

FAQs on:

**Social Housing Design, Approval
& Delivery Process & Procedures
Review**

**Social Housing
Construction Project
Status Report**

1. What is being published today?

A. The Social Housing Construction Projects – Status Report – Q4 2016.

• This Report includes details of all construction projects, broken down by programme and Local Authority. It shows progress at each stage of the project life-cycle, from projects that are just commencing to projects that are completed.

This delivery includes:

- Construction by Local Authorities and Approved Housing Bodies,
- Regeneration Projects,
- Capital Assistance Scheme (CAS) projects - which delivers specialist social housing for specific groups such as people with disabilities and older people,
- Rapid Delivery projects, and,
- Projects funded under the Capital Advance Leasing Facility (CALF) - where Approved Housing Bodies receive an upfront Exchequer amount, borrow the rest and receive on-going Exchequer payments (Payment & Availability Agreements).

The list does not include:

- The projects under the eight new Public Private Partnership construction projects for 450 new units (€100m), or,
- Voids - the bringing back into use of formerly derelict and frequently boarded-up local authority properties (2,300 in 2016)
- Acquisitions in 2016

In total, there are 504 schemes delivering 8,430 homes. The schemes are broken down by local authority and their stage of approval through the 4-Stage Approval Process, as at 31 December 2016:

- 165 are @ Stage 1 (delivering 2,687 homes)
- 93 are @ Stage 2 (delivering 1,279 homes)
- 32 are @ Stage 3 (delivering 490 homes)
- 63 are @ Stage 4 (delivering 1,493 homes)
- 90 are on site (delivering 1,829 homes)
- 61 are completed (delivering 652 homes)

The list will be updated and published quarterly.

B. A review of the Department's processes and procedures for approving and advancing social housing construction projects.

In order to support and facilitate delivery, including streamlining and improving processes, a review of the Department's processes and procedures for approving and advancing social housing construction projects was recently completed and is being published today.

Implementation of its recommendations, which has already commenced by the Department, local authorities, and approved housing bodies, may help to further accelerate the delivery of social housing projects. The key recommendations are:

- Develop an IT system
- Explore pre-approval stage; opportunities for telescoping Stages 1 and 2; single stage
- Guidance on applications; information sessions; training for local authorities and approved housing bodies

- Optional standardised layouts
- Improved applications and turnaround time
- Local authority oversight of all social housing activity in an area.

2. What is the 4-stage Approval Process?

In line with the requirements of the Department of Finance and the Department of Public Expenditure and Reform, the Department of Housing, Planning, Community and Local Government is required to have procedures, processes and approval arrangements in place that provide for matters of public accountability, cost certainty, public procurement, transparency, and value for money. The Department, in consultation and agreement with the City and County Management Association (CCMA), has streamlined the 9-Stage Approval Process, as set down in the Capital Works Management Framework, down to 4 approval stages.

Stage 1 – Capital Appraisal - is a high-level project appraisal, the business case for the project is examined prior to approval in principle of funding.

Stage 2 – Pre-Planning - a pre-planning check on procurement, the consistency of the design with design guidelines, cost and value for money is carried out.

Stage 3 – Pre-Tender Design and Stage 4 – Tender Report - two final assessments on cost pre-tender and on cost and procurement prior to award of tender.

3. When do local authorities and Approved Housing Bodies actually start building?

After getting approval at each of the 4 stages. This takes on average 18 months.

4. What else can delay a project?

Any of the above stages present in the pre-site work of a project can be subject to delay. There is a time-lag between approval and delivery for construction projects and as we know construction is a complex, labour intensive process with inherent risks, particularly during the build process, and project and site specific delays can and do occur.

On a more systemic basis, from time to time individual local authorities understandably may focus on key specific initiatives, such as large scale and complex regeneration projects, and this can impact on the pace of delivery across other projects. Other delays for instance can arise from infrastructure deficiencies, and planning delays.

5. Can more be done to expedite delivery?

In terms of immediate delivery, just over 650 new social houses were built in 2016 and importantly, a further 90 schemes, delivering 1,829 newly-built social houses, went on site in 2016.

We are keen that all the approved projects are advanced as soon as possible and local authorities have been assured that funding is available to fully support their efforts in this regard.

A number of measures have been put in place to help streamline the delivery process. For instance, the Office of Government Procurement (OGP) has set up a framework of architect-led design teams, which local authorities and approved housing bodies can draw from, thus reducing the time to procure consultants.

Similarly, many local authorities have set up frameworks of contractors which again shortens the procurement of suitable contractors.

It should also be noted that in areas of the country where there is good supply and lower demand, local authorities are encouraged to pursue the acquisition of suitable properties. These are not included in the the Social Housing Construction Projects Status Report but in places represents a more cost and time effective means of delivery.

6. Will Rapid Delivery be quicker?

A national framework for the procurement of construction work in relation to the provision of Rapid Delivery Housing projects was established in January 2017. It facilitates the delivery of social housing developments under Design Build Contracts.

Using this framework will save time on design, procurement and on the construction period. The framework is available for all local authorities and approved housing bodies to use.

The approval process has been tailored to deal with Design Build contracts efficiently.

7. When were these projects approved?

Generally, these projects were approved and announced from May 2015 onwards, with some legacy projects with earlier approval dates.

Minister Coveney, has approved around 200 new projects, representing over 3,600 new homes to an overall value of c.€500m.

