Social Housing Design, Approval and Delivery: Process and Procedures Review

February 2017

Rebuilding Ireland

Table of Contents

1 Introduction and Terms of Reference 3

1.1 Terms of Reference 3

1.2 Methodology 4

1.3 Programme / Project Management Criteria 4

2 Summary of Recommendations 6

3 Processes and Procedures 8

3.1 Existing Systems 8

3.1.1 Recent Reforms Supportive of *Rebuilding Ireland* 8

3.1.2 Existing Systems (Dept.) 9

3.1.3 Existing Systems (Local Authorities and AHBs) 9

3.2 Recommendations on Process and Procedures 10

3.2.1 Project tracking 10

3.2.2 Digital workflow management 10

3.2.3 Programme / project management conformance 10

4 Four Stage Approval Process 12

4.1 Review of the Process 12

4.1.1 Workflow issues 12

4.1.2 Single stage process for projects below €2m 14

4.1.3 Local Considerations 15

4.2 Recommendations on 4 stage process 15

4.2.1 Number of stages 15

4.2.2 Turnaround Timeframe Targets 15

4.2.3 One stage process 15

5 Liaison and Communications Process 16

5.1 Findings 16

5.1.1 Standard Designs 16

5.1.2 Local Authority / AHB Relations 16

5.2 Recommendations on Liaison and Communications 17

5.2.1 Focus on total social housing delivery 17

5.2.2 Training for housing staff 17

5.2.3 Standards and Oversight 17

6 Implementation Plan 18

Social Housing Design, Approval and Delivery Process and Procedures Review

1 Introduction and Terms of Reference

Rebuilding Ireland: An Action Plan for Housing and Homelessness sets out the commitment to "*review the processes and procedures for approving and advancing housing construction projects".*

The Plan also commits to the establishment of a new Housing Delivery Office, which was established in August 2016, to support the accelerated delivery of social and private housing over the coming period. Against this background, the Housing Delivery Office has undertaken a review of the processes and procedures for advancing housing construction projects, as set out in Action 2.10 of the Plan.

1.1 Terms of Reference

The terms of reference, as agreed by Management Board, are as follows:

- To review the general processes and internal procedures in place at Departmental, Local Authority and AHB level for advancing housing construction projects, including the information/data requested by the Department and material submitted in turn to the Department for consideration;

- Having regard to requirements for financial governance[1] and to the Department's own policies[2], to review the Four Stage Approval Process, with a view to identifying areas, where the process can be further improved and accelerated delivery facilitated; and

- To review the liaison arrangements and communication processes in place at Departmental, Local Authority and AHB level for initiating projects and resolving outstanding project issues, including technical issues, with a view to advancing construction projects, as quickly as possible.

[1] *Which includes, but is not limited to, the Public Spending Code, the Capital Works Management Framework, Public Financial Procedures, and EU and National Procurement Requirements.*

[2] *Including delivery of integrated sustainable communities and quality of design, as set out in Quality Homes for Sustainable Communities.*

1.2 Methodology

The review approach and methodology involved:

- Analysis and review of existing systems, including an assessment of these systems in the context of public financial procedures, value for money and best practice;
- The establishment of the criteria applicable for programme and project management; and
- The identification of appropriate reform and reconfiguration to ensure swifter decision-making and elimination of any unnecessary time delays.

The process involved consultation with a range of stakeholders, including the Department's Social Housing Delivery Division, Local Authorities, AHBs, and the CCMA.

1.3 Programme / Project Management Criteria

Programme Management standards, practices and criteria is the lens through which existing practices and procedures are, primarily, assessed in this review.

