

LAOIS COUNTY COUNCIL

Quality Assurance Report 2016

Issued by

LAOIS COUNTY COUNCIL

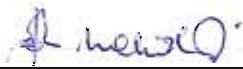
**Submitted to the National Oversight Audit Commission
(NOAC) in compliance with the Public Spending Code**

MAY 2017

Certification

This Annual Quality Assurance Report reflects Laois County Council's assessment of compliance with the Public Spending Code. It is based on the best financial, organisational and performance related information available across the various areas of responsibility.

Signature of Chief Executive:



John Mulholland

Dated: 30th May 2017

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1. Introduction

Laois County Council has completed the Quality Assurance (QA) report as part of its on-going compliance with the Public Spending Code (PSC).

The primary aim of the Quality Assurance process is to gauge the extent to which Departments within the Council are meeting the obligations outlined in the Public Spending Code. The Public Spending Code ensures that the state achieves value for money in the use of all public funds. Details of the Public Spending Code can be found on the following website:

<http://publicspendingcode.per.gov.ie>

The Public Spend Code predominately refers to Government Department procedures and some of the terminology is very specific to that sector. In order to inform the QA exercise for the Local Government Sector, a Guidance Note was developed to assist in providing interpretations from a Local Government perspective.

This guidance note was further updated in February 2017 and has informed the completion of the 2016 report.

The Quality Assurance Process contains five steps:

1.1 Drawing up Inventories of all projects/programmes at different stages of the Project Life Cycle.

The Project Life Cycle includes appraisal, planning/design, implementation and post implementation review. The three sections to be completed are expenditure being considered, expenditure being incurred and expenditure that has recently ended. The inventory includes all projects/programmes with a value in excess of €0.5m.

1.2 Publish summary information on the Council website of all procurements in excess of €10m.

This applies to all projects whether new, in progress or completed.

1.3 Checklists to be completed in respect of the different stages.

These checklists allow Laois County Council to self-assess its compliance with the code. The checklists are provided through the PSC document. Only one of each checklist per local authority is required.

1.4 Carry out a more in-depth check on a small number of selected projects/programmes.

A number of projects or programmes (at least 5% of total capital spend and 1% of current spend) are selected for an in-depth check.. This includes a review of projects from initial appraisal right through to post implementation review.

1.5 Complete a short report for the National Oversight and Audit Commission (NOAC)

which includes the inventory of all projects, the website reference for the publication of procurements above €10m, the completed checklists, the Council's judgement on the adequacy of processes given the findings from the in-depth checks and the Council's proposals to remedy any discovered inadequacies.

This report fulfils the fifth requirement of the QA process for Laois County Council. It is important to note that consideration of all current expenditure is carried out as part of the statutory Budget process as set out in the Local Government Act 2001 (as amended).

2. Inventory of Projects/Programmes

This section contains an inventory list of all projects and programmes greater than €0.5m at various stages of the project life cycle. The inventory lists all Laois County Council's projects and programmes at various stages of the project life cycle which amount to more than €0.5m. The inventory list (Appendix 2) is divided between revenue expenditure and capital expenditure and between three stages:

Project Inventory Reporting Criteria/Requirements	
A. Expenditure being considered	Capital Grant Schemes greater than €0.5m Capital Projects between €5m - €20m Capital Projects over €20m Revenue Expenditure programme increases over €0.5m
B. Expenditure being incurred	Capital Projects greater than €0.5m Capital Grant Scheme greater than €0.5m Current Expenditure greater than €0.5m
C. Expenditure that has recently ended	Capital Projects greater than €0.5m Capital Grant Scheme greater than €0.5m Current Expenditure greater than €0.5m

The process described below was followed to identify projects and programmes that needed to be reported in the QA report:-

All relevant directorates/departments within Laois County Council were requested to compile an inventory of relevant projects and programmes in their respective areas.

2.1 Expenditure being considered

Appendix 2 contains the details of projects with a value greater than €0.5m that Laois County Council was considering during 2016. The total value of ten capital projects is €15.06m. The two areas where projects were being considered for investment are in the Housing Directorate with 8 projects valued at €13.56m and Roads Directorate with 2 projects valued at €1.5m. These projects are listed in the Capital Indicative Programme 2016 – 2018 adopted by the Members of Laois County Council in December 2015. The housing element forms part of the Social Housing Strategy 2020. There was an expansion of > €500,000 in the existing current expenditure in divisions, A07 RAS Programme, B02 NS Roads – Maintenance and Improvement and H11 Agency & Recoupable. The increase in H11 Agency & Recoupable reflects Laois County Council's provision of the Local Authority's My-Pay shared service.

