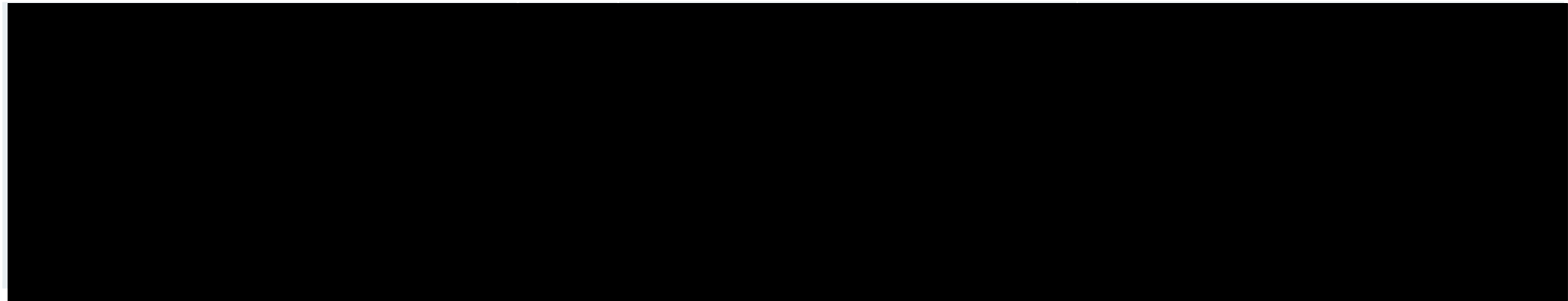
¹⁰ The OGP have published detailed guidance on how contractor claims for delays due to COVID-19 should be dealt with (including a formula to calculate the "Ex Gratia" payment). AECOM have successfully used this formula on a number of public and private projects.

¹¹ There is currently no guidance on the costs associated with the Construction Industry Federation SOP, however AECOM on other projects have provided an allowance for reasonable vouched costs in excess of the standard health and safety requirements. This allowance is in two categories: Fixed set up costs (e.g. installing additional wash hand basins, dryers, site accommodation) and Variable costs (e.g. hand sanitizer, additional PPE, cleaning, etc.)

Description of risk and impact on project objectives	Status	Actions	Monitoring Update
<p>Delay Risk: Risk of delay to the Construction Programme as a result of COVID-19 measures: The project schedule has been delayed due to the outbreak of COVID-19. The delay risk relates to the duration of the shutdowns and no defined re-start, the risk to supply chain for building materials and client direct contracts (FF&E, IT/AV) necessitating the need to carry out alternative procurements, sourcing of alternative products, additional time associated with extending existing commercial contracts for professional services and the loss of productivity on site as a result of the Government regulations. A delay to the construction schedule could impact the current occupation timeline of Q2 2022 which also puts the implementation timeline of the new ways of working model (1.0) at risk as it is dependent on the availability of the built environment and desk estate.</p>	<p>Red</p>	<ul style="list-style-type: none"> • The Portfolio will work with the Developer to confirm a revised project schedule incorporating the Shut-Down Periods. • Once the revised schedule has been received it will be validated by the Banks industry advisors • When the final construction schedule is agreed and impacts validated, it will be reported to the SPE 	<p>The risk of delay to the construction programme has materialised. The Construction Site re-opened 4 May and the contractor has provided a programme indicating a construction completion date of March 2022. This programme is based on assumptions, not yet validated and includes very challenging delivery dates. Further analysis of the programme is required:</p> <ul style="list-style-type: none"> • A sub-programme from the Contractor, with their dates for issue of IT/AV information required from the Bank to meet the March 2021 completion date, is anticipated week commencing 14 June • An updated programme for the Bridge Works is anticipated week commencing 14 June • An interim review of milestone information / delivery dates required by the Contractors programme is scheduled for 15 June <p>Following these reviews, the programme will be validated and a 'ready for occupation' date will be calculated by the project by end July 2021.</p>



<p>Cost Risk: Risk to the financial health of the B&P Project as a result of COVID-19: There is cost risk associated with the two Government mandated shut downs of the site (March 2020 and January 2021), the latter of which is undefined and ongoing, delays resulting from reduced productivity as a result of Socially Distanced working and from scarcity of construction personnel, delays in the supply chain for building materials, delays the supply chain for client direct contracts (FF&E, IT/AV), delays arising from a requirement for sourcing of alternative products,</p>	<p>Red</p>	<ul style="list-style-type: none">• Work with the Developer to consider any cost exposure of the COVID-19 Shutdown• Engage Legal advice on where and to what extent any liability lies with the Bank• Provide recommendations to the SPE with the findings. <p>Implement change via the Programme Change process where justified.</p>	<p>The team is working to reduce risk and uncertainty on an ongoing manner, commencing with agreeing what is currently possible to quantify i.e. the costs of the 2020 shutdown, impacts of the SOP on productivity and Extensions of Time and those works packages where design/measure/rates are complete. In parallel we are working to complete the change in design of Level 2 and the IT/AV/VC requirements prior to the re-opening of the site such that their programme and cost impacts can be agreed.</p>
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additional costs associated with extending existing commercial contracts for professional services etc.			Additional costs associated with extending existing commercial contracts for professional services has been addressed –relevant professional services contracts have been extended to June 2022 and will, subject to PROC agreement, extend them further if necessary
			

Risk Committee	CAMPUS DEVELOPMENT PORTFOLIO – PROGRESS UPDATE For Information
	Circulated to the Risk Committee on 24 September 2021 Paper No: C21 192
Issue	The purpose of this paper is to brief the Risk Committee on the current Risk status of the Campus Development Portfolio (CDP).
Key Points	<p>The key Risks relate to:</p> <p>Schedule: The developer’s construction programme has been validated with no change to the ‘ready for occupation’ date of June 2022 resulting in the Building and Premises project (B&P) returning to Green status.</p> <p>Quality / Design: Design is progressing satisfactorily with all agreed changes progressing and Design now ‘frozen’. Work has commenced on a proposal for the strategic Video Conferencing solution report.</p> <p>Cost: The Portfolio continues to actively manage the significant cost risks.</p> <p>The Portfolio team continues to maintain action plans to mitigate the risks across the projects.</p>
The Committee is invited to:	note the current risk status of the Campus Development Portfolio.
Authors	
Approver	

CAMPUS DEVELOPMENT PORTFOLIO – PROGRESS UPDATE

Introduction

This paper provides an update¹ on the risks to the successful delivery of the Campus Development Portfolio, in terms of schedule, quality and cost.

Although the Portfolio continues to maintain a high risk profile, good progress has been made in a number of areas together with a validated construction schedule, and a [REDACTED]

[REDACTED]

1. Schedule Risk

The Developer's team has concluded a review of the construction programme progress and confirmed they are currently on track to maintain a practical completion³ date of March 2022. Claims for payment, validated by our cost advisors, currently indicate progress on site is in line with the construction schedule.

Design development generally, including the Link Bridge, is nearing completion, with the design programme continually reviewed and adjusted as required to align outputs with the Construction Programme. Alignment of Direct Contract (IT/AV and Furniture) programmes with the requirements of the Main Contractors programme is seen as a continuing risk to the schedule. This risk requires continued management through ongoing monitoring of the various plans and delivery schedules to seek to minimise any misalignment and conflict.

Other areas of risk to the schedule, which are currently being actively managed, include issues with material supply & shortages⁴ (which is being mitigated by early orders and loading out the site with materials) and potential shortage of sub-contractor resources (which is being mitigated by the main contractor via backup teams).