- **Programme management** is the process of managing several related projects with the intention of improving performance against specific aims. This is clearly applicable in this instance where the acceleration of housing delivery is the key goal. There are a number of disciplines inherent in the optimum exercise of programme management and these can serve as the criteria, to a greater or lesser extent depending on the application in question, against which systems of administration may be evaluated. These criteria include:
  - **Governance:** The structure, process, and procedure to control operations and changes to performance objectives. Governance must include a set of metrics to indicate the health and progress of the program in the most vital areas.
  - **Alignment:** The program must support a higher level vision as well as goals and objectives.
  - **Assurance:** Verify and validate the programme, ensuring adherence to standards and alignment with the higher level vision.
  - **Management:** Ensure there are regular reviews, there is accountability, and that management arrangements for projects, stakeholders and suppliers are in place.
  - **Integration:** Ensure that component parts fit together properly to make the intended whole. Optimize performance across the programme value chain, both functionally and technically.
  - **Finances:** Track basic costs together with the wider costs of administering the programme.
  - **Infrastructure:** Allocation of resources influences the cost and success of the programme. Infrastructure might cover offices, version control, and IT.
  - **Planning:** Develop the plan, bringing together the information on projects, resources, timescales, monitoring and control arrangements.
  - **Improvement:** Continuously assess performance; research and develop new capabilities; and systematically apply learning and knowledge to the programme.

Project Management discipline and criteria are implicitly applicable to all projects within the portfolio that is being Programme Managed. These in turn supply data for each project that is configured so that comparisons and analysis can be applied across all together. There is significant added value gained from this cross-project analysis making data configuration a key criterion for the delivery of successful Programme Management.

2 Summary of Recommendations

2.1 To develop further the **Project Tracking** systems that are currently in place**.**

2.2 The move to **digital work-flow management**, as a key enabler of change, will bring benefits that the paper-based system could never be capable of delivering. The process-mapping already initiated by the Department to examine existing systems is an essential first step and a high value contribution to the continuance of the streamlining process to be applied to systems for the accelerated delivery of Social Housing

2.3 As regards the **4-stage approval system** the following is proposed:

2.3.1 A **"Pre-Approval" Stage** should be advanced by the Department, Local Authorities and AHBs whereby early communication at project feasibility stage is introduced to facilitate the timely identification, by LAs, of potential local constraints or sensitivities and discussion to pre-empt any potential conflicts with standards;

2.3.2 While maintaining consistency with governance requirements, the Department should explore the opportunity to formalise arrangements to telescope the first two stages of the process, for instance where a pre-approval has been obtained and design proposals informally agreed, a local authority should be facilitated in lodging a combined stage 1 and stage 2 submission.

2.3.3 To accelerate delivery, a **turnaround timeframe for applications and project approvals could be agreed between** Local Authorities, AHBs and the Department. It is important that there is clarity between all parties involved in the application process on the information/data requirements arising. Once turnaround timeframes have been agreed these should be notified by Circular to all Local Authorities and AHBs; and

2.3.4 Application Guidelines to be updated by way of aide-memoire checklists for each stage of the approval process.

2.4 Further work should be undertaken with individual local authorities to ascertain the specific reasons for the low level of uptake on the pilot one-stage process, with a view to improving take-up and de-risking the process for local authorities.

2.5 The promotion of optional standard **internal layout type templates** should be advanced in order to realise potential benefits in terms of resourcing at design stage and the production of components and build packages at production stage.

2.6 Undertake a series of **information sessions** with Local Authorities/AHBs to illustrate the principles and requirements arising from *Quality Housing for Sustainable Communities* and the *Design Manual for Urban Roads and Streets*.

2.7 Local authorities should move to regard the delivery of **all social housing** within their area as being their responsibility; not just the housing delivered directly by the council. This would greatly enhance collaborative relationships with AHBs.

2.8 There should be a renewed emphasis by local authorities on the IPA Housing Practitioners **training** module for LA housing staff to help address the loss of expertise resulting from downsizing and staff rotation.

2.9 It is recommended that the Rebuilding Ireland Implementation Group monitor the roll-out of the recommendations in this report.

3 Processes and Procedures

3.1 Existing Systems

3.1.1 Recent Reforms Supportive of *Rebuilding Ireland*

Significant Departmental restructuring in response to the Action Plan and arising from changes to responsibilities for Ministers by Government includes the establishment of a dedicated Social Housing Programme Delivery Division focussed on the delivery of social housing units and supports, led at Assistant Secretary level and comprising the following business units:

- Social Housing Capital Investment Programme Unit (East);
- Social Housing Capital Investment Programme Unit (West);
- Housing Assistance Payment & Current Programmes Unit; and
- Housing Advisers & Building Standards Unit.