2.2 Expenditure being incurred

Appendix 2 also contains the details of all areas of expenditure with a value greater than €0.5m being incurred by Laois County Council in 2016. Please note that as of the date of this report the 2016 expenditure is unaudited. In total there are 31 projects in this category. The total value of all these items of expenditure is €66.64m of which €50.75m relates to capital expenditure with the balance being revenue expenditure. The revenue expenditure, which totals €15.89m, relates to the normal day to day activities of the council such as roads maintenance, housing stock maintenance, water services maintenance, landfill operations, library operations etc. The majority of this expenditure relates to payroll. Full details of this expenditure is included in the Annual Financial Statement for 2016 which was approved by the members of Laois County Council at their meeting of 27th February 2017

2.3 Expenditure that has recently ended

Appendix 2 also includes a summary of the inventory of expenditures above €0.5m recently ended. In total there are 8 projects, valued €72.8m completed, however only €37.6m is recorded in the inventory. This was the amount paid by Laois County Council, the balance was paid by Irish Water.

3. Published Summary of Procurements over €10m

The Quality Assurance process requires Laois County Council to publish all procurements in excess of €10M on our website. Laois County Council had no procurement in excess of €10M during 2016. This fact has been published on our website.

4. Assessment of Compliance

4.1 Checklist Completion: Approach Taken and Results

The third step in the Quality Assurance process involves completing a set of checklists covering all expenditure. The high level checks in Step 3 of the QA process are based on self-assessment by Laois County Council, in respect of guidelines set out in the Public Spending Code.

There are seven checklists in total:

- Checklist 1:** General Obligations Not Specific to Individual Projects/Programmes
- Checklist 2:** Capital Projects or Capital Programme/Grant Schemes being considered
- Checklist 3:** New Current expenditure or expansion of existing current expenditure being considered
- Checklist 4:** Capital Expenditure being incurred
- Checklist 5:** Current Expenditure being incurred
- Checklist 6:** Capital Expenditure completed
- Checklist 7:** Current Expenditure that (1) reached the end of its planned timeframe or (11) was discontinued

A full set of checklists 1-7 has been completed by Laois County Council. Each Directorate and relevant department therein completed individual checklists. These checklists were then compiled to create one overall checklist representing the Council overall. The compiled checklist for Laois County Council is set out in Appendix 3. In addition to the self-assessed scoring, the vast majority of answers are accompanied by explanatory comments received from the Directorates. Each question in the checklist is judged by a 3 point scoring scheme as follows:-

- Scope for significant improvements = a score of 1
- Compliant but with some improvement necessary = a score of 2
- Broadly compliant = a score of 3

4.2 Main Issues Arising from Checklist Assessments

Checklist 7 did not apply to Laois County Council during 2016. This checklist deals with expenditure in excess of €500K incurred during 2016 but will not be incurred in future e.g. closure of landfill sites, transfers to central services etc.

The checklists completed for expenditure being considered and ongoing, by the various departments of Laois County Council display a relative high level of compliance with the Public Spend Code, However, additional work will have to be done in respect of carrying out post project reviews.

Laois County Council's emphases is on achieving best value for money and managing projects in an effective, efficient and economical manner for the betterment of the county.

5. In-Depth Checks

Section 4 of the Public Spending Code requires Internal Audit to carry out an in-depth review of a sample of projects to ascertain the quality of the appraisal, planning and/or implementation stages in order to assess overall compliance with the Public Spending Code.

The projects selected for in-depth review each year are based on the criteria set out below:

- Capital Projects: Projects selected must represent a minimum of 5% of the total value of all Capital projects on the Project Inventory (based over a three year average to achieve 15%)
- Revenue Projects: Projects selected must represent a minimum of 1% of the total value of all Revenue Projects on the Project Inventory (Note 1 - Requirement introduced for 2016 QA Process onwards)

The following table summarises the value of projects selected for in-depth review over the past three years:

Year	Total Project Inventory €mil	Total Capital Project Inventory €mil	Total Revenue Project Inventory €mil	Value of Capital Projects selected €mil	% of Projects selected of total Capital Inventory %	Value of Revenue Projects Selected €mil	% of Projects selected of total Revenue Inventory %
2014	340.53	291.13	48.62	23.44	8.0	Nil	Note 1
2015	291.43	243.09	48.34	6.00	2.1	Nil	Note 1
2016	135.75	82.575	53.18	7.53	7.38	1.196	2.2
Total over 3 yrs	767.71	616.80	150.14	36.97	17.48	1.196	2.2

The above figures show that Laois County Council has achieved the three year average of 15% for Capital Projects (17.48%) and the new requirement of 1% for Revenue Projects (2.2%).

