



An Roinn Tithíochta,
Rialtais Áitiúil agus Oidhreacht
Department of Housing,
Local Government and Heritage

Review of Pre-Construction Processes for Social Housing Construction and Mixed Tenure Projects

Working Group Report

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Prepared by the Department of Housing, Local Government and Heritage

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Executive Summary

The substantial scaling up of public housing delivery under *Housing for All* provides the context for this Report. *Housing for All* is ambitious in its scope, seeking to deliver 90,000 social homes and 54,000 affordable and cost rental homes over the remainder of the decade.

With a relentless focus on delivery, the streamlining of approval and other pre-contract processes are essential to support the speedy provision of much needed homes. Balanced against the urgency of delivery is the need for assurance to the Minister, the Oireachtas, and the taxpayer that cost effectiveness is being achieved.

This Report is a result of a collaborative engagement involving the local government sector, the approved housing bodies, the Land Development Agency (LDA) and the Department of Housing, Local Government and Heritage (DHLGH). The result is a set of practical actions with the aim of further improving the efficiency of the approvals processes, while respecting compliance with public capital spending rules. Of these recommendations, a number of actions should be particularly impactful in supporting the objectives of *Housing for All*:

- a) **De-risking potential delays** - Pre-application development, such as site assessment and investigation, will be supported through the payment of fees for such work. This will de-risk delays later in the process by identifying potential site complexities, or particular cost implications, at the earliest stage.
- b) **Fostering greater use of the single stage approval process** – the DHLGH will monitor use of the single stage process and engage with local authorities when this approach could be used but is not being availed of.
- c) **Fast tracking through Approval Stages –**
 - **Stage 3 becomes optional:** Stage 3 of the four-stage process becomes an ‘optional’ stage for projects that
 - have an all-in project budget under €20m;
 - have advanced to Stage 3 within 6 months of Stage 2 approval;
 - have a pre-tender estimate within 2.5% of Stage 2 approved budget (or as determined by the DHLGH at Stage 2), and
 - Stage 2 Approval conditions have been addressed.

In these cases, Stage 3 submission will be a notification to the DHLGH that the project is proceeding to tender.

- **Incentivising compliance with layouts, specifications and costs** – Applications will be fast tracked, where a local authority or AHB has complied with departmental standard layouts, technical specifications and unit ceiling costs.
- d) **Improve Capital Assistance Scheme Process:** Rationalise application form for Stage 1 and ensure communications issue to both AHBs and LAs at each stage.
- e) **Simplifying Approval through Gate 0 of the Public Spending Code:** the preparation of a Programme Level Strategic Assessment Review (**SAR**) for Affordable Purchase, Cost Rental and/or Social Housing (e.g. in a mixed tenure development) will remove the requirement from local authorities, AHBs, or LDA to prepare a SAR at the project level.
- f) **Guiding Local Authorities, AHBs and the LDA through the Approvals Process for Mixed Tenure:** a suite of process maps, training supports and guidance will be prepared for mixed tenure developments involving different delivery streams. The DHLGH will also provide a single interface with the wider sector on such developments.
- g) **Clearing House to Address Blockages:** Given the urgency of further developing the pipeline of social housing projects, the DHLGH, LAs, and AHBs will focus urgently on any “blockages” for projects (of 20 units or more) not running smoothly through the approval stages, having regard to expected timelines between the stages.
- h) **Central Online Resources:** A central repository of sectoral guidance for all stakeholders will be established and maintained by the Housing Agency in close collaboration with the Housing Delivery Coordination Office (HDCO).
- i) **Implementation Group:** A small implementation group to be set up by the DHLGH to track implementation of recommendations.
- j) **Project Management Training:** Planned project management training for LAs and AHBs is to be rolled out in 2022 by the HDCO and the Housing Agency.
- k) **Promoting Paralleling of Work Throughout the 4-Stage Process:** the DHLGH will re-inforce for LAs and AHBs that the fee structure for design work on social housing projects, supports the paralleling of work so that further design can be advanced while stage assessments and approvals are underway.

- l) **Improving Engagement and Communications:** all parties to this process have committed to further improving engagement and communication at every stage of the process to ensure clarity on requirements, identify any challenges to the progress of a development, and ensure prompt decision making to foster delivery.

The implementation of these recommendations as an integrated set of practical reform measures should lead to positive outcomes for social housing and mixed tenure delivery including:

- Expediting and strengthening the preparatory or initial stages of housing delivery.
- Streamlining the current DHLGH approval processes by bringing a consistent and co-ordinated approach to social and mixed tenure schemes; supported by specific sectoral guidance and enhanced training for delivery partners.
- Providing certainty of approach to the DHLGH's key delivery partners when dealing with approvals, cost reviews and assessment of mixed tenure schemes by way of a single point of interface, where applicable, and supported by standard templates and guidance.
- Providing a better line of sight on "pipeline challenges" and related solutions at the earlier stages of project development for all those involved in the delivery of social and mixed tenure schemes by way of enhanced supports, assistance and site/scheme information.

The stakeholders who participated in this process are fully committed to meeting the targets set under *Housing for All* and are very supportive of these actions in smoothing the housing delivery pathway. There is consensus among the group that implementation be kept under review so that further improvements can be made, if needed, as experience is gained in working through specific proposals. In support of this, the DHLGH has committed to putting in place oversight arrangements to monitor progress on implementation.