¹ Paper No. C21 132

³ Practical completion confirms the completion of construction works on a project, generally, it is the point at which a building project is complete, save for minor defects

⁴ Construction materials which are in short supply include: aluminium, steel, insulation and timber

2. Quality / Design Risk

The extent and configuration of video conferencing (VC) needed to support the future hybrid working model is not known at this time, and the current baseline design for Mayor Street premises⁵ (MS) is aligned with the NWQ facilities. [REDACTED]

[REDACTED] The usability and functionality of these interim solutions will inform the strategic VC design which is anticipated to be complete in November 2021.

There is a risk that a strategic VC solution will not be implemented in time for the occupation of MS in June 2022 due to delays with developing the strategic solution design and unpredictable IT hardware lead-times and resource availability by 3rd parties to meet the timelines. This risk remains under review.

3. Cost Risk

There is a risk that we will not achieve cost certainty until the Final Account, giving rise to (a): uncertainty around capacity of the overall budget (including Governors Contingency) to close out the Project and (b): 'high level'⁷ as opposed to 'detailed' claims from the Contractor. The delays around achieving cost certainty are not specific to this project but are rather industry wide, arising from contractors/sub-contractors response to shutdowns; world-wide material

⁵ 5 VC rooms, each room (1 per floor) equipped with a single screen [REDACTED]

⁷ High level claims i.e. claims lacking in substantiated detail

price increases; and industry wide labour shortages, resulting in higher material and labour costs claims with an extended time requirement for negotiation.

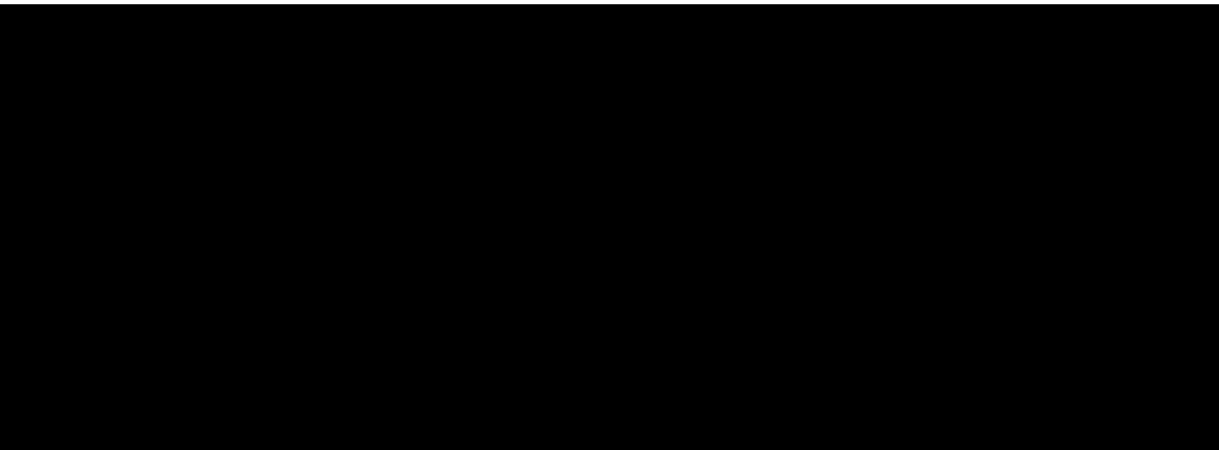
The approach to address this risk, as previously reported to the Commission⁸ is progressing:

- Provisional Sums⁹: We have been advised that the CAT B¹⁰ works are now agreed between the developer's team and the main contractor. Confirmation of these costs through our cost advisors is expected by the 17th September 2021.
- Variations raised by the main contractor which are under review by the Developer: The developer's team has committed to closing as many open items as possible over the course of the summer and have noted that 25 change orders have been closed, however the detailed breakdowns and validation of costs have not yet been provided to our cost advisors. The summer holiday period has severely impacted the developer's team's ability to close out commercial items with the main contractor and they have now agreed timelines with ongoing review meetings scheduled.
- COVID-19 Shutdowns, Protocols and Delays: We have been advised that the shutdown costs have been proposed for both shutdown periods, however we have not been advised of the figures or the validation of costs. Confirmation of these costs through our cost advisors are expected by the 17th September 2021.

⁸ Paper number C21 095

⁹ A Provisional Sum is an allowance for an element of work when the scope of that element has not been finalised

¹⁰ CAT B refers to internal works for lighting, partitioning, finishes, carpeting, reception area, kitchen facilities, etc.



Lease of office accommodation in Mayor Street:

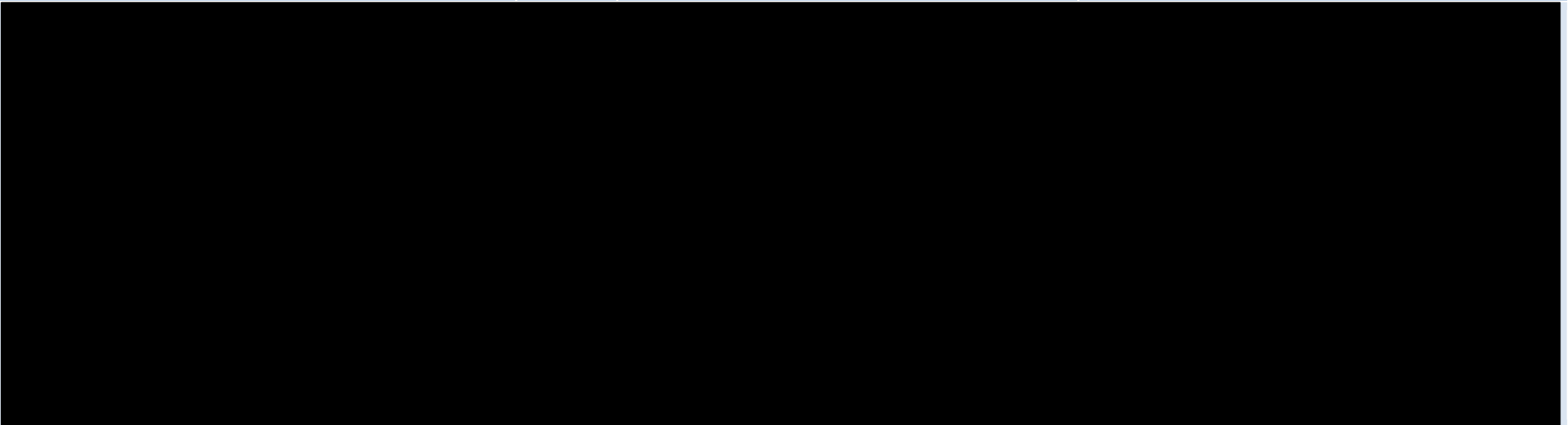
The top three floors in Mayor Street are being marketed by our agent Lisney.

5. Conclusion

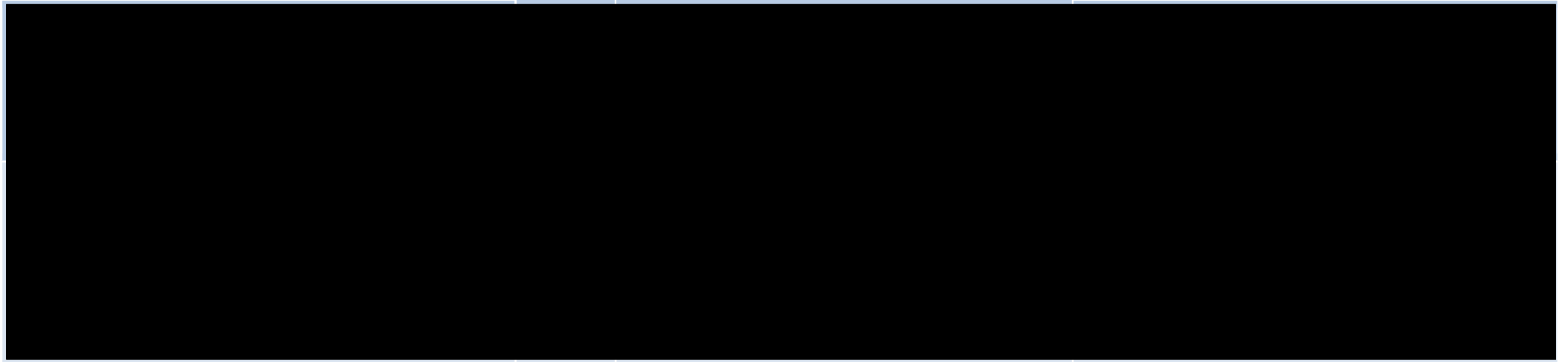
The Campus Development Portfolio continues to maintain a high risk profile, primarily driven by operating in a volatile, uncertain and complex environment. The Portfolio continues to work to reduce the risk profile. Action plans to mitigate risks across the projects are being maintained. Appendix 1 is an extract from the Portfolio Risk Log

The Risk Committee is invited to note the risk profile of the Campus Development Programme.