Three projects/programmes were selected for in-depth review in respect of 2016 as follows:

5.1 Capital:

1. CAS Cluid Housing Association – Acquisition of 16 no. of housing units @ an estimated cost of €2,168,243
2. Construction of 33 Social Housing Units at Conniberry Way, Portlaoise @ an estimated cost of €5,358,529

5.2 Revenue:

1. Provision of Public Lighting – budgeted cost 2017 of €1,196,000

5.3 Summary of In-Depth Checks

5.3.1 CAS Cluid Housing Association – Acquisition of 16 no. of housing units @ an estimated cost of €2,168,243

It is the opinion of Internal Audit that Laois County Council is in substantial compliance with the Public Spending Code in respect of its responsibilities under the Capital Assistance Scheme, in particular with regard to the Cluid Housing Association Project. The Council has followed the required process and procedures and ensured that Departmental approval is in place for each step of the process. There is a clear audit trail on every file including the range of documentation required for each individual house purchase, Mortgage and facilities agreements, payments made to Cluid Housing Association, and recoupments obtained from the Department.

The main objective of this project was the purchase by Cluid Housing Association of 16 No. Housing Units to provide housing for 15 Homeless Families, and for 1 Family with a member who has a disability. When the project is completed this would have the effect of reducing the Council's Housing Waiting List. To date, 12 No. Housing Units have been purchased and the purchase of a further 2 No. units is in progress. This has been achieved within the budget approved by the Department. The onus is on Cluid Housing Association to complete all house purchases as soon as is practicable. This will facilitate the Council in completing an overall post-project review and ensure full compliance with the Public Spending Code.

5.3.2 Construction of 33 Social Housing Units at Conniberry Way, Portlaoise @ an estimated cost of €5,358,529

It is the opinion of Internal Audit that Laois County Council is in substantial compliance with the Public Spending Code in respect of the Conniberry Way, Social Housing Scheme, Portlaoise. The Council has followed the required process and procedures and ensured that Departmental approval is in place for each step of the process. There is a clear audit trail on file including:

- Project Appraisal
- Departmental Approvals at Stage-1, Stage-3 and Stage-4 of the process (Stage-2 Approval not required)
- Procurement requirements for the appointment of the Architect Led Design Team and subsequently for the awarding of the Construction contract.
- Payments to contractors and their required certifications.
- Agendas and minutes of site meetings held.

The main objective of this project is the construction of 33 No. Housing Units to provide housing for 33 Homeless families and to reduce the Council's Housing Waiting List accordingly. To date, progress on the construction of the houses is ahead of schedule and the contract completion date of March 2018 is expected to be met comfortably. The

contract is also currently within budget. The Council should be in a position to complete an overall post-project review by mid 2018 and this will ensure full compliance with the Public Spending Code.

5.3.3 Provision of Public Lighting – budgeted Cost 2017 of €1,196,000

It is the opinion of Internal Audit that Laois County Council is in substantial compliance with the Public Spending Code in respect of its responsibilities for the provision of its public lighting programme. The Council has followed the required procurement processes and procedures, and ensured that it has obtained the best value available in the awarding of its energy supply and maintenance contracts. It should be noted that the energy supply contract was procured under a national framework by the Office of Government Procurement, and the Council entered into a Goods Contract with the successful tenderer on foot of this process. There is a clear audit trail on file including back-up documentation for the procurement processes it undertook and the necessary approvals from Senior Management. With regard to the maintenance contract the Council undertook a regional procurement competition in conjunction with Offaly County Council in 2013 and the tender competition was posted on the E-tenders website. Both counties then signed separate contracts with the successful tenderer based on the results of the procurement competition. The maintenance contract is due to expire on 31st August 2017 and preparation of tender documents for a new maintenance contract is ongoing.