Outline of Key Recommendations

No.	Recommendation	Timeline	Lead
1 (AP-1)	De-risking potential delays: Pre-application development, such as site assessment and investigation, will be supported by upfront payment of fees for such work in advance of Stage 1 application. This will de-risk delays later in the process by identifying potential site complexities or particular cost implications at the earliest stage.	Q2 2022	DHLGH
2 (AP-2)	Single stage approval process – fostering a greater use of this: the DHLGH will monitor use of the single stage process and engage with local authorities when this approach could be used but is not being availed of. This may include; (i) revision of the proposal process, (ii) the identification and resolution of common issues, (iii) capacity building and ongoing engagement with stakeholders.	Q1 2022	DHLGH
3 (AP-3)	Fast tracking through Approval Stages a) Stage 3 becomes optional: Stage 3 of the 4-stage process becomes an ‘optional’ stage for projects that; <ul style="list-style-type: none"> ▪ Have an all-in project budget under €20m, and ▪ Have advanced to Stage 3 within 6 months of Stage 2 approval, ▪ Have a pre-tender estimate within 2.5% of Stage 2 approved budget (or as determined by the DHLGH at Stage 2) and any ▪ Stage 2 Approval Conditions have been addressed. <p>In these cases, Stage 3 submission will be a notification to the DHLGH that the project is proceeding to tender.</p>	Q2 2022	DHLGH

	b) Incentivising compliance with layouts, specifications and costs: Applications will be fast tracked, where a local authority or AHB has complied with standard layouts, technical specifications and unit ceiling costs.		
4 (AP-4)	Capital Assistance Scheme (CAS) Process: The application form for Stage 1 of the CAS application process will be rationalised and AHBs will receive, directly from the DHLGH, copies of relevant correspondence/approval letters at each stage.	Q2 2022	DHLGH
5 (AP-7)	Promoting paralleling of work on design and tender preparation: the DHLGH will re-inforce for LAs and AHBs that the fee structure for design work on social housing projects, supports the paralleling of work so that further design can be advanced while stage assessments and approvals are underway.	Q2 2022	DHLGH
6 (AP-16)	Improving engagement and communications: all parties to this process have committed to further improving engagement and communication at every stage of the process to ensure clarity on requirements, identify any challenges to the progress of a development and ensure prompt decision making to foster delivery.	Ongoing	DHLGH Local Authorities AHBs
7 (AP-13)	Simplify approval through Gate 0 of the Public Spending Code: The DHLGH will complete a <i>Housing for All</i> program level strategic assessment report (SAR) for social and affordable housing delivery. This will give local authorities approval to develop proposals for social and affordable housing in line with LA's specific targets set and agreed Housing Action Plans. This is allowed for in section 3.1 of the PSC and removes the requirement to complete a SAR for each project.	Q3 2022	DHLGH

<p>8 (AP-15)</p>	<p>Single Decision Maker: The DHLGH will put in place a co-ordinated approach to deal with Mixed Tenure developments, preferably a single decision maker/point of contact within DHLGH.</p> <p>The Unit will act as a single interface for sponsoring authorities for mixed tenure projects and have responsibility for liaising with DPER/ Government on larger projects.</p> <p>Internally the Unit will be responsible for updating the ePSC tool to track the project, co-ordinating regular meetings between the internal teams involved and for ensuring approvals are aligned. Governance Structure and process maps to detail the work of the team to be developed.</p>	Q2 2022	DHLGH
<p>9 (AP-19)</p>	<p>Clearing House to Address Blockages: Given the urgency of further developing the pipeline of social housing projects, the DHLGH, LAs and AHBs will focus urgently on any “blockages” for projects (of 20 units or more) not running smoothly through the approval stages, having regard to expected timelines between the stages.</p>	Q2 2022	DHLGH
<p>10 (AP-21)</p>	<p>Central Online Resources: A central repository of sectoral guidance for all stakeholders will be established and maintained by the Housing Agency in close collaboration with the HDCO.</p>	Q2 2022	Housing Agency HDCO
<p>11 (AP-17)</p>	<p>Implementation Group: A small implementation group to be set up to track implementation of recommendations.</p>	Ongoing	DHLGH
<p>12 (AP-22)</p>	<p>Project Management Training: Planned project management training is to be rolled out for LAs and AHBs by HDCO and the Housing Agency.</p>	Start Feb 2022 & ongoing	HDCO, Housing Agency

1. Purpose & Overview

1.1. General Context

The recently launched *Housing for All* provides a series of new pathways to a sustainable housing system, by setting out how Government plans to address the short, medium, and long-term challenges ahead.

1.2. Purpose of Working Group

A Working Group was established to review the processes for social housing construction and mixed tenure developments. This is specifically aimed at such projects undertaken by local authorities and approved housing bodies.

This work is specifically in relation to Actions 24.3 and 24.4 under the *Housing for All* Plan.

1.3. *Housing for All* – Relevant Actions

The following ‘*Housing for All*’ Actions set out the tasks to be completed related to the review of approval processes for social housing construction and mixed tenure development, and the applicable timelines to give effect to these commitments.

Action		Timeline	Lead
24.3	<i>Review and streamline all approval and other pre-contract processes to accelerate the delivery of Local Authority, Approved Housing Body and Land Development Agency social housing proposals and projects and to agree with DPER, a revised sectoral guidance where required</i>	Ongoing ¹	DHLGH
24.4	<i>DHLGH to liaise with the DPER on the process underpinning the approval of mixed-tenure housing programmes, in recognition of the established need for housing and Government approval of social and affordable housing targets.</i>	Q4 2021 ²	DPER, DHLGH

¹ It is intended to complete Action 24.3 by end Q4 2021

² Department of Housing, Local Government and Heritage has agreed to lead on this Action

Action 24.5 in Housing for All provides as follows:

Work collaboratively with all delivery partners to ensure that guidelines relating to standard layouts, standard specifications and standard cost guidelines for social housing are applied consistently in developing social housing proposals to drive efficient and cost-effective public housing design and to assist in further shortening the approvals process

Action 24.5 is being progressed separately from this Working Group.