Description of risk and impact on project objectives	Status	Actions	Monitoring Update
<p>Cost Risk: There Is a risk that we will not achieve cost certainty until the Final Account, giving rise to a) uncertainty around capacity of the overall budget, including Governors Contingency, to close out the Project and b) 'high level' as opposed to 'detailed' claims from the Contractor. The delays around achieving cost certainty are not specific to this project, but are rather industry wide, arising from contractors/sub-contractors response to shutdowns, worldwide material price increases and industry wide labour shortages, resulting in higher material and labour costs claims, with an attendant extended time requirement for negotiation.</p>	<p>Red</p>	<p>Ongoing liaison with the Developer and his QS to re-sequence the programme for the close out of costs, working from high value packages down.</p> <ul style="list-style-type: none"> • Gain agreement on delay costs • Gain agreement on CATB costs • Gain agreement on costs for adjustments to basement, atrium and CATB • Gain agreement on generator, UPS and chilled water costs 	<ul style="list-style-type: none"> • Active management with the developer and his QS team with weekly checkpoint meetings • QS awaiting costs for delay to be issued



<p>3rd party resources: There is a risk that 3rd party resources may not be available in a timely manner to support the demands of the project, resulting in delays or un-realised deliverables.</p>	<p>Amber</p>	<ul style="list-style-type: none">• Engage with key 3rd parties early in the project.• Expectations for changes managed with stakeholders.• Non-critical changes may need to be stopped at some point in the future in favour of meeting budget or schedule.• Work with IMTD for support in bridging the resource gaps.	<ul style="list-style-type: none">• Delays are being encountered in production of AV information for the Contractor by System Video, the direct supplier to the bank. Delays encountered in recruiting a VC specialist for WEP to manage production of the Campus VC Strategy report.• Procurement of Change Management Lead is progressing through approval, any delays in recruiting this resource could impact delivery timelines.



Risk Committee	CAMPUS DEVELOPMENT PORTFOLIO – PROGRESS UPDATE For Information
	Circulated to the Risk Committee on 22 November 2021 Paper No. C21 244
Key Issue	The purpose of this paper is to update the Committee on the current risk status of the Campus Development Portfolio (CDP).
Previously considered by	N/A
For onward submission to	N/A
Key Points	<p>The key risks relate to:</p> <ul style="list-style-type: none"> • Schedule: The developer’s construction programme has been validated with no change at this time to the ‘ready for occupation’ date of June 2022 and the Building and Premises project (B&P) continues to report a Green status. • Quality / Design: Design is progressing satisfactorily with all agreed changes progressing and Design now ‘frozen’. Work is advanced on a proposal for a strategic Video Conferencing solution to support hybrid working. As a consequence of the expected occupancy associated with the Future Work Model, options for the utilisation of Level 3 and the Restaurant facilities in the new premises are under review. • Cost: The Portfolio continues to actively manage the significant cost risks, and progress has been made with certainty confirmed for some costs.
Link to Central Bank Strategy	N/A
Budgetary or Resource implications	N/A
The request of this paper	The Committee is requested to note the current risk status of the Campus Development Portfolio

Authors	[Redacted]
Approver	[Redacted]

CAMPUS DEVELOPMENT PORTFOLIO – PROGRESS UPDATE

Schedule Risk

The construction programme is currently on track to maintain a practical completion (PC)¹ date of March 2022. The Contractor is committed to provide regular reviews / updates on the construction programme with the next review due before end of November.

Glazing elements of the Link Bridge have been damaged in transit and during installation. Replacements have been ordered however lengthy lead times have resulted in a delay to the completion of the Bridge external works. This is not currently impacting the PC date or project costs but is delaying the removal of the crash deck and consequently the re-opening of the northern entrance to NWQ until early 2022.

Alignment of Direct Contract (IT/Audio Visual and Furniture) programmes with the requirements of the Main Contractors programme remains a continuing risk to the schedule. All relevant parties have been advised that any additional changes which may emerge from the Direct Contract trades are likely to impact the construction programme schedule. This risk requires continued management through ongoing monitoring of the various contractors plans and delivery schedules to minimise any misalignment and conflict².

Other areas of risk to the construction schedule, which are being actively managed, include issues with material supply & shortages³ (which is being mitigated by early orders and loading out the site with materials) and shortage of sub-contractor resources. The Contractor has raised resourcing concerns relating to finishing trades⁴ which will be required to ramp up towards the end of the programme. Resources are tracked within the contractor's progress report to proactively identify any issues with specific trades.

Quality / Design Risk

While the implementation of Video Conferencing (VC) beyond the baseline design is not within the scope or budget of the Portfolio, [REDACTED]

¹ Practical completion confirms the completion of construction works on a project, generally, it is the point at which a building project is complete, save for minor defects

² This includes the alignment of site visits between Direct Contract teams, internal advisors and Contractor on site

³ Construction materials which are in short supply include: aluminium, steel, insulation and timber

⁴ Tiling, painting, plastering

[REDACTED] The current baseline design for Mayor Street premises (MS) includes one VC room per floor, with single screen, [REDACTED]

[REDACTED] There is a risk that a strategic VC solution will not be implemented in time for the occupation of MS in June 2022 due to unpredictable IT hardware lead-times, currently running at circa 6 months. This risk remains under review.

[REDACTED] Late in 2020 the project clarified that desk supply⁶ in the integrated campus will be more than capable of meeting the expected demand⁷ (and it was decided that, instead of using the 3 floors in MS as 'Working Desked Floors', one of the floors would be designed as a Collaboration Hub). Given the details proposed in the recent Future Work Model, the risk that the MS premises may be providing too much desk capacity (in two dedicated 'Working Desked Floors', Level 1 and level 3) is being considered. To support this the project is evaluating options for the utilisation of Level 3. In addition, the project is also evaluating the impact on demand for the Restaurant facilities in MS. Should this evaluation demonstrate that Level 3 and / or restaurant facilities is not required and a decision made to change the plan of record, this will generate a series of new risks⁸ for the Building & Premises project. The evaluation, and a recommendation, will be brought through the appropriate governance.

⁶ Total desks in the Campus will be 1,910 with 1,472 desk in NWQ and 438 desks in Mayor Street.

⁷ This is based on daily attendance assumptions and a desk allocation by business area. There will not be 1:1 desk allocation.

⁸ Risks include that the Developer may not accept the change; the occupation date could be delayed; additional costs could be generated, etc.