Other reforms advanced include:

- A significant internal review of the stages, through which social housing funding applications from local authorities were previously required to advance through, was undertaken in recent months and this has reduced the number of stages through which an application for capital funding must proceed by more than half to 4 principal stages. These stages are appropriately aligned and consistent with the requirements of the Public Spending Code, the Capital Works Management Framework, Public Financial Procedures, and EU and National Procurement Requirements.

- For projects whose overall budget is less than €2m, a single-stage approval process has been piloted to support the accelerated delivery of small-scale housing schemes.

- In recognition of the significance of systems streamlining, the Department has initiated a project for process-mapping existing systems which will support the roll out of the Department's new Social Housing Information System. A dedicated systems analyst has been assigned exclusively, with support staff, to this task and work is now advancing on the development of an Information System that will support project and financial management at Departmental, local authority and AHB level.

- Technical teams from the Department meet with their counterparts in Local Authorities on a quarterly basis to reinforce a shared approach, promote design quality, problem solve upfront, monitor and drive progress, disseminate information and provide feedback.

- In the context of *Rebuilding Ireland* targets, more regular meetings on project development and advancement, including financial management, have also been instituted between the Department, local authorities and AHBs with a view to accelerating and maximising delivery and spend across all social housing delivery programmes.

- In terms of social housing delivery in both Dublin and Cork, Social Housing Delivery Task Groups have been established to focus solely on the delivery in these particular counties of acute housing need.

3.1.2 Existing Systems (Dept.)

In the context of reduced activity during the downturn, a new IT system was not deemed a priority for housing. However, in the context of Rebuilding Ireland and proposed increased housing activity over the coming years, a new Housing IT system is now being prioritised. Until the new IT system is rolled out, social housing project files remain paper-based. Project file structure is chronological, which is the most secure means by which project integrity can be maintained, as distinct from being divided by type criteria which holds the significant danger of overall file integrity and data loss. As with all paper-based systems data assembly collation must therefore be manually extracted. These data summaries, which are regularly required, are of high value to their application but their compilation can be extremely resource-demanding. Data can be needed for differing purposes and tends to be accumulated in datasets that may not have a shared link. The fact that files may be located in the Ballina office can add to the complexity of data access, not to mention file management, and can add to both processing complexity and access time to a significant extent.

A significant feature also of information flow is a long-established protocol, whereby projects are not assigned a file number, giving them recognition or an existence in the files of the Department generally, until they have received a Stage 1 Application. It is the case that administrative and advisory staff alike engage with projects prior to approval but it is no advantage that details of "pre-pipeline" activity from applicant authorities are generally not held on the Departmental system, even in a reduced status designation.

3.1.3 Existing Systems (Local Authorities and AHBs)

It should be noted that the extent to which the HDO has had visibility of local authority project or programme management reports is confined to returns made by the larger authorities, as required for regular reporting. Where they have been seen, they are impressive summaries for the purpose for which they are intended. However, there has not been time to review the systems and databases from which these returns are drawn so it is not possible to assess them or, perhaps more importantly, judge how applicable they may be for wider use.

As with the local authorities, there has been limited, perhaps less, visibility of the systems employed by AHBs to manage their workflow. The vast difference between the larger, more significant bodies and the very small units confined to applications for relatively low-level financial support renders it important to apply different standards in the interest of coherent governance. There is no reason why the systems judged appropriate for local authorities could not be similarly applicable for AHBs, for instance. The requirements for AHBs should aid the efficiency in assembling good applications but should be characterised by the same safeguards in relation to governance.

3.2 Recommendations on Process and Procedures

3.2.1 Project tracking

For this review the HDO will focus on one discipline of Programme / Project Management which is facilitated through the organisation of project reporting and that is Project Tracking.

As stated from the outset, the HDO adjudged the application of Programme and Project Management disciplines as the most appropriate means by which the ambitions of *Rebuilding Ireland: An Action Plan for Housing and Homelessness* will be achieved, in particular, where there are multiple projects to be delivered. This applies across all aspects of the Plan, not just Social Housing delivery as examined here. While there are Project Tracking systems in place in the Department, these will be further enhanced by the new IT systems which are developed to be used on shared basis between all stakeholders.