1.4. Scope of Review

The Review consisted of separate but related pieces of work:

(1) Action 24.3: reviewed the approval arrangements that apply to Social Housing construction projects through the Social Housing Investment Programme (**SHIP**) or Capital Assistance Scheme (**CAS**) funding.

This focused on the issues commonly arising with such projects which lead to challenges or delays:

- i. at pre-application stage;
- ii. at any of the four stages of the process.

(2) Action 24.4: Reviewed the approval arrangements that apply to mixed tenure housing projects.

1.5. Approval Processes and the Public Spending Code

The approval systems are built around compliance with the housing policy documents, circulars and guidance of the DHLGH, the Capital Work Management Framework (CWMF), the Public Spending Code (PSC), and obtaining good value for money in the delivery of development projects. One key aspect is seeking to achieve cost certainty.

There are two key roles. The Department of Housing, Local Government and Heritage as the Approving Authority and the local authority, (including in projects where an AHB is acting on its behalf), Housing Agency or LDA* as the Sponsoring Agency.

* Note: The role of the LDA may change to that of Approving Authority for certain projects given its establishment as a commercial state body under statute.

Approving Authority – Dept. of Housing, Local Government & Heritage

- Source of Funding
- Accountable for expenditure of exchequer funds
- Includes the construction and acquisition of social housing
- Includes affordable housing funding

Sponsoring Agency – Local Authority, (including in projects where an AHB is acting on its behalf), Housing Agency, or LDA

- Implements the project
- Prepares the necessary reports and submissions including the Capital Appraisal
- Planning / design / costs / procurement
- Managing implementation

2. Approval Processes - Social Housing Projects (Construction)

2.1. *Housing for All* Action 24.3

“Review and streamline all approval and other pre-contract processes to accelerate the delivery of Local Authority, Approved Housing Body and Land Development Agency social housing proposals and projects and to agree with DPER, a revised sectoral guidance where required.”

The Working Group specifically examined the pre-contract and approval processes for social housing construction projects funded under:

- a) Social Housing Investment Programme (SHIP)
- b) Capital Assistance Scheme (CAS)

The two primary approval systems are:

- 1) The 4-Stage Approval Process
- 2) The Single Stage Approval Process

2.2. 4-Stage Approval Process

The primary process used by a local authority for a capital-funded social housing construction projects is the 4-stage approval process. Certain documentation is submitted to the DHLGH in seeking approval at each stage. In addition, the DHLGH evaluates at each stage to ensure design quality, value for money, and the delivery of sustainable communities.

The four stages are:

- | |
|---------------------------------------|
| Stage 1: Capital Appraisal |
| Stage 2: Pre-Planning Approval |
| Stage 3: Pre-Tender Approval |
| Stage 4: Tender Approval |

Pre - Stage 1 Current Pre-Application Stage

- Identify suitable site aligned with social housing need in the area
- Preliminary Discussion – informally explore suitability, potential issues, and strategies
- Undertake overall sense check on proposal

Stage 1 Capital Appraisal (CWMF Project Review 1)

- Present evidence of social housing need & sustainable communities proofing
- Project Brief – numbers & types of dwellings
- Site constraints and site abnormalities
- Programmes
- Project management and delivery
- Cost Details – Form CWMF PR1

Stage 2 Pre-Planning Approval (CWMF Project Review 4)

- Confirmation that appointment of design consultants is compliant with procedures
- Scheme Design Drawings
- Technical Report
- Cost Plan – Form CWMF PR4

Stage 3 Pre-Tender Approval (CWMF Project Review 6)

- Updated Drawings (only if a change has occurred since Stage 2 approval)
- Technical Report
- Detailed Cost Plan – Form CWMF PR6

Stage 4 Tender Approval (CWMF Project Review 7)

- Tender Report
- Budget Report
- Detailed Cost Plan – Form CWMF PR7

2.3. Background

- a. The Public Spending Code (PSC) seeks to ensure that the State gets good value for all public expenditure. The PSC explains the requirements of a Capital Appraisal and how, after a project has been approved 'in principle', it still needs to be periodically reviewed throughout its lifecycle to ensure it continues to deliver value for money.
- b. The PSC has specific guidance on how to prepare a Capital Appraisal.
- c. To specifically address construction projects, the Capital Works Management Framework (CWMF) was developed by the Department of Public Expenditure & Reform (DPER) to provide guidance and to ensure that quality and cost control, procurement, value for money, and public accountability requirements are met. The CWMF normally commences after the initial Capital Appraisal has been approved.
- d. The CWMF comprises a suite of guidance material, technical templates, procedures, and the forms of Public Contracts. It covers all aspects of the delivery process of a public works project, from inception to final project delivery and review. The CWMF identifies two participants: the Sponsoring Agency (in the case of SH projects, this is the local authority, in CAS and P&A CALF the AHB acts on behalf of the local authority), which proposes and manages the delivery of the works, and the Approving Authority (which for SH is DHLGH) which provides funding. As Approving Authority the DHLGH is publicly accountable for the expenditure, cost control, achieving value for money, and meeting public procurement requirements, all of which are subject to audit (by the C&AG).
- e. After approval of the Capital Appraisal, the CWMF sets out 7 main Stages, called Project Reviews, where the Sponsoring Agency should report to the Approving Authority. There are two further Appraisal stages on larger projects, (which makes 9 stages) when the Sponsoring Agency reports to the Approving Authority before reaching the point where work can start on site. The CWMF provides that the Approving Authority can suspend the project or request additional information at any of the stages. For four of these review stages (1, 4, 6 & 7) the project cannot proceed without the Approving Authority's formal approval (i.e. mandatory approvals). The Four Stage Process reflects the CWMF 4 main approval gates.