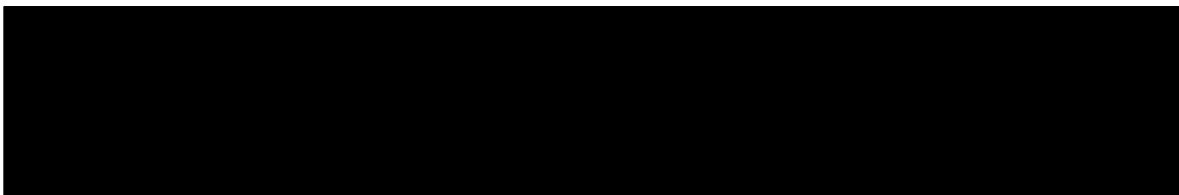
Cost Risk

The risk remains⁹ that we will not achieve cost certainty until the Final Account, giving rise to (a): uncertainty around capacity of the overall budget (including Governors Contingency) to close out the Project and (b): 'high level'¹⁰ as opposed to 'detailed' claims from the Contractor.

The approach to address this risk, as previously reported to the Commission¹¹, is making steady progress, as evidenced by:

- Provisional Sums¹² : The details of the CAT B¹³ works are now agreed between the developer's team and the main contractor. Our cost advisors have agreed the quantity of work within the CAT B floors; however there are queries outstanding on construction rates. This is significant progress as the CAT B works represents 31% of the overall construction costs and the remaining queries on rates represent less than 1% of the overall construction costs.
- Variations raised by the main contractor that are under review by the Developer: The developer's team have provided a detailed roadmap for closing out variations however our cost advisors have requested that the target per month is improved so the current variations are agreed earlier than May 2022. The cost of variations are in a cost range of circa [REDACTED] to [REDACTED] and circa [REDACTED] costs have been agreed to date.
- Covid-19 Shutdowns, Protocols and Delays: The shutdown costs have been proposed for both shutdown periods, however we have not received validation of these costs. Our cost advisors have confirmed that the cost proposed of [REDACTED] is considered reasonable based on other similar projects but are awaiting detailed substantiation from the developer's team.

The risk that we will not achieve cost certainty until the Final Account continues to receive considerable focus with regular and active dialogue between the Banks cost advisors and the developers cost advisors with the Main Contractor.



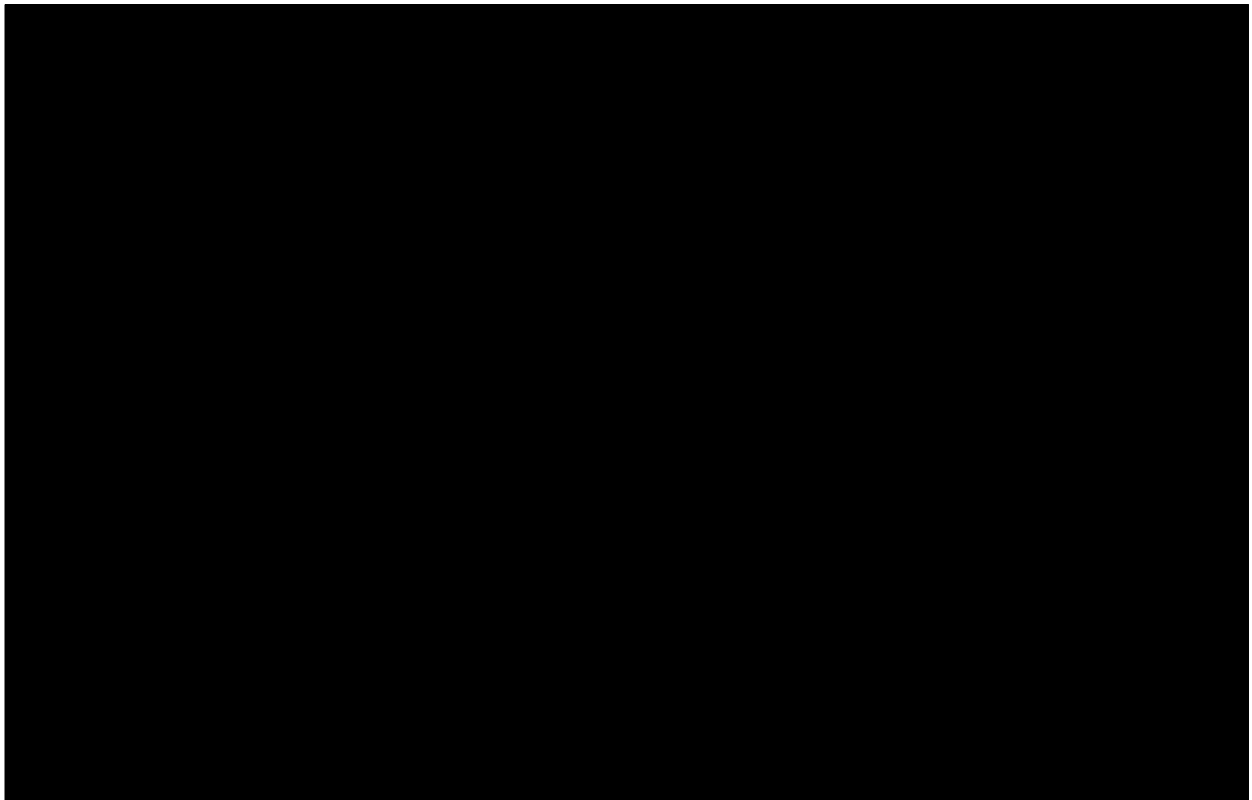
⁹ As detailed in September Paper number C21 192

¹⁰ High level claims i.e. claims lacking in substantiated detail

¹¹ May Paper number C21 095

¹² A Provisional Sum is an allowance for an element of work when the scope of that element has not been finalised

¹³ CAT B refers to internal works for lighting, partitioning, finishes, carpeting, reception area, kitchen facilities, etc.



Conclusion

The Campus Development Portfolio continues to maintain a high-risk profile, primarily driven by operating in a volatile, uncertain and complex environment. The Portfolio continues to work to reduce the risk profile. Action plans to mitigate risks across the projects are being maintained. Appendix 1 is an extract from the Portfolio Risk Log.

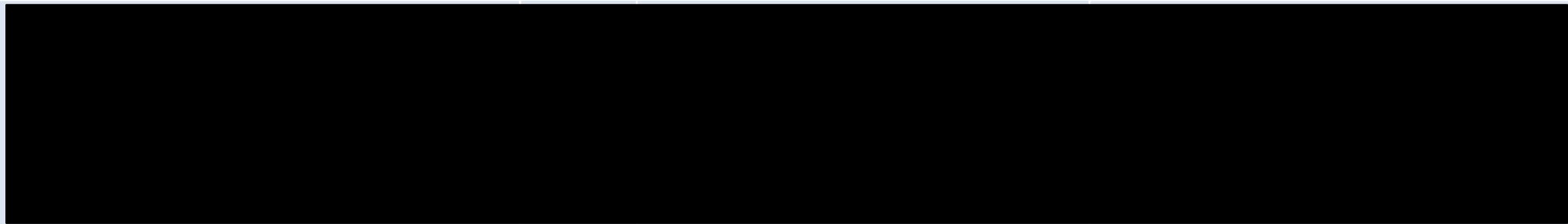
The Committee is requested to note the current risk status of the Campus Development Portfolio