Projects continue to be prepared and brought forward by local authorities and approved housing bodies and the Department will continue to encourage local authorities to identify more projects to ensure that there are sufficient projects advanced and ready to avail of the further significant increases in funding that will be available over the coming years.

In the context of the Summary of Social Housing Assessments, published in 2016, we will also ensure that new homes are delivered in the communities that need them most.

8. Give us examples of the delivery mechanisms

Local authorities are directly contracting private developers to deliver what are often unfinished developments or brownfield projects via 'turnkey' builds: 400 new social homes are now under development in this way with an €85m commitment.

Similarly, approved housing bodies have a strong pipeline for delivery in place. By way of example, there are over 100 approved housing body projects in the programme which will deliver around 1,000 sheltered housing units under the Capital Assistance Scheme.

The Capital Advance Leasing Facility will continue to support approved housing bodies in their delivery of construction and turnkey projects. 66 projects are currently in the programme to deliver up to 1,782 additional units.

9. What are the Rebuilding Ireland social housing targets?

Of the 47,000 social housing units to be delivered under Rebuilding Ireland:

- 26,000 will be via construction activity (including voids),
- 11,000 will be acquired by local authorities and approved housing bodies directly from the market or the Housing Agency, with a portion of these being newly-built units.
- The remaining 10,000 units will be leased by Local Authorities and AHBs.

10. What was delivered in 2016?

The targets in respect of social housing delivery have been set for each local authority out to 2017. Under Rebuilding Ireland the target nationally for 2016 was 17,240 units and the indicative output for 2016 shows that we managed to deliver over 18,300 homes, as follows:

Delivery Channel	Homes
Build	652
Voids	2,300
Acquisition	1,552
Leasing	788
RAS	1,100
HAP	12,000
TOTAL	18,392

11. What is the target for 2017?

Over 21,000 homes will be delivered in 2017.

12. How much funding was available for housing programmes in 2016 and what will be available in 2017?

The combined capital and current housing expenditure for 2016 resulted in an Exchequer investment of over €828 million across a range of housing programmes.

In addition, local authorities funded a range of housing services from their surplus Local Property Tax receipts to the value of almost €107 million, bringing the total housing expenditure in 2016 to €935 million. The overall provision in 2017 will increase substantially again, to a total of €1.3 billion.

What funding will be available to support social housing delivery under Rebuilding Ireland?

- Some €1.7 billion has been provided for housing services under Budgets 2015 and 2016.
- To support the implementation of [*Rebuilding Ireland: Action Plan for Housing and Homelessness*](#), the Minister has secured €5.35 billion in Exchequer investment to deliver 47,000 social housing units through build, refurbishment, acquisitions and leasing, over the period to 2021.
- This €5.35 billion investment comprises some €4.5 billion in capital funding and €844 million in support of programmes funded from current expenditure.
- In addition, €200 million is being provided for the Local Infrastructure Housing Activation Fund through investment in key enabling infrastructure.
- The specific funding allocations for both capital and current housing programmes will be determined in the context of the 2017 estimates process which is currently underway.

14. What is the position regarding Social Housing Targets for local authorities?

All local authorities were issued with targets in April 2015 that covered the period out to 2017 under the Social Housing Strategy. This released €1.5 billion for nearly 23,000 new social housing units to be delivered via a combination of building, buying and leasing schemes.

Now with the increased national targets under Rebuilding Ireland, increased national targets beyond 2017 will be issued. These will be based on the statutory Summary of Social Housing Assessments carried out in 2016, the results of which were published in December 2016 and showed that there were 91,600 households on local authority waiting lists as at 21 September, 2016.

15. What will approved housing bodies deliver?

- Our estimation is that approved housing bodies have the capacity to contribute around a third of the 47,000 new social housing units that are targeted over the period to 2021 using a range of delivery methods.
- To support this, almost €1 billion of capital funding has been secured so approved housing bodies can build and acquire new social housing units.

- This will be made available over the lifetime of Rebuilding Ireland through the Department's Capital Assistance Scheme (CAS) and the Capital Advance Leasing Facility (CALF).
- In addition, almost €1 billion in current funding (under the Social Housing Current Expenditure Programme - SHCEP) has been secured for the cost of Payment and Availability Agreements (P&AA) and leases over the life time of the Rebuilding Ireland.

16. Who does what in a social housing build project?

The Department of Housing Planning, Community and Local Government; Planning Community and Local Government working in partnership with central and local Government:

- Secures and manages the Exchequer funding;
- Puts the overall programmes in place and manages them;
- Sets targets with each local authority and approved housing body,
- Assesses project applications for quality and value for money purposes, and,
- Manages and reports on the overall social housing build programme.

Local authorities have the key central role in the identification of social housing need within their areas and developing and nurturing projects for new social housing construction projects to meet that need.

The **Housing Agency** has an important role in the assessment and recommendation of CALF projects and in providing support and information to AHBs and Local Authorities.

Approved housing bodies work with local authorities to deliver and manage social housing build projects.

There are four specific roles for the local authority in working with approved housing bodies on construction project development:

- To assist with the appraisal of such projects;
- Monitor the progress of such projects;
- To liaise with approved housing bodies in relation to the allocation of homes;
- To monitor compliance with the availability agreements and related financing between the approved housing bodies and the Department.