2.4. Single-Stage Approval Process

Single-Stage Approval is for straightforward local authority housing construction projects with an all-in cost up to €6 million. Currently, for a number of reasons, local authorities are not availing of this process for all potential projects and are choosing to use the 4-stage process instead.

Single Stage Budget Approval: Following evaluation of a Single Stage application, an overall project budget is approved by the DHLGH which includes a contingency sum (appropriate to the requirements and perceived risk of the project). The local authority has the option of a second submission to DHLGH for a budget increase where this has happened due to specified events being tender inflation, revisions as a result of planning requirements or unforeseen infrastructural needs.

Pre – Single Stage Submission (Pre-Application Stage)

- Preliminary Discussion – Informally explore suitability, potential issues, and strategies
- Consult with DHLGH's Advisors to confirm suitability of site and location, design strategy, site and dwelling layouts, and outline costs
- Earliest consultation is encouraged, both in site selection and before the design is too developed
- Undertake site investigations
- Undertake overall sense check on proposal

Single Stage: Capital Appraisal

- Identify social housing need & sustainable communities proofing
- Project Brief – numbers & types of dwellings
- Site constraints and site abnormalities
- Risk Identification / Management
- Programme, Project Management and Delivery
- Outline Design Drawings – Site layout and internal layouts, where atypical, sections and elevations of dwellings
- Cost Details – 'Single Stage CWMF MW PR3_20' - Overall budget application submission supported by outline construction cost estimate.

Optional Supplementary Stage: Post-Tender Revised Budget Approval

- **Tender Details:** Summary of tenders received, procurement details, method of evaluation and clear recommendation by Local Authority Scheme Design Drawings
- **Budget Report:** Respond to any previous conditions of approval, advise what elements of revised budget should be eligible, and what opportunities are available to deliver cost reductions.
- **Update Cost Plan** – Completed Form Single Stage CWMF MW PR7_20

3. Mixed Tenure Developments

3.1. *Housing for All* Action 24.4

DHLGH to liaise with the DPER on the process underpinning the approval of mixed-tenure housing programmes, in recognition of the established need for housing and Government approval of social and affordable housing targets.

3.2. Mixed Tenure Developments - Summary

Mixed Tenure housing developments can include social, affordable, cost rental and, in some cases, private housing. The development of a mixed tenure site may be led by a local authority, AHB, the LDA, or a private developer.

Mixed tenure housing projects are becoming an increasing popular delivery option, and this is set to increase over the lifetime of *Housing for All*. Currently the DHLGH is aware of 36 such schemes, being planned or in flight. These represent almost 12,000 units, including c. 3,500 social and c. 4000 affordable/ cost rental. Exchequer funding across these existing projects alone is estimated to exceed €1.5 billion.

There are a number of delivery strategies that may be utilised by an LA to deliver mixed tenure housing including:

- Local Authority delivery on public land (usually on LA-owned land)
- Public Private Partnership (PPP) (usually on LA owned land)
- AHB delivery on public land (including on land owned by the AHB)
- Private sector delivery on public land (e.g. through Joint Venture/Competitive Dialogue)
- Private sector deliver on private land (e.g. local authority/AHB turnkey, competitive dialogue on private land)

There are also a number of funding streams that may be used, each with its own approval process.

- Social Housing Investment Programme (SHIP) – local authorities social housing
- Payment & Availability Agreements coupled with Capital Advance Leasing Facility (P&A/CALF) – AHBs social housing
- Affordable Housing Fund (AHF) – local authority delivery of affordable housing and cost rental
- Cost Rental Equity Loan (CREL) – AHB cost rental
- Urban Regeneration and Development Fund (URDF) – all tenures

An efficient process that supports timely delivery of housing coupled with an appropriate application of the Public Spending Code with necessary approvals is paramount in order to support the development of mixed tenure sites.

3.3. Mixed Tenure Developments - Proposed Approval Process

The sub-group on mixed tenure have agreed the optimal approach to mixed tenure sites outlined below. This process is dependent on implementation of recommendations AP13 - AP15, including the establishment of a Mixed Tenure Unit in the DHLGH and expansion of sectoral guidance and agreement with DPER on same.

Gate 0: Approval to Develop a Proposal

- The DHLGH will complete a programme level Strategic Assessment Report for the social and affordable housing elements of *Housing for All* (HfA SAR). The HfA SAR along with the targets issued to local authorities for social and affordable housing, will constitute a Gate 0 approval to develop proposals for appropriate sites across all relevant LAs. The Working Group has completed foundational work in this regard, including preparation of tables to map the delivery strategies to the requirements of the PSC.
- Local Authorities and AHBs intending to develop a proposal for mixed tenure, either on public or private land, should notify the mixed tenure unit (MTU) and confirm that the proposal meets the criteria as set out in the HfA SAR.
- The MTU will then co-ordinate preliminary consultation, with all relevant units (including advisors) and the local authorities to informally explore suitability, potential issues, strategies and approach to the Business Case.