Appendices

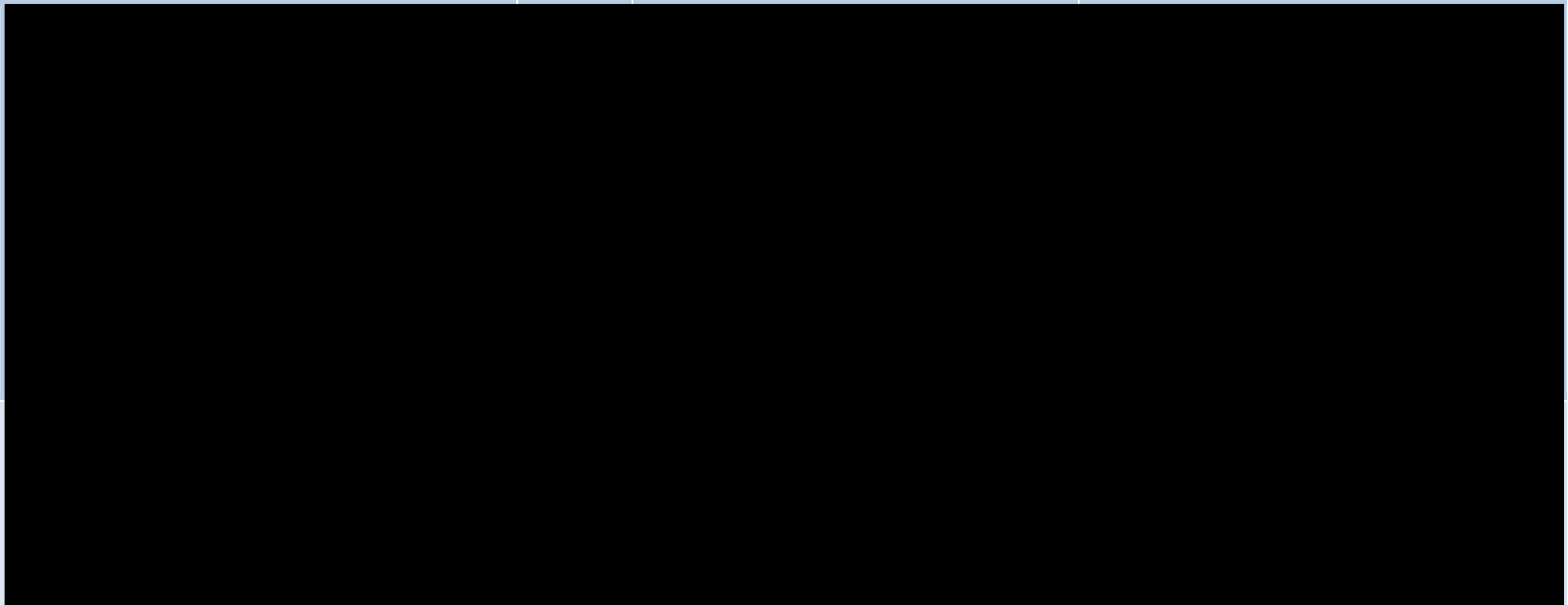
Appendix 1 – Extract from Portfolio Risk Log

Description of risk and impact on project objectives	Status	Actions	Monitoring Update
<p>Cost Risk: There Is a risk that we will not achieve cost certainty until the Final Account, giving rise to a) uncertainty around capacity of the overall budget, including Governors Contingency, to close out the Project and b) 'high level' as opposed to 'detailed' claims from the Contractor. The delays around achieving cost certainty are not specific to this project, but are rather industry wide, arising from contractors/sub-contractors response to shutdowns, worldwide material price increases and industry wide labour shortages, resulting in higher material and labour costs claims, with an attendant extended time requirement for negotiation.</p>	<p>Red</p>	<p>Ongoing liaison with the Developer and his QS to re-sequence the programme for the close out of costs, working from high value packages down.</p> <ul style="list-style-type: none"> • Gain agreement on delay costs • Gain agreement on CATB costs • Gain agreement on costs for adjustments to basement, atrium and CATB • Gain agreement on generator, UPS and chilled water costs 	<ul style="list-style-type: none"> • Active management with the developer and his QS team with weekly checkpoint meetings • QS awaiting costs for delay, Provisional Sums and Variation to be issued by Developers Team to them for validation





<p>3rd party resources: There is a risk that 3rd party resources may not be available in a timely manner to support the demands of the project, resulting in delays or un-realised deliverables.</p>	<p>Amber</p>	<ul style="list-style-type: none">• Engage with key 3rd parties early in the project.• Expectations for changes managed with stakeholders.• Non-critical changes may need to be stopped at some point in the future in favour of meeting budget or schedule.• Work with IMTD for support in bridging the resource gaps.	<ul style="list-style-type: none">• Delays are being encountered in production of AV information for the Contractor by System Video, the direct supplier to the bank.• Procurement of Change Management Lead has concluded and resource to be shared with F@W Office• IT resources are at full capacity on the Project and the situation is being monitored
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GLOSSARY

Practical completion confirms the completion of construction works on a project, generally, it is the point at which a building project is complete, save for minor defects

PC Date – Practical Completion Date

Practical completion confirms the completion of construction works on a project, generally, it is the point at which a building project is complete, save for minor defects

VC – Video Conferencing

Technology to enable users in different locations hold face-face meetings

RTWO – Return To Work Onsite

Interim period of returning to work onsite

CAT B – Category B

Refers to internal works for lighting, partitioning, finishes, carpeting, reception area, kitchen facilities, etc

Extracts from Chief Operations Officer Reports to Commission meetings:

Commission meeting 21 June 2018

Facilities Management:

The Management Company contract for the Dublin Landings area was signed and initial discussions took place on the range of services to be provided. Confirmation received that tenants for Block D2 are due to occupy the building in October 2018.

Commission meeting 24 July 2018

Executive Summary

Following the Commission decision in June the Bank and Ballymore/Oxley have agreed initial heads of terms via our respective estate agents Lisney and Knight Frank for the purchase of the DL5 building. The Bank is now in a period of exclusivity in order to complete a comprehensive due diligence exercise. Assuming nothing untoward is uncovered in the due diligence exercise the Bank will, at the end of the exclusivity period, instruct our solicitors McCann FitzGerald to advise on the contract to purchase the property (i.e. likely to be before the end of August). Ballymore/Oxley has informed the Bank through Knight Frank that it can offer a full turn-key solution to the Bank for DL5, such that would engage the Bank's preferred professional team and contractor to deliver a fully fitted out and completed building. In this way Ballymore/Oxley fund and deliver, the completed building and the Bank pay for a fully completed and fitted out building. FM and Procurement will consider this option while determining the best approach to acquire the necessary fit-out design and installation contractor.

Long Term Accommodation

The Bank and Ballymore/Oxley have agreed initial heads of terms via our respective estate agents Lisney and Knight Frank. The transaction is subject to the grant of a satisfactory planning permission enabling the linking of DL5 with NWQ either above and/or below ground.

We are now in a period of exclusivity in order to complete a comprehensive due diligence exercise. The exclusivity period will formally start once we have received all the necessary data from Ballymore/Oxley and will last for four weeks (i.e. likely to be from 23 July to 20 August). During this exclusivity period, the vendor will not engage with any other purchaser or tenant for the property. The due diligence exercise has commenced with a plenary meeting of all the disciplines involved together with a side meeting with [REDACTED] on NWQ design specific requirements, a side meeting on Security specific requirements and a site visit to DL5. A detailed list of data requirements has been issued to Ballymore. Assuming nothing untoward is uncovered in the due diligence exercise, the Bank will, at the end of the exclusivity period, instruct our solicitors McCann FitzGerald to advise on the contract to purchase the property (i.e. likely to be before the end of August). At its June meeting the Commission approved the proposal in Paper No. 154 of 2018 that the Bank may place a bid, subject to Governor approval technical due diligence and to contract and associated legal due diligence, for Dublin Landings Property 5 up to a sum of circa €120m. All discussions to date are of an exploratory nature only and the existence of a contract oral or otherwise is expressly denied. No contractual obligation

exists or is deemed to exist until such times as both parties have signed and exchanged contracts.

Ballymore/Oxley has informed the Bank through Knight Frank that it can offer a full turn-key solution to the Bank for DL5, such that would engage the Bank's preferred professional team and contractor to deliver a fully fitted out and completed building. In this way Ballymore/Oxley fund and deliver, the completed building and the Bank pay for a fully completed and fitted out building. FM and Procurement will consider this option while determining the best approach to acquire the necessary fit-out design and installation contractor.