3.2.2 Digital workflow management

Section 3.1.2 above describes the existing paper-based systems, and it is from these that data is required to be manually extracted, compiled and organised, most preferably through inter-connecting data stores. The requirement to source and verify data that is paper-based renders reporting, particularly atypical analysis and data-extraction requirements, to be highly resource-intensive. Transfer to a digital system, to include the transfer of historical but active files, holds the prospect of greatly easing that resource demand. In addition, it will deliver much more as it will open the prospect of having live data upon which analysis will only be limited by the extent to which the data is categorised.

3.2.3 Programme / project management conformance

Running the rule of Programme / Project Management over a system that incorporates a quality-assured shared database from which data is drawn, the application of Project Tracking as described above, measures well against the criteria listed at the beginning of this review and repeated here with the application to a process where actions are tracked – shown in italics:

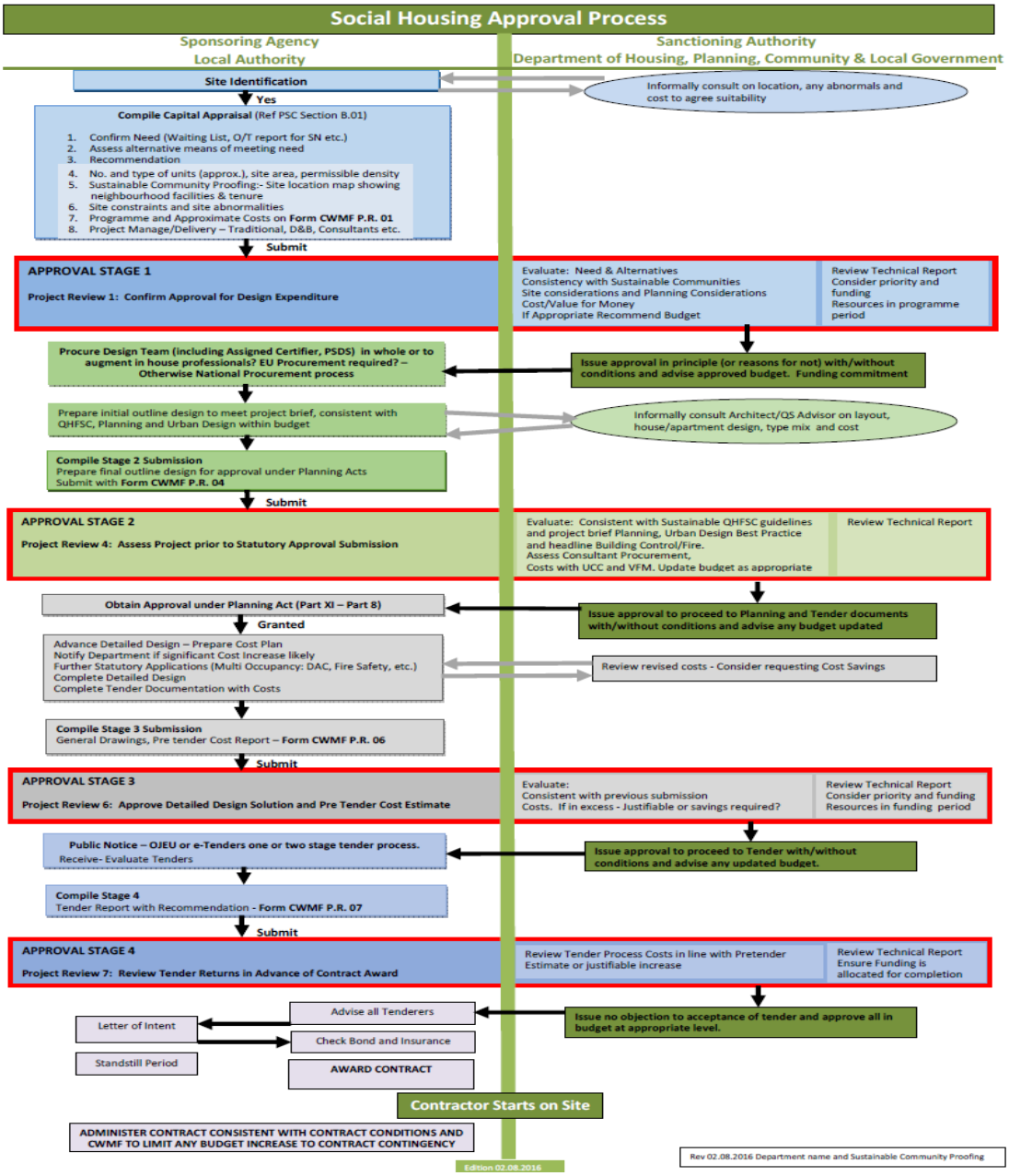
- **Governance:** The structure, process, and procedure to control operations and changes to performance objectives. Governance must include a set of metrics to indicate the health and progress of the programme in the most vital areas.
- *In every case project it will be possible to show current status by process analysis. As the system matures it will be possible to define milestones and refine process resourcing and timing to produce KPIs for critical stages. These in turn will be then capable of being made time-sensitive – as appropriate to the stage and project – so as to deliver individual Project Risk analysis and Programme overview.*
- **Alignment:** The programme must support a higher level vision as well as goals and objectives.
- *A project description discipline will include objectives but tracking will allow oversight so as to influence project approval measured in real time against – for example – capital commitment.*
- **Assurance:** Verify and validate the programme, ensuring adherence to standards and alignment with the vision.