Gates 1 and 2: Approval in Principle and Pre-tender Approval

- The sponsoring agency will prepare a business case which will include all information required for each funding stream sought, in line with the Public Spending Code.
- In most cases the preliminary business case will be provided before planning and an updated version is provided after planning. However, this is not appropriate for all delivery strategies. The requirements and timing of the business case will differ depending on:
 - the delivery strategy/ strategies being considered by the local authority;
 - the scale of the project;

- the funding streams.
- The requirements are outlined below and will be detailed per delivery strategy in the DHLGH's updated sectoral guidance.
- The sponsoring agency will submit the Business Case to the MTU.
- The MTU will co-ordinate the assessment and approval of the Business Case. The Business Case must be reviewed by:
 - each unit in the DHLGH responsible for the funding streams sought;
 - Housing Market and Economics Unit for projects that require a full financial and economic appraisal (*projects >€50 million subject to agreement with DPER*);
 - external assurance panel and the National Investment Office in DPER for projects > €100 million;
- The MTU will prepare the memo for government to request government approval in principle for projects > €100 million.
- The MTU will issue the approval to the sponsoring agency, including any conditions and points that will need to be addressed at the next stage of the process.

Gate 3: Approval to Proceed

- Prior to contract award, the sponsoring agency must update the Business Case with the final cost, proposed contract, and further information in relation to the implementation of the project.
- Detailed requirements will be covered in sectoral guidance.
- MTU will review Final Business Case to ensure conditions and points raised at Gates 1 and 2 have been addressed and will co-ordinate review and approval following the same steps outlined at Gate 1/2.

4. Recommendations

4.1. Approval Processes SHIP & CAS

No.	Recommendation	Timeline	Lead
AP-1	De-risking potential delays: Pre-application development, such as site assessment and investigation, will be supported by payment of fees for such work in advance of Stage 1 application. This will de-risk delays later on in the process by identifying potential site complexities or particular cost implications at the earliest stage.	Q2 2022	DHLGH
AP-1.1	Sites will be surveyed prior to a Stage 1 proposal. This will facilitate the better identification of potential abnormal works and more accurate costings, which can then be included in a Stage 1 proposal. This should also see less cost inflation at Stage 2 as there will be an awareness from the outset of these abnormal costs.		
AP-1.2	Site investigations should include not only a site survey, but further detail on other site suitability factors including the availability/difficulty of the provision of utilities e.g. ESB, Irish Water, etc. and, where appropriate, boundary, right of way and other legal issues. The DHLGH will engage with stakeholders to ensure that the site appraisal suite of investigations covers an appropriate range of items.		
AP-1.3	These site appraisals should encompass all proposed housing development sites, including city centre, brownfield, infill, and renewal of existing vacant/derelict properties, subject to DHLGH guidance regarding costs.		
AP-1.4	Site appraisal costs will be guaranteed regardless of whether the site proves suitable for development, or whether a Stage 1 proposal ultimately results.		
AP-2	Single stage approval process – fostering a greater use of this: the DHLGH will monitor use of the single stage process and engage with local authorities when this approach could be used but is not being availed of.	Q1 2022 Ongoing	DHLGH

	<p>This may include:</p> <ul style="list-style-type: none"> (i) revision of the proposal process; (ii) the identification and resolution of common issues; (iii) capacity building and ongoing engagement with stakeholders 		
AP-2.1	The Stage 1 Capital Appraisal form will be revised to require a reason from the LA wherever the Single Stage process is not being used for a project under €6m. This will require LAs to detail their decided position regarding use of the single-stage or 4-stage processes.		
AP-2.2	The DHLGH will gather evidence from the Capital Appraisal forms on the reasons the single-stage is not being used for eligible projects. In light of these, the DHLGH will assess the need and scope for improvements to the single-stage process.		
AP-2.3	Using evidence gathered on the non-use of the single-stage process by local authorities in certain circumstances, the DHLGH and HDCO will intervene to improve stakeholder familiarity with the single stage process. Alongside targeted interventions with LAs, the DHLGH and HDCO will build capacity more broadly on the process through training, webinars, etc., including a focus on good practice examples.		
AP-3	<p>Fast tracking through approval stages</p> <p>a) Stage 3 becomes optional: Stage 3 of the 4-stage process becomes an 'optional' stage for projects that;</p> <ul style="list-style-type: none"> ▪ have an All-in project budget under €20m; ▪ are advanced to Stage 3 within 6 months of Stage 2 approval; ▪ have a pre-tender estimate within 2.5% of Stage 2 approved budget (or as determined by DHLGH at Stage 2); and ▪ any Stage 2 Approval Conditions have been addressed. <p>In these cases, Stage 3 submission will be a notification to the DHLGH that the project is proceeding to tender.</p>	Q2 2022	DHLGH

	<p>b) Incentivising compliance with layouts, specifications and costs – Applications will be fast tracked, where a local authority or AHB has complied with departmental standard layouts, technical specifications and unit cost ceilings.</p>		
AP-3.1	<p>Social housing project proposals under the capital programmes will include the LA/AHB's self-certification that Standard Layouts, Technical Specifications, and UCCs have been adhered to, or reasons for not doing so should be clearly stated and agreed with the DHLGH from Stage 1.</p>		
AP-3.2	<p>Proposed Site Densities will be clearly set out at Stage 1. Good levels of density should be delivered consistent with County Development Plans / National Planning Framework parameters. The alignment between the housing types/numbers and the breakdown of the housing need/waiting list should be set out at this stage. Where there is not alignment between housing need and housing types/numbers, the LA/AHB will give clear reasons for this. The inclusion of these details alongside better pre-application site investigations, should streamline and reduce the time taken at later stages in the 4-Stage Process.</p>		
AP-3.3	<p>Consequent to the above, Stage 3 within the 4-stage assessment/approval process will be removed / made optional for projects that have an All-in Project budget under €20m and are advanced to Stage 3 within 6 months of Stage 2 approval (or longer as agreed between DHLGH/LA if, for example, the Part 8 process is difficult/protracted) and the LA verifies that any Stage 2 approval conditions have been met. Such projects should also be within 2.5% of the budget approved at Stage 2 (or a higher percentage as agreed on a project specific basis with the DHLGH).</p>		
AP-3.4	<p>For projects complying with the criteria, the Stage 3 submission will now be a straightforward notification by the LA to the DHLGH stating that the project is proceeding to tender. However, should it be so desired, the option of seeking larger revisions to their budget remains available to a LA by engaging in the normal Stage 3 review.</p>		
AP-3.5	<p>Regarding the post-tender/Stage 4 review, where tendered costs exceed the sanctioned cost plan, the DHLGH Stage 4 review will take cognisance of tender price inflation in the context of the current tender market trends.</p>		