Due Diligence Team

Lisney – Estate Agent

HJL - Architect; OCSC - Mechanical and Electrical;

Aecom – Quantity Surveying;

JGA Fire Engineering Consultancy;

Tom Philips & Associates Planning Consultants,

Billings Design Associates – Façade Consultants;

DBFL Consulting Engineers - Civil and Structural;

O'Herlihy Access Consultancy - Accessibility

Commission meeting September 2018

Executive Summary:

The period of exclusivity with Ballymore/Oxley to undertake a due diligence exercise on DL5 has completed, and the due diligence report is expected 14 September 2018.

Long Term Accommodation

The period of exclusivity with Ballymore/Oxley to undertake a due diligence exercise on DL5 has completed, and the due diligence report is expected 14 September 2018. The design team, to date, has identified no significant issues and the report will likely confirm the feasibility of (a) a bridge to connect the NWQ premises to DL5; [REDACTED] and (c) provision of circa 800 desks to a workplace standard similar to NWQ. The report will also provide indicative costs for the incremental works and fit out to NWQ standards. The design team have proposed a solution for provision of accommodation for ASP hearings in the premises. There has been some consideration to identify the most effective procurement strategy for the completion of the building while addressing potential legal, commercial, quality and delivery risks. Subject to finalising these considerations, the preference is to progress an offer – albeit currently an informal offer – for a 'developer fit out' (i.e. a turnkey solution) which may provide a more timely delivery of the finished works. Further work with Legal and Procurement colleagues is progressing to evaluate this. The legal teams from the vendor and Bank are in discussions with a view to commencing engagement on a contract for sale.

Commission meeting 23 October 2018

Long Term Accommodation

The Due Diligence exercise on DL5 has been completed and a separate paper on Long Term Accommodation is provided to this Commission meeting.

Commission meeting 28 November 2018

Executive Summary: the acquisition of the Dublin Landings premises [REDACTED] was announced to staff on 10 November. Due diligence on DL4 is progressing and the procurement approach to fit out of the new premises is under review. Contracts for the purchase of DL5 have been exchanged and the legal approach to the purchase of the combined premises is under review with the vendor.

Long Term Accommodation

The acquisition of the Dublin Landings premises together with [REDACTED] was announced to staff on 10 November. Due diligence on DL4 is progressing and the procurement approach to fit out of the new premises is under review. Contracts for the purchase of DL5 have been exchanged and the legal approach to the purchase of the combined premises is under review with the vendor.

A planning application for the construction of a bridge between DL4/5 and NWQ has been lodged in the name of Oxley Developments. This may therefore enter the public domain. The granting of planning, if achieved, does not commit the Bank to installing the bridge. The decision will be assessed as part of the overall design on the new building.

Commission Meeting December 2018

Dublin Landings

The procurement approach for Dublin Landings to integration works, including a bridge, and fit out of the new premises is under review. While the initial draft contract for the purchase of the premises has been exchanged, it is necessary to conclude the procurement approach before the contracts can be substantially progressed.

Commission Meeting 30 January 2019

Dublin Landings: Since the December, briefing to the Commission on the purchase of properties at Dublin Landings, intensive work on finalising the contract for sale completed and the contract was signed on 18 January in line with previous Commission approvals.

Commission Meeting 27 February 2019

Dublin Landings: The contract for sale has been signed by the Governor and the €20.4m deposit released to the Vendor's solicitors. €5m of this will be realised to the Vendor upon receipt by the Bank of the Collateral Warranties we require.

A 'clean' Planning Permission for the Link Bridge was received on 25 January 2019. An instruction to the Vendor has been issued triggering the option in the contract asking the Vendor to provide a proposal for the bridge, including design, cost and programme details, for review by the Bank.

An instruction to the Vendor has been issued triggering the option in the contract asking the Vendor to provide proposals for the [REDACTED] integration works and reconfiguration works associated with horizontal floor layouts across DL4&5, including design, cost and programme details, for review by the Bank.

Commission meeting 28 March 2019

Dublin Landings: The focus of the Programme is on progressing the options in the contract for the development and Fit Out of the premises. The contract for the purchase of the premises provides for the vendor to complete 'optional works' and we have requested the vendor to provide proposals for the delivery of these optional works. There are four elements in the optional works:

1. Make variations to the Vendor's Specification to substitute finishes in common areas (e.g. lifts, lobbies, bathrooms, etc.) with similar finish to NWQ;
2. Design, construct and complete the Integration Works i.e. [REDACTED] and internal integration between DL5 and DL5;
3. Design, construct and complete the Link Works i.e. a bridge between DL and NWQ at 2nd floor level; and
4. Design, construct and complete the Fit Out of the premises to achieve similar design to NWQ.

The vendor's proposals will include design, timelines to deliver, costs, risks, etc.. When the proposals have been received and evaluated a recommendation will be made with regard to exercising the options. Given the potential for procurement challenges in the construction industry, a key focus has been to ensure that the risks that may materialise in the event of a challenge from a decision to exercise the options are mitigated to the fullest extent possible. The risks and risk mitigation will be considered by the Risk Management Committee and we expect to bring the details including a recommendation on exercising the options to the Commission at the April meeting.

Commission Meeting 17 April 2019

Dublin Landings: The focus of the Programme currently is on progressing the four options in the contract for the development and Fit Out of the premises. The risks and risk mitigation associated with the implementation of the options will be considered by the Risk Management

Committee at their meeting of 2 April 2019. The Commission will be informed of the option selected at the April meeting.

Commission Meeting 29 May 2019

Dublin Landings: The focus of the Programme currently is on progressing the options within the contract for additional works, and a full report on the recommended next steps will be provided to the Commission.

Commission Meeting 20 June 2019

Dublin Landings: Following the approval at the May 2019 Commission meeting, the Vendor and the Bank are progressing a formal agreement to accept the proposal for the Additional Works. The programme team is progressing the next steps including the public procurement of a 'Purchasers Architect', and developing a process to evaluate any changes to the draft high level.

Commission Meeting 17 July 2019

Dublin Landings: The formal agreement with the Developer to accept the proposal for the Additional Works is progressing. The programme team is progressing the public procurement of a 'Purchasers Architect', and developing a process to evaluate any changes to the draft high-level design.

Commission Meeting 18 September 2019

NWQ Development Programme (NWQDP - previously referred to as Dublin Landings)

The NWQDP has been arranged into three inter-related components. The first is the Construction and Premises programme. The focus of this is the design and fit out of our Dublin landings premises,

The Risk Committee will be provided with a programme risk update at each meeting and the Commission kept informed of developments as necessary. The next major milestone is 'deemed' practical completion in late October 2019 when the purchase price balance is due to be paid and the Bank assumes ownership of the asset.

Commission Meeting 22 October 2019

Campus Development Programme (previously referred to as NWQ Development Programme (NWQDP, previously referred to as Dublin Landings): The NWQDP has been arranged into three components, which will work in tandem to deliver the integrated programme. The first component has been up and running for some time and is referred to as the Construction and Premises programme. The focus of this is the design and fit out of our Dublin Landings premises, [REDACTED] and related matters. [REDACTED]

The procurement of a 'Purchasers Architect' has completed. This service will support the acceptance of the new premises when the developer deems them 'practically complete' and the Bank assumes ownership of the asset. This is currently scheduled for 24 October.

Commission Meeting 27 November 2019

Campus Development Programme: The Contract for Sale for the Dublin Landings premises completed in October, and the Bank has licenced Ballymore to have control of the premises. All appropriate insurances are in place. Engagement between the architect team and the Bank is continuing and scheme design for the internal fit is due to complete before year-end. Catering consultants are advising on options for Catering strategy in the Campus and this will inform key decisions on catering facilities. Decisions on IT and Security infrastructures, resilience between NWQ and DL, Bathrooms etc. have been completed.