- *Project description will require updates and reporting on progress v outcomes against targets.*
- **Management:** Ensure there are regular reviews, there is accountability, and that management arrangements for projects, stakeholders and suppliers are in place.
- *Project Tracking is a system of review.*
- **Integration:** Ensure that component parts fit together properly to make the intended whole. Optimise performance across the programme value chain, both functionally and technically.
- *Tracking for individual projects will inform the Programme Management overview. Optimising performance, for example, may mean allowing projects to proceed when others are delayed.*
- **Finances:** Track basic costs together with the wider costs of administering the programme.
- *The Tracking stages suggested for Project Commencement and standard construction stages can be aligned with Certification for Payment processing between the Department and client authorities thereby greatly improving expenditure and cash-flow forecasting – as well as a solid check on progress – that holds the prospect of improving project reconciliation at Final Account stage.*
- **Infrastructure:** Allocation of resources influences the cost and success of the programme. Infrastructure might cover offices, version control, and IT.
- *Tracking of live performance allows measurement of any aspect of success, progress, risk identification etc as may be required.*
- **Planning:** Develop the plan bringing together the information on projects, resources, timescales, monitoring and control arrangements.
- *Experience and knowledge gained as Programme Management of housing delivery progresses and matures through tracking will allow improved forecasting of programme and costs alike for the future.*
- **Improvement:** Continuously assess performance; research and develop new capabilities; and systemically apply learning and knowledge to the program

Programme Management of a system where there is comprehensive tracking will deliver significant capacity for those who operate the system together with highly useful data in the public interest.