AP-4	Capital Assistance Scheme (CAS) process: The application form for Stage 1 of the CAS application process will be rationalised and AHBs will receive, directly from the DHLGH, copies of relevant correspondence/ approval letters at each stage.	Q2 2022	DHLGH
AP-5	Revising CAS process: The DHLGH will examine the scope to streamline the CAS approval process by reducing the current requirement for each of the 4 stage submissions to be reviewed by both the LA and the DHLGH.	Q3 2022	DHLGH
AP-6	The DHLGH will examine the feasibility of introducing a single stage process for CAS.	Q4 2022	DHLGH
AP-7	Promoting paralleling of work on design and tender preparation: the DHLGH will re-inforce for LAs and AHBs that the fee structure for design work on social housing projects, supports the paralleling of work so that further design can be advanced while stage assessments and approvals are underway.	Q2 2022	DHLGH
AP-8	Part 8 planning process: Guidance to be provided on Part 8 process with the aim of achieving greater consistency nationally and improving efficiency.	Q2 2022	CCMA
AP-8.1	Pre-consultation guidance (timelines, options etc.) regarding the Part 8 process will be drafted and circulated to LAs. This guidance may help LAs in identifying the optimal approach to take regarding this pre-consultation process. Workshops should be held within the auspices of the SHIP Practitioners' Forum on this issue.		
AP-8.2	Part 8 and CAS: Clear guidelines for AHBs should be provided with regard to the Part 8 process.		

AP-9	Review requirement to provide OT reports: Review the requirements to provide OT reports, in light of any new arrangements emerging from the Implementation Plan (expected end Q2 2022) under the new National Housing Strategy for Persons with Disabilities, while recognising that meeting the requirements of households with particular specialised needs will continue to require bespoke consideration.	Q3 2022	DHLGH
AP-10	Peer Review of Tender Documents: For certain larger SHIP projects, independent peer review of tender documents will take place in order to de-risk project costs. Selection of projects for peer review will take place at Stage 2 so any programme implications can be accounted for. The cost of this independent review (by independent consultants) will be included in the overall SHIP project costs. A national framework of specialist consultants will be established for the peer review process.	Q3 2022	HDCO
AP-11	Post Tender Contingency: The 2.5% post contract contingency (non-line item) applicable to LA SHIP schemes under Circular SHIP 2010/12 should also apply to CAS projects.	Q1 2022	DHLGH

4.2. Mixed Tenure Approval Processes

No.	Recommendation	Timeline	Lead
AP-12	Existing PSC sectoral guidance to be expanded to specifically address mixed tenure projects based on the recommendations of this group. Ensure recommendations are focused on the importance of delivery, recognise robust processes already in place and do not introduce unnecessary obstacles or duplication of effort while being acceptable to DPER in terms of PSC requirements.	Q3 2022	DHLGH
AP-12.1	Sectoral guidance will detail bespoke requirements and timing of approval gates by delivery strategy and scale of project		
AP-12.2	Sectoral guidance will include templates for each delivery strategy in respect of mixed tenure.		
AP-12.3	Sectoral guidance will stipulate appraisal methodology with respect to each delivery strategy and with regard to project scale. This will include guidance on financial and economic appraisal for cost rental.		
AP-12.4	Sectoral guidance will outline project milestones and timeframes for mixed tenure developments per delivery strategy. SH aspects of mixed tenure developments are not included in the 59-week programme. The milestones will be set out for each project at the first approval stage, timeliness will be included as part of the options appraisal.		
AP-13	Simplify approval through Gate 0 of the Public Spending Code: The DHLGH will complete a <i>Housing for All</i> program level strategic assessment report (SAR) for social and affordable housing delivery. This will give all local authorities approval to develop proposals for social and affordable housing in line with LA's specific targets set and agreed Housing Action Plans.	Q3 2022	DHLGH

	This is allowed for in section 3.1 of the PSC and removes the requirement to complete an SAR for each project.		
AP-13.1	The HfA SAR will cover each of the 11 items required by the PSC at programme level. It may be necessary for local authorities to expand on certain items at the next approval gate (i.e. preliminary business case). This will be clearly laid out in the sectoral guidance.		
AP-13.2	The HfA SAR will be a "live document" to be updated with lessons learned; new delivery strategies; process for reviews and updates to be agreed with DPER.		
AP-13.3	The HfA SAR will provide for all delivery options on public and private land.		
AP-14	Once the sectoral guidance and the HfA SAR are completed, the DHLGH will work with the HDCO to set up workshops for all sponsoring authorities to go through the guidance, and the processes, for mixed tenure.	Q2 2022	DHLGH
AP-15	The DHLGH will put in place a co-ordinated approach to deal with mixed tenure developments, preferably a single decision maker/point of contact within the DHLGH . The Unit will act as a single interface for sponsoring authorities for mixed tenure projects and have responsibility for liaising with DPER/ Government on larger projects. Internally the Unit will be responsible for updating the ePSC tool to track the project, co-ordinating regular meetings between the internal teams involved and for ensuring approvals are aligned. Governance Structure and process maps to detail the work of the team to be developed.	Q2 2022	DHLGH