Commission Meeting 9 December 2019

Campus Development Programme: Engagement with the Developers Design Team is continuing and scheme design for the internal fit out is due to complete by year-end. The Commission Risk Committee reviewed the Programme risk profile in November 2019. A Catering strategy for the Campus has been prepared and this will inform the design of staff restaurant facilities in Dublin Landings. Preparation of marketing materials for the lease of three floors office accommodation in Dublin Landings has commenced with a view to going to market Q1 2020.

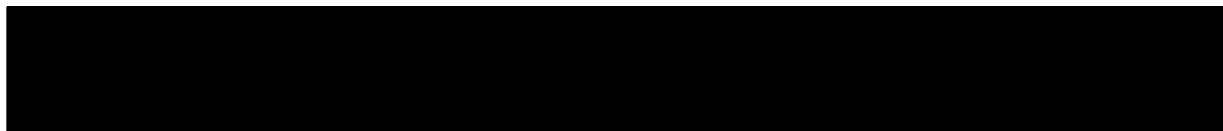
Commission Meeting 29 January 2020

Campus Development Programme: Architectural Scheme Design for the internal fit out is progressing and the remaining requirements - primarily in relation to Catering and Meeting Rooms - are expected to be finalised this month. A third party specialist team for monitoring the base build completion has been appointed and their review with the developer is underway. [REDACTED]

Commission Meeting 25 February 2020

Building and Premises Project: The building is weather proofed and ready to commence our fit out, with a scheduled 'start on site' date of 17 February 2020. High Level design was reviewed by the Governor's Committee and has now been agreed. Detailed design is anticipated to conclude in June 2020.

Marketing of the three floors of office accommodation in the new building will commence once detailed design has been completed and marketing materials made available.



Commission meeting 19 March 2020

Campus Development Programme: A paper has been prepared for the March Commission meeting providing a detailed progress update on the Campus Development Programme.

No further COO reports after this date as reports to the Commission were verbal

Extract of MINUTES OF MEETING NO. 95 OF THE CENTRAL BANK COMMISSION OF 08 OCTOBER 2018

1. Accommodation Strategy

The Governor introduced this item. He noted that the Commission was being requested at this meeting to support the purchase of the property known as Dublin Landings 4 (DL4). He noted the Commission's decision, at its meeting on 21 June, to purchase the Dublin Landings 5 (DL5) property. Arising from the due diligence findings concerning DL5, it was now considered prudent to also purchase DL4. This would allow for all city centre based staff to be located on one site; would enable a workplace design to match the environment of the North Wall Quay premises; provide for efficient use of space due to the ability for the floor space to be configured on a horizontal basis across both DL4 and DL5; and provide the Bank with optionality and flexibility for any potential future growth. [REDACTED]

[REDACTED] The vacant elements of the combined DL4 and DL5 properties would be a replacement investment property to the existing Spencer Dock investment; the increased rental element of the Bank's investment portfolio would increase by [REDACTED] as a result.

[REDACTED] set out some details around the Bank's due diligence exercise on DL5; further details on the rationale for purchasing DL4; and the financial aspects of the proposal. [REDACTED]

[REDACTED] added that there had been considerable in-house analysis undertaken on the financials.

In the discussion that followed, Members indicated their support for the proposed purchase. Members raised some points in relation to elements of the proposal, including the physical layout; security and health and safety related issues; future tenancy arrangements; and the detailed financials involved. However, overall, members noted the advantages to the proposals, in particular the importance of locating all city centre staff on one site.

The Commission approved the proposal to support the purchase of DL4, including that the Bank would now submit an offer on the property at the price outlined in paper no 223 of 2018. Any such offer would be subject to a final decision of the Commission to be taken at the meeting on 23 October and would be subject to a technical and legal due diligence and to contract.

Extract from MINUTES OF MEETING NO. 96 OF THE CENTRAL BANK COMMISSION OF 23 OCTOBER 2018

planning application for a bridge between the properties at Dublin Landings and NWQ. A decision on implementing supporting substructures in the shell of the new property to maintain an option for the bridge was required immediately, and a decision to commit to the bridge would be required if planning permission was granted. The high-level cost estimate for the bridge was circa [REDACTED] to [REDACTED]. Legal teams from the Bank and vendor are actively engaged to mark up and finalise a contract for sale. The contract for sale for the premises would be completed within the costs previously notified to the Commission (purchase price of €204m, plus €47m as the indicative cost for VAT, Stamp Duty and Fees), and there had been no firm estimate yet of the costs for any alterations to the premises, the bridge, and the fit-out of the premises. [REDACTED] also set out some of the challenges with the proposed development.

Members were supportive of the proposed approach, noting in particular the advantages of utilising similar workplace designs consistent with NWQ. Environmental considerations were also referenced in the discussion.

The Commission approved the proposal, and noted the Bank's intention to enter into a binding contract on any such terms as the Governor deems fit for the purchase of Dublin Landings properties 4 and 5; the Commission further noted that the contract for sale may provide for the option to engage the vendor to complete shell and core alterations, the bridge and the fit-out of the premises or include one or more of these options as a contractual commitment, with the final decision in this regard to be taken by the Governor; and the Commission further noted, in circumstances where the contract for sale provides for options as described, the final decision as regards exercising any of these options to be taken by the Governor.

DRAFT MINUTES OF MEETING NO. 118 OF THE CENTRAL BANK COMMISSION OF 21 APRIL 2020

7. Campus Development Programme

[REDACTED] introduced this item. He noted that the risk of a delay to the completion of the construction works for the fit-out of the new buildings, due to the COVID-19 restrictions, was high. The risk could result in additional costs to the Programme. The scale of and liability for these additional costs had yet to be determined. The risk of not achieving all the objectives of the Workplace Experience Project was also high due to having to work within a remote

working environment and reprioritisation of time from key stakeholders for engagement. Delayed identification of material changes to the design of the workplace, emerging from the project, could create delays and increase costs for the overall Programme. Other risks included the potential that the allocated floors in the new premises may not be utilised due to [REDACTED]

[REDACTED] The Programme was working to identify the materiality of the potential risks across the Programme and steps to mitigate the risks.

In the discussion members questioned if there may be an impact on the planned construction of a bridge to link the NWQ and Dublin Landings buildings; [REDACTED]

[REDACTED] confirmed that various options around the construction works for the fit-out and related issues would be examined and brought back for consideration. [REDACTED]

[REDACTED] said that budgetary and risk aspects would be brought back through the Commission and its relevant sub committees over the coming period, with a further update to Commission due at its scheduled meeting in May.

The Commission noted the status update on the Campus Development Programme.

Extract of MINUTES OF MEETING NO. 121 OF THE CENTRAL BANK COMMISSION OF 16 JUNE 2020

7. Campus Development Programme Update

[REDACTED] provided an update on the Campus Development Programme, in particular the risks arising due to the COVID-19 pandemic. The Bank had entered into significant

financial and contractual commitments with the Developer of its new premises at Mayor Street and, as time progresses, it would become increasingly difficult and more expensive for the Bank to seek changes to the agreed design of the premises or to extract itself entirely from the contractual commitments. The Bank faced significant uncertainty as a result of the pandemic,



The Programme team was recommending the option that provided the highest level of flexibility with lowest risk. This would allow the Bank to make modifications to the current design and delivery plan as long-term changes in the requirements for the design were identified

In the discussion, members noted the importance of taking a long-term view on accommodation; as the original decision to purchase the Mayor Street building was a long-term one. Factors for consideration also included the investment aspects and the potential trajectory of staff numbers. Members noted the analysis relating to the uncertainties and challenges facing the Programme, considered the need for flexibility in relation to the Bank's future accommodation strategy, and the need to maximise the benefits to the Bank in terms of productivity and efficiency. It was also noted there was a need to consider the future level of staffing in the Bank.