The main objective of the public lighting programme is to provide public lighting on local, regional, and national roads and in towns and villages throughout the county. Significant expenditure is incurred on the programme each year and the demands for public lighting increases year on year. It is essential that the Council achieves the best value for money available by balancing the needs for public lighting and the resources available. The current contracts for energy supply and maintenance reflect the best value available at the time of awarding the contracts. These contracts will be reviewed prior to the commencement of new procurement competitions for energy supply and maintenance. Any improvements identified or required will be incorporated into the new tender process.

6. Inadequacies Identified in QA Process

The in depth checks for 2016 did not highlight any significant compliance issues in relation to the PSC. However continuing compliance will require ongoing monitoring and staff training.

APPENDIX A

Local Authority	Expenditure being considered				Expenditure being incurred			Expenditure recently ended			NOTES
	Current		Capital Grant Scheme \$ > €0.5m	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	
	> €0.5m	€0.5 - €5m	€5 - €20m	€20m plus							
Local Authority											
Council											
Housing & Building											
A01 Maintenance/Improvement LA Housing					2,741,263						
A06 Support to Housing Capital Programme					992,710						
A07 RAS Programme	597,149				2,329,505						
A08 Housing Loans Programme					2,120,888						
A09 Housing Grants					922,052						
Shannon Street, Mountrath (8) (0115232C)			1,025,300								
Pattison Mountmellick, (10) (0115233C)			1,129,095								
Gleann na Glaise, Ballyroan (10) (0115238C)			1,761,943								
Ballymorris Road, Portarlington (20) (0115239C)			4,296,756								
Main Street, Moorville Rathdowney (5) (0115243C)			876,236								
Respond Dev. Abbeyleix Road, Portlaoise, (012039C)			2,966,420								
Oaklee Housing, Dev St. Fintan's Hospital, Portlaoise (0128038C)			760,000								
Energy Retrofit - Better Energy Communities			750,000								
Conniberry Way 33 houses (0115184C)							4,740,360				

Local Authority	Expenditure being considered				Expenditure being incurred			Expenditure recently ended			NOTES
	Current > €0.5m	Capital Grant Scheme ≤ €0.5m	Capital Projects		Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	
			€0.5 - €5m	€5 - €20m							
Local Authority											
Council											
House Purchases 2015 (29 Units) (0115234C)											
House Purchases 2016 (22 Units) (0115236C)							3,248,572				
CAS Cluid 2015 Acquisitions							1,969,410				
Various CALF Proposals							1,360,702				
							523,857				
Road Transportation and Safety											
B02 NS road - Maintenance and Improvement	745,433					2,295,639					
B03 Regional Roads – Maintenance & Improvement						4,164,304					
						6,226,837					
B05 Public Lighting						1,196,458					
B07 Road Safety Engineering Improvement						816,012					
B10 Support to Roads Capital Prog.						569,342					
N80 Maldenhead Scheme				7,500,000							
Portlaoise Southern Circular route				6,500,000							
Lyster Square			500,000								
Portarlinton Canal Road			1,000,000								

Local Authority	Expenditure being considered				Expenditure being incurred			Expenditure recently ended			NOTES
	Current > €0.5m	Capital Grant Schemes > €0.5m	Capital Projects		Current Expenditure	> €0.5m		Current Expenditure	> €0.5m		
		€0.5 - €5m	€5 - €20m	€20m plus		Capital Grant Schemes	Capital Projects		Capital Grant Schemes	Capital Projects	
Local Authority											
Council											
Portlaoise Junction Upgrades (0222084C)											
Carlow Northern Relief Road (0222015C)										1,291,068	
2015 HD Pavements Renewals (022080C)										2,991,963	
										702,073	
Water Services											
C01 Operation & Maintenance of Water Supply							2,753,153				
C02 Operation & Maintenance of WW Treatment							1,559,429				
Water Conservation Stage 3 Adv. Rehab Works (0312096C)										391,168	Actual spend in Agresso. Balance of budget recorded in 2015 PSC spent by Irish Water.
Portlaoise Main Drainage (0324002C)										23,450,000	Actual spend in Agresso. Balance of budget recorded in 2015 PSC spent by Irish Water.