4.3. Governance & Support

No.	Recommendation	Timeline	Lead
AP-16	Improving engagement and communications: all parties to this process have committed to further improving engagement and communication at every stage of the process to ensure clarity on requirements, identify any challenges to the progress of a development, and ensure prompt decision making to foster delivery.	Ongoing	DHLGH Local Authorities AHBs
AP-16.1	The DHLGH will provide further clarity regarding the calculation of UCCs, including the type of project data used in calculations, the project data not included in calculations, and allowances made for tender price inflation.		
AP-16.2	In local authority areas where recent tender pricing data is limited the DHLGH and the relevant local authorities will acknowledge that a regional approach has been used to calculate UCCs.		
AP-16.3	The DHLGH needs to be clear and consistent in its communications with local authorities and AHBs. If the DHLGH requires a local authority to omit a cost element from a project, the language used in communications will be unambiguous.		
AP-16.4	Work that constitutes abnormal costs needs to be better communicated by the local authority/AHB to the DHLGH with clear justifications outlined regarding the necessity and level of expense of these abnormal costs. The DHLGH will provide further clarity around (and some examples of) the type of work that is considered “abnormal”, to improve SHIP practitioners understanding.		
AP-16.5	Where SHIP projects are to be constructed in brownfield/town centre sites where potentially significant abnormal costs are anticipated (which will be more prevalent under <i>Housing for All</i>) a joint site visit by the relevant local authority/AHB and DHLGH advisors will take place, ideally prior to Stage 1 application or shortly after Stage 1 approval, so that the design considerations and cost factors involved in the project can be fully understood.		

AP-17	Implementation group: A small implementation group will be set up to track implementation of agreed actions.	Q1 2022 Ongoing	DHLGH
	AP-17.1	The implementation group will be organised and facilitated by the DHLGH with appropriate representation from key stakeholders.	
AP-18	Single points of contact: The DHLGH and local authority/AHB will each nominate a specific official for each project of 30 homes. Should significant issues not be resolved in a timely manner in the normal course of business, these officials will step in and endeavour to resolve the issue.	Ongoing	DHLGH, Local Authorities, AHBs
AP-19	Clearing house to address blockages: Given the urgency of further developing the pipeline of social housing projects, the DHLGH, LAs and AHBs will focus urgently on any “blockages” for projects (of 20 units or more) not running smoothly through the approval stages, having regard to expected timelines between the stages.	Q2 2022	DHLGH
AP-20	Meetings with Local Authorities: The structure of meetings between the DHLGH and each local authority to be reviewed and enhanced to ensure a sharp focus on delivery having regard to: (i) the scale of targets for each LA; (ii) the nature of any challenges to be addressed including any delays on larger schemes, and (iii) the range of delivery and technical issues arising. For those Local Authorities that have total build targets of over 1,000 new build social housing units out to 2026, such meetings will make best use of available HDCO reporting systems, will ideally be led at Head of Business Unit / Director of Service level and will take place at least quarterly.	Q2 2022	DHLGH

	Separate quarterly technical meetings will also continue involving the DHLGH, LAs and HDCO with a strong focus on addressing any difficulties arising to enable schemes to progress through the approval stages. Approved Housing Bodies will also be involved in these regular meetings with regard to progress on larger or complex CAS schemes.		
AP-21	Central online resources: A central repository of sectoral guidance for all stakeholders will be established and maintained by the Housing Agency in close collaboration with the HDCO.	Q2 2022	Housing Agency HDCO
AP-21.1	A guidance manual will be drafted in order to briefly explain the relevant schemes. This guide will direct stakeholders to all relevant government and DHLGH publications. All relevant DHLGH Circulars will be collated and included in an appendix to this manual. This manual will be maintained and kept up to date and made available to stakeholders through the central repository.		
AP-21.2	Video Presentations: Relevant bodies will prepare and record a number of video presentations covering key areas of interest to stakeholders. These video presentations will be made available through the central repository.		
AP-21.3	List of key contacts: HDCO to prepare a list of staff dealing with applications in each local authority and key staff in DHLGH, HDCO and the Housing Agency.		
AP-22	Project Management Training: Planned project management training is to be rolled out for LAs and AHBs by HDCO and the Housing Agency.	Start Feb 2022 & ongoing	HDCO, Housing Agency
AP-22.1	Appropriate officials from all stakeholders will be facilitated in attending the Project Management training. Officials will continue to be supported in applying these learnings in the course of their duties.		

AP-22.2	For each project the local authority or AHB will prepare a high-level project scope statement to be signed off by the person overseeing the project and the Director of Housing. The Director of Housing will act as a client for the project, or delegate it as appropriate.		
AP-23	Practitioners' forum for approval system will be established (to be managed by the HDCO): The Forum will meet periodically to share best practice and address emerging problems. The DHLGH will attend the Forum to explain recent Circulars, new initiatives affecting SHIP projects etc. and to get feedback at a sector level of issues affecting the SHIP project costs and delivery.	Q2 2022 ongoing	HDCO
AP-24	Contractor's Programme: Local Authorities are encouraged to make the evaluation of the contractor's programme, with particular reference to timeliness of delivery, an integral part of the evaluation of tenders under the MEAT (most economically advantageous tender) process, towards reducing the construction period.	Start Feb 2022 & ongoing	DHLGH HDCO