4 Four Stage Approval Process

4.1 Review of the Process



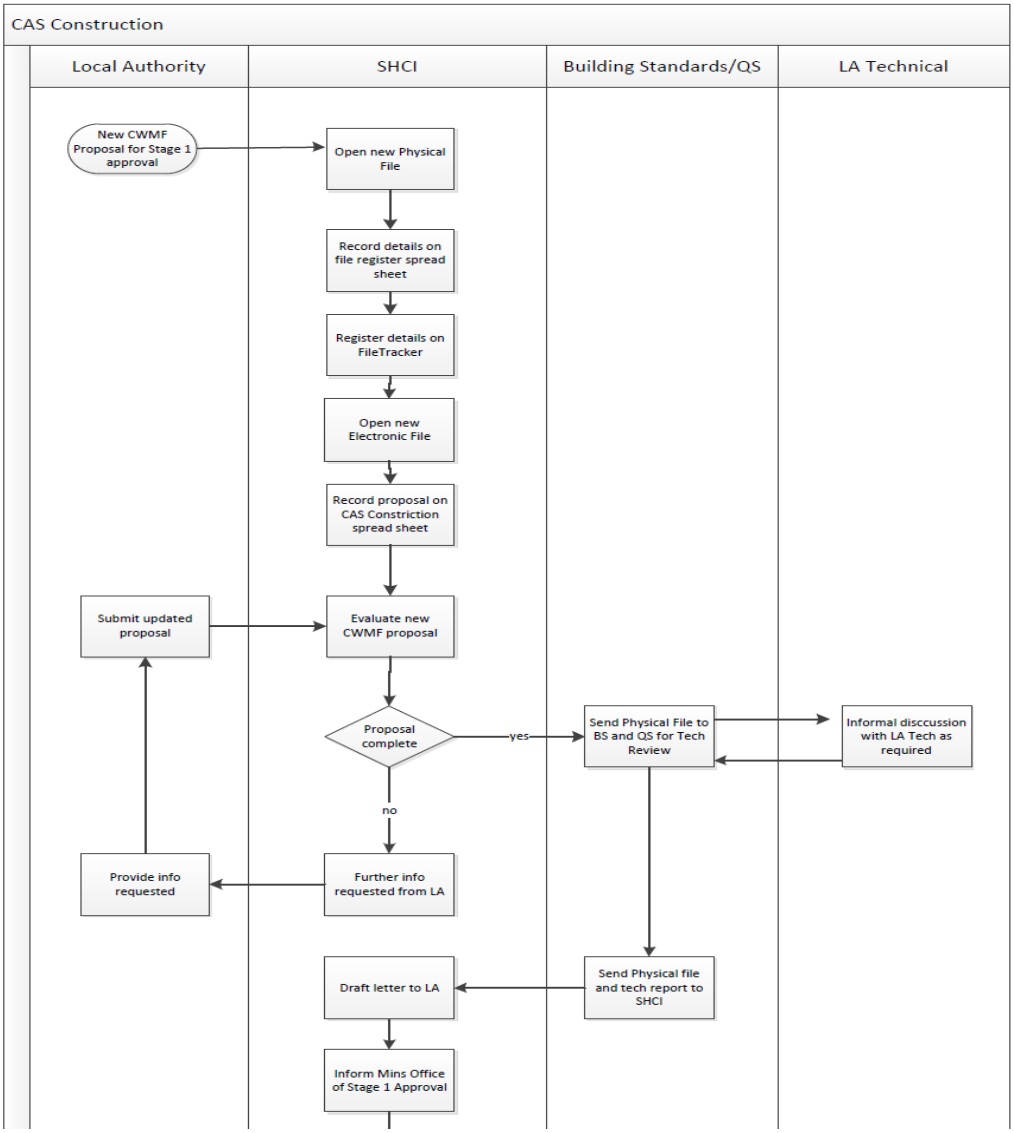
The current 4-stage system for approvals is consciously aligned to satisfy the demands of the Public Spending Code, the Capital Works Management Framework, Public Financial Procedures, and EU and National Procurement Requirements.

The reduction in the number of stages has been welcomed by those who use the system.

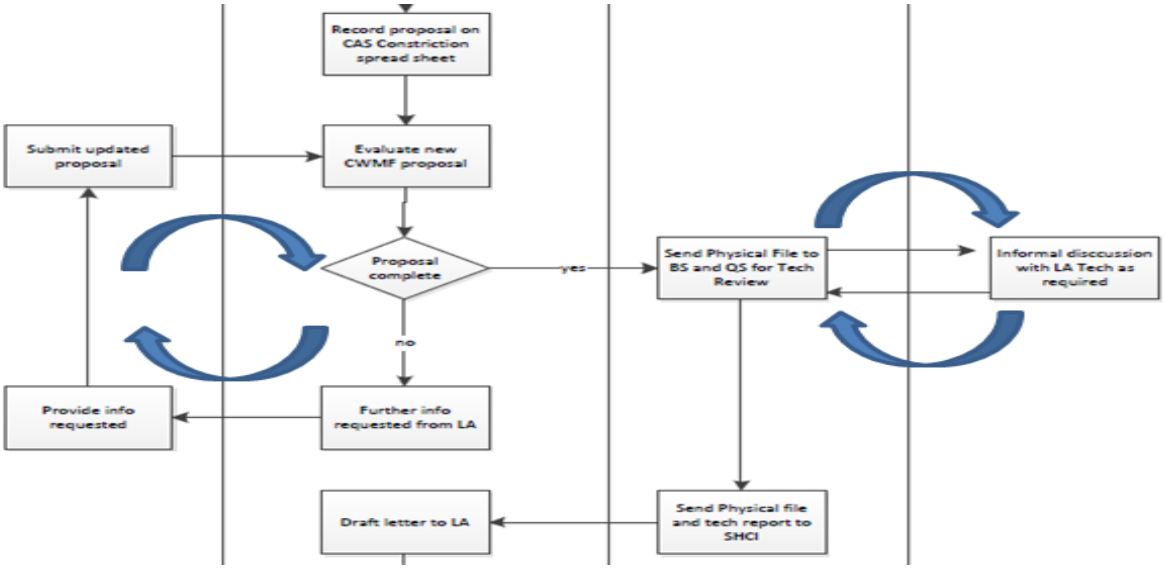
4.1.1 Workflow issues

Examining file processing:

Stage 1 approval process:



Workflow clearly passes through recognised named phases in sequence. The workflow is set out in categories. The tracking of progress is rendered complex due to the paper-based nature of the process – the physical file passes from and between each responsible person in turn.



The detail extracted here illustrates the danger that, in the absence of tracking, delays inherent in such interdependent processing can accumulate in the "loops" in evidence on both sides of the "Proposal Complete" node.

The integration of systems between Local Authorities, the Department and Approved Housing Bodies as against the strains of reconciling existing and historical paper-based filing is highly complex. It is, in effect, only possible through the regular compilation of "returns", i.e. extracts from the files. A unique opportunity therefore currently exists to consolidate action in collaboration with the principal stakeholders to address this issue comprehensively for all stakeholders.

4.1.2 Single stage process for projects below €2m

Given the need to support the earliest possible delivery of social housing units and in response to the CCMA's request for greater devolution of smaller capital schemes, a new single stage approval procedure was introduced in January 2016. This new procedure facilitated a streamlined mechanism of funding approvals for projects with a maximum all-in budget of less than €2m and no more than 15 units.

This procedure requires that local authorities prepare a more in-depth Capital Appraisal submission for approval, which will allow the Department to issue an approved budget for the project that represents the Department's entire financial commitment to the project.

It is therefore the responsibility of the Local Authority to exercise appropriate cost control and to deliver the project within the approved budget. No increase in the approved budget will normally be entertained except in the case of an extraordinary force majeure-type occurrence, which could not in any way have been foreseen by the Local Authority, and which directly incurs a cost addition.

It is noted that there has been poor take-up by local authorities of this procedure and against this background further work should be undertaken with individual local authorities to ascertain the specific reasons for the low level of uptake on the pilot one-stage process, with a view to improving take-up and de-risking the process for local authorities.

4.1.3 Local Considerations

As it is currently structured, Housing Schemes move through each stage of the four-stage approval process in turn, progress through stages being assessed against criteria appropriate to each stage as the scheme advances. The introduction of a preliminary "pre-approval" stage, so as to facilitate early identification, by LAs, of potential local constraints or sensitivities, would help to pre-empt any potential perceived conflicts with standards at a later stages in project design development.

4.2 Recommendations on 4 stage process

4.2.1 Number of stages

It is recommended that a "Pre-Approval" Stage be advanced by the Department and those involved in assembling proposals, whereby early communication at project feasibility stage is introduced where local issues and constraints can be highlighted as at 4.1.2 above. This will also provide an element of certainty in terms of land purchase.

While maintaining consistency with governance requirements, the Department should explore the opportunity to formalise arrangements to telescope the first two stages of the process, for instance where a pre-approval has been obtained and design proposals informally agreed, a local authority should be facilitated in lodging a combined stage 1 and stage 2 submission.

4.2.2 Turnaround Timeframe Targets

To accelerate delivery, a turnaround timeframe for applications and project approvals could be agreed between Local Authorities, AHBs and the Department. It is important that there is clarity between all parties involved in the application process and on the information/data requirements arising. Once turnaround timeframes have been agreed these should be notified by Circular to all Local Authorities and AHBs.

These will be amenable to oversight through project tracking which should serve to identify common issues to enable them to be addressed in the interest of increased efficiency in delivery.

4.2.3 One stage process

Further work should be undertaken with individual local authorities to ascertain the specific reasons for the low level of uptake on the pilot one-stage process, with a view to improving take-up and de-risking the process for local authorities.