The Commission noted the Campus Development Programme Update and the various elements set out in Paper No. C172 and approved the recommendation that the Programme pursue the option that maximises flexibility while continuing with contractual commitments.

Extract from Minutes of Meeting No. 56 of the Risk Committee on 26 November 2019

11. North Wall Quay Campus Development Programme Risk Update

[REDACTED] provided a risk update on the North Wall Quay Campus Development programme. He noted a number of developments in the programme that were called out in the paper and that the risk profile remained substantively unchanged. [REDACTED]

[REDACTED] He noted that the team continued to work to mitigate any risks to the programme.

[REDACTED] noted that this was the first of such reports to the Committee and expected that a further update would be provided early in 2020.

The Committee noted the Risk Update on the North Wall Quay Campus Development Programme.

Extract from Minutes of Meeting No. 60 of the Risk Committee on 24 February 2020

8. Campus Development Programme Status Update

[REDACTED] provided the Committee with an update on the risks relating to the Campus Development Programme. He noted that the overall risk profile remained unchanged; there was no substantive change to the Order of Magnitude costs for the fit-out work, and the Buildings and Premises project remained on track to achieve practical completion by the end of Q2 2021. He provided an update of the status on the current work noting that the High Level design had been agreed, with a final presentation to the Bank by the Design Team scheduled for the end of the February. The detailed design based on the high level design would then commence and is anticipated to conclude in circa June 2020.

He noted risks under three main headings. In relation to timing of the programme he noted that this was a fixed price contract and that more clarity on the timing of completion would be known in June, however the programme was tracking for practical completion. In relation to cost, he noted that agreement on the Contract Sum for the fit out was being reached with the Contractor with 55 per cent of the cost fixed and 45 per cent set as Provisional Sums, the latter to be fixed by June 2020 once all the detailed design has issued to the Contractor. A cost review governance process with the [REDACTED] is in place and a

Cost Management Process is being agreed with the Quantity Surveyors. In relation to quality, [REDACTED] noted that the programme was close to completing on the design element but with one month's delay. He noted some work was required to ensure that a business case was in place for any modifications to the design, as changes to the design or construction would have a greater impact on costs and/or time to implement.

The Committee noted the update.

Extract from Minutes of Meeting No. 65 of the Risk Committee on 9 July 2020

7. Campus Development Programme Update

The Committee noted the Campus Development Programme Update.

Extract from Minutes of Meeting No. 67 of the Risk Committee on 24 February 2021

6. NWQ Campus Development Programme (CDP) Update

[REDACTED] introduced this item. The report provided a status update on all the various elements of the Campus Development.

Portfolio including on the risk profile of the Portfolio. In particular he noted two key risk areas. In relation to the delay risk associated with the programme, the original pre-COVID schedule envisaged a H2 2021 occupation, however this timetable had been significantly impacted that given that it was not expected that contrition would recommence in April at the earliest. The impact of the shutdown would need to be assessed and the intent to achieve an occupation date in Q2 2022 would have to be re-validated. In addition, the Bank is progressing design changes and these may have an impact on construction schedules. The impact assessment of these proposals to increase the level of video conferencing (VC) facilities and other supports for a hybrid working model on the schedule are progressing. In relation to the financial risk to the programme, [REDACTED] noted that based on advice from the QS, a budget of circa [REDACTED] for claims related to COVID-19 is currently allocated against the Governor's contingency fund. This provisional allocation was provided for on basis of the first shutdown in 2020, and has not been updated to reflect possible claims against the current shutdown. No claims have been received by the Bank to date. Like most developments, the Bank's contract with the developer does not address these matters, nor are there any market norms as yet. He noted that the Project would be re-forecast once the duration of the site-shutdown is known and the revised schedule will

take account of the various impacts to date. These may impact on costs. In light of that, he noted that there is unlikely to be capacity in the budget of [REDACTED] for any additional costs not yet identified. The cost impact of delays to the construction schedule and cost of increased VC are likely to exhaust, and possibly exceed, the remainder of Governor's Contingency. Given this and the prevailing uncertainty, it is recommended that the remaining Governor's contingency amount of circa [REDACTED] is retained as a 'risk contingency'.

He noted that other risk categories relate to risk that we miss something in the design, that there is misalignment with other related developments - [REDACTED]
[REDACTED] The programme teams continue to take steps to mitigate such risks.

[REDACTED]

[REDACTED] The Bank was trying to manage in the most prudent and risk mitigation way as possible.

The Risk Committee noted the update.

Extract from Minutes of Meeting No. 68 of the Risk Committee on 11 May 2021

6. NWQ Campus Development Programme Risk Update

[REDACTED] introduced the update on the Campus Development Programme. He reported that, owing to the impact of the current Level 5 restrictions, the programme was now 12 months behind the original schedule and the revised target occupation is currently summer 2022. The greatest level of risk attached to the programme would be the cost profile. Given the uncertainty with cost claims associated with pandemic delays, and industry norms indicating that some unforeseen costs were likely to arise in the remaining circa 12 months of construction activity, the risk of exceeding the approved budget (including the Governor's contingency budget) had increased. He noted that a paper seeking drawdown of part of the contingency had been approved, however, delivering on

budget would remain a significant risk to the programme. [REDACTED]

In the discussion, the Committee noted the [REDACTED]

[REDACTED] The Committee noted some offset of additional costs arising from the need to facilitate additional VC capacity, against foreign travel. The Committee also noted the need to consider the climate objective and this was also a consideration by other organisations, in highlighting the need to address ways of working. The Committee noted the need for the Bank to start to consider the “story” behind the cost of the site and the approach to leasing the additional floors in the Mayor Street building.

The Risk Committee noted the update on the NWQ Campus Development Programme.

Extract from Minutes of Meeting No. 69 of the Risk Committee on 29 June 2021

9. NWQ Campus Development Portfolio Risk Update

The Committee considered an update on the current risk status of the Campus Development Portfolio. The report highlighted risks relating to the schedule of the programme indicating that the risk of further delay could be avoided and a June/July occupation date, while challenging, was now feasible. With regard to risks relating to quality and design, good progress had been made on the detailed design and, while that progresses and matures, the risk profile would decline. In relation to cost risk, the portfolio continued to manage this risk and while the risk remained high, the Bank was actively working with the developer to seek improved certainty.

[REDACTED]

The Committee noted the update on the risk status of the Campus Development Portfolio.

Extract from Minutes of Meeting No. 70 of the Risk Committee on 30 September 2021

6. Campus Development Portfolio Risk update

[REDACTED] presented this item, which provided an update on the current risk status of the Campus Development Portfolio (CDP). In terms of schedule, the developer’s construction

programme had been validated with no change to the 'ready for occupation' date of June 2022 resulting in the Building and Premises project (B&P) returning to Green status. Design was progressing satisfactorily with all agreed changes progressing and design now 'frozen'. Work had commenced on a proposal for the strategic Video Conferencing solution report. On cost, the Portfolio continued to manage actively the significant cost risks. He noted that while the forecast was to stay within budget, there were growing risks around construction just now, including on supply chain and on costs related to shut downs.

[REDACTED]

The committee thanked [REDACTED] for the update.

The Committee noted Campus Development Portfolio Risk update.

Extract from Minutes of Meeting No. 71 of the Risk Committee on 29 November 2021

9. Update on Campus Development Programme

[REDACTED] presented this item, which provided an update on the current risk status of the Campus Development Portfolio (CDP). He noted the schedule had no change to the 'ready for occupation' date of June 2022 and that the project continued to report a green status. Work had commenced on the Video Conferencing Solution, which saw increased costs of approximately [REDACTED] but noted that the costs would be recouped from other areas. [REDACTED]

[REDACTED]

The Committee noted the update on the Campus Development Programme.

Action: Update on costs relating to the Bank's Spencer Dock premises.