Appendix 1 – List of Key Documents and Circulars

Circulars:

- Circular: Housing 2/2018 New Timelines for the Preparation and Assessment of Local Authority Social Housing Capital Projects (the 4-stage approval process)
- Circular: Housing 28/2020 Introduction of the Single-Stage Approval Process for capital funded social housing construction projects up to €6m
- Circular: Housing 32/2021 Housing Delivery Action Plans
<https://www.opr.ie/wp-content/uploads/2021/10/Circular-32-2021-Housing-Delivery-Action-Plans.pdf>
- Circular 32/2021 – County Development Action Plans
<https://www.opr.ie/wp-content/uploads/2021/10/Circular-32-2021-Housing-Delivery-Action-Plans.pdf>

Websites:

- Capital Works Management Framework
<https://constructionprocurement.gov.ie/capital-works-management-framework/>

Reference Documents:

- Design Manual for Urban Roads and Streets
<https://www.gov.ie/en/publication/3360b1-design-manual-for-urban-roads-and-streets/>
- National Planning Framework
<https://npf.ie/project-ireland-2040-national-planning-framework/#publications>
- Design Standards for New Apartments
http://www.housing.old.gov.ie/sites/default/files/publications/files/december_2020_-_design_standards_for_new_apartments.pdf
- Urban Development and Building Height
<https://www.gov.ie/en/publication/93d22-urban-development-and-building-height-guidelines-ud-bhg-2018/>
- Building Control Regulations
<https://revisedacts.lawreform.ie/eli/1997/si/496/front/revised/en/html>
- Forthcoming Design Manual – Release date TBC
- Employer's Requirements for Detail Design of Quality Housing
<https://www.gov.ie/en/publication/2f78e-employers-requirements-for-detail-design-of-quality-housing/>
- Sustainable Residential Development in Urban Areas
<https://www.gov.ie/en/publication/a9965-sustainable-residential-developments-in-urban-areas-guidelines-for-planning-authorities/>

- Quality Housing for Sustainable Communities
<https://www.opr.ie/wp-content/uploads/2019/08/2007-Quality-Hsing-for-Sustainable-Communities-1.pdf>
- *Housing for All*
<https://www.gov.ie/en/publication/ef5ec-housing-for-all-a-new-housing-plan-for-ireland/>
- Public Spending Code
<https://www.gov.ie/en/publication/public-spending-code/>
- Unit Cost Ceilings (UCCs) – updated annually for each LA and UCCs notified to LAs by the DHLGH
- National Housing Strategy for People with a Disability
<https://www.gov.ie/en/publication/49dc7-housing-for-people-with-a-disability/>
- Planning and Development, and Residential Tenancies, Bill 2020
https://data.oireachtas.ie/ie/oireachtas/bill/2020/56/eng/ver_b/b56b20s-p-c-sent.pdf
- Universal Design Guidelines for Homes in Ireland
<https://universaldesign.ie/Web-Content-/Introduction.pdf>

Appendix 2 – Working Group

Membership of Working Group

The membership of the Working Group was

- **John O'Connor**, Chair
- **Áine Stapleton** – Assistant Secretary Social Housing Division DHLGH
- **Colm Ward** – South Dublin County Council / CCMA
- **Mary Mulholland** – Kilkenny County Council / CCMA
- **Geoff Corcoran**, Sophia – representing ICSH
- **Tina Donaghy**, Fold Housing – representing ICSH
- **Rose Kenny** – Land Development Agency
- **Parag Joglekar** - Respond – representing Housing Alliance
- **Eddie Taaffe** – LGMA Housing Delivery Coordination Office
- **Margaret Geraghty** - LGMA Housing Delivery Coordination Office
- **Jim Baneham** – Director of Delivery at The Housing Agency
- **Aidan O'Reilly** - PO SHIP Division DHLGH
- **Rose Tobin** - PO SHIP Division DHLGH
- **Derek Kavanagh** - Senior Adviser QS DHLGH
- **Paul Altman** - Senior Adviser Architectural DHLGH
- **Martin Colreavy** – Head of Strategic Delivery and Urban Advisory Unit DHLGH

Support to the Working Group was provided by

- **David Clougher** - AO SHIP Division DHLGH
- **Dee Snoek** - EO SHIP Division DHLGH

Operation of Working Group

The Working Group met five times between October and December 2021.

Sub-committees were established for:

- a) Mixed Tenure Developments
- b) Unit Ceiling Costs

In addition, there were several specific sessions held:

- a) Local Authority Officers
- b) Approved Housing Bodies Representatives – arranged by ICSH
- c) DHLGH Admin Officers – to review the approvals process

Appendix 3 – Glossary of Terms

AHB

Approved Housing Body

AHF

Affordable Housing Fund

CAS

Capital Assistance Scheme

CALF

Capital Advance Leasing Facility

CCMA

County and City Management Association

CREL

Cost Rental Equity Loan

DHLGH

Department of Housing, Local
Government and Heritage

DPER

Department of Public Expenditure and
Reform

HDCO

Housing Delivery Co-ordination Office

HfA

Housing for All

LAs

Local Authorities

LDA

Land Development Agency

LGMA

Local Government Management Agency

MEAT

Most Economically Advantageous Tender

MT

Mixed Tenure

OGP

Office of Government Procurement

Part V

Part V of the Planning and Development
Act 2000 (as amended)

PPP

Public Private Partnership

PSC

The Public Spending Code

P&A

Payment & Available Agreements

SAR

Strategic Assessment Review

UCCs

Unit Ceiling Costs

URDF

Urban Regeneration and Development
Fund

gov.ie/housing