Local Authority	Expenditure being considered				Expenditure being incurred			Expenditure recently ended			NOTES
	Current > €0.5m	Capital Grant Scheme s > €0.5m	Capital Capital Projects		Current Expenditure	Capital Grant Schemes > €0.5m	Capital Projects > €0.5m	Current Expenditure	Capital Grant Schemes > €0.5m	Capital Projects > €0.5m	
			€0.5 - €5m	€5 - €20m €20m plus							
Local Authority											
Council											
Environmental Services											
E01 Landfill Operation and Aftercare					1,600,695						
E11 Operation of Fire Services					3,744,401						
Fund for Reinstatement of Landfill (0512006C)										€1,622,798	
Recreation and Amenity											
F02 Operation of Library & Archival Service					1,909,420						
F05 Operation of Arts Programme					1,324,849						
Portlaoise New Branch Library - Main St (0622009C)							3,200,000				
Council Offices and Library Portarlington (0622011C)							850,000				
Agriculture, Education, Health and Welfare											
[Insert other category/s if required]											
Miscellaneous Services											
H03 Administration of Rates					3,490,969						
H11 Agency & Recoupable	1,082,943										My Pay-Shared Service

Local Authority	Expenditure being considered				Expenditure being incurred				Expenditure recently ended			NOTES
	Current	Capital			> €0.5m				> €0.5m			
		Capital Grant Scheme \$ > €0.5m	€0.5 - €5m	€5 - €20m	€20 m plus	Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	
Local Authority	> €0.5m											
</												

APPENDIX B

Checklist 1 - To be completed in respect of general obligations not specific to individual projects/programmes

General Obligations not specific to individual projects/ programmes	Self-Assessed Compliance Rating: 1 - 3	Discussion/Action Required
1.1 Does the local authority ensure, on an on-going basis, that appropriate people within the authority and its agencies are aware of the requirements of the Public Spending Code (incl. through training)?	3	All relevant staff and agencies have been notified of their obligations under the code.
1.2 Has training on the Public Spending Code been provided to relevant staff within the authority?	1	External training for 2 No staff on 26 th May 2016
1.3 Has the Public Spending Code been adapted for the type of project/programme that your local authority is responsible for? i.e., have adapted sectoral guidelines been developed?	3	Heads of Finance Working Group developed guidelines on adapting the PSC to Local Authorities structures and approach
1.4 Has the local authority in its role as Sanctioning Authority satisfied itself that agencies that it funds comply with the Public Spending Code?	3	No funding greater than €500k granted
1.5 Have recommendations from previous QA reports (incl. spot checks) been disseminated, where appropriate, within the local authority and to agencies?	3	Yes. Recommendations are notified to relevant parties for review and application
1.6 Have recommendations from previous QA reports been acted upon?	2	Ongoing monitoring carried out by Internal Audit
1.7 Has an annual Public Spending Code QA report been certified by the Local Authority's Chief Executive, submitted to NOAC and published on the authority's website?	3	Yes
1.8 Was the required sample of projects/programmes subjected to in-depth checking as per step 4 of the QAP?	3	Yes Required sample reviewed
1.9 Is there a process in place to plan for ex post evaluations/Post Project Reviews? Ex-post evaluation is conducted after a certain period has passed since the completion of a target project with emphasis on the effectiveness and sustainability of the project.	3	Relevant staff have been reminded of their obligations to carry out post-project reviews as required and this will be checked by Internal Audit annually
1.10 How many formal Post Project Review evaluations have been completed in the year under review? Have they been issued promptly to the relevant stakeholders / published in a timely manner?	3	Post Project reviews carried out on the CAS Cluid Housing Association Project
1.11 Is there a process to follow up on the recommendations of previous evaluations/Post project reviews?	3	Relevant staff have been have been advised of this requirement and checks will be carried out by Internal Audit
1.12 How have the recommendations of previous evaluations / post project reviews informed resource allocation decisions?	3	Relevant staff have been have been advised of this requirement and checks will be carried out by Internal Audit

Checklist 2 - To be completed in respect of capital projects/programmes & capital grant schemes that were under consideration in the past year

Capital Expenditure being Considered – Appraisal and Approval	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
2.1 Was a preliminary appraisal undertaken for all projects > €5m?	3	Roads Section - In respect of Portlaoise Southern Circular Route
2.2 Was an appropriate appraisal method used in respect of capital projects or capital programmes/grant schemes?	3	
2.3 Was a CBA/CEA completed for all projects exceeding €20m?	N/A	
2.4 Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision)	3	
2.5 Was an Approval in Principle granted by the Sanctioning Authority for all projects before they entered the planning and design phase (e.g. procurement)?	3	
2.6 If a CBA/CEA was required was it submitted to the relevant Department for their views?	N/A	Roads Section - Project Appraisal submitted to DTTAS
2.7 Were the NDFA consulted for projects costing more than €20m?	N/A	
2.8 Were all projects that went