5 Liaison and Communications Process

5.1 Findings

5.1.1 Standard Designs

The nature of Local Authorities, and Approved Housing Bodies for that matter, is that they are dispersed and diverse. Similarly, they have resource capacities that are highly variable ranging from full construction professional staff teams held in-house to single individual technical staff support. In the context of advancing the provision of social housing, the extent to which Departmental guidelines, cost and value brackets, building regulations and construction performance standards generally define, and effectively confine, individual housing unit design is very closely defined.

This close definition is highly amenable to the production of standardised internal layouts for the majority of housing types and sizes. While this could not be pursued as a mandatory measure, it could make possible the production of building components / elements, and for that matter, buildings. The use of recommended standard house-types, while eliminating the need to constantly "reinvent the wheel" in detailed house design drawings for every project, allows the focus at design stage to be on the singularly important area of Housing Layout design for housing schemes.

It follows that this may be a facilitator for more accurate prediction of project budgeting and also that unit cost production, based on standard templates, will be more amenable to competitive pricing.

For the purpose of assembling these optional internal layout types, there is a significant resource available between the Departments own experienced inspectorate of architects and quantity surveyors and the architects, engineers and quantity surveyors in the Local Authorities and Approved Housing Bodies. This holds the possibility of accelerating production without compromising the individual design flexibility available for individual housing schemes regardless of location.

5.1.2 Local Authority / AHB Relations

Relationships between local authorities and AHBs vary widely across the country. Where they work well, delivery of social housing is seen as a shared objective by both parties; in other situations the relationships are less productive.

A feature commonly referenced by the AHBs is the degree of rotation of LA staff between various roles; this is not just in the housing sections. This is partly a consequence of the reorganisation and downsizing of the local authorities over the past number of years with the consequential loss of expertise. This can lead to misunderstandings and delays which are frustrating for all parties.

There also appear to be instances of process delays in moving applications from AHBs through the local authority to the Dept. and back again. Again, it is recommended that turnaround timeframes for processing applications be agreed between AHBs, local authorities and the Department.

5.2 Recommendations on Liaison and Communications

5.2.1 Focus on total social housing delivery

Relationships between local authorities and AHBs would be improved if local authorities regarded the delivery of all social housing within their area as being their responsibility; not just the housing delivered directly by the council. This would lead to local authorities regarding AHBs as partners in the delivery of social housing and arguably increase the rate of delivery. While there is a communication protocol in place, arrangements would be further enhanced if a delivery protocol was to be developed and implemented in a consistent manner across all local authorities on a national basis.

5.2.2 Training for housing staff

There should be a renewed emphasis by local authorities on the IPA Housing Practitioners **training** module for LA housing staff to help address the loss of expertise resulting from downsizing and staff rotation.

5.2.3 Standards and Oversight

A general "tightening up" or more precise standardised set of data requirements for each stage of application would aid those assembling proposals for approval in the local authorities and those subsequently charged with reviewing submitted material.

The upgrading of standard application templates could serve to improve the initial submission from Local Authorities.

In addition, a series of information sessions should be advanced for Local Authorities/AHBs on the principles and requirements arising from *Quality Housing for Sustainable Communities* and the *Design Manual for Urban Roads and Streets.*

6 Implementation Plan

Number	Recommendation	Review Ref No.	Responsibility	Timeline
1	Project Tracking	3.2.1	DHPCLG	Complete. Continuous improvement.
2	Digital work-flow Management	3.2.2	DHPCLG	Commenced in Q4 2016
3	a. Pre-Approval Stage b. Telescoping stages 1 and 2	4.2.1 4.2.1	DHPCLG, LAs, AHBs DHPCLG, LAs, AHBs	In operation. In operation, on a case by case basis
4	Improved applications & turnaround deadlines	4.2.2	DHPCLG, LAs, AHBs	Q2 2017
5	Application guidelines	5.2.4	DHPCLG, LAs, AHBs	Q2 2017
6	Optional standard internal layout templates	5.1.2	DHPCLG, LAs, AHBs	Q3 2017
7	Information Sessions: Quality housing for sustainable communities & Design manual for urban roads	5.2.4	DHPCLG, LAs, AHBs	Q2 2017
8	Oversight & co-ordination of all social housing in an area	5.2.1	LAs, AHBs	Q1 2017
9	Facilitate the single-stage process	4.2.3	DHPCLG, LAs, AHBs	Q1 2017
10	Training for housing staff	5.2.3	LAs, AHBs	Q1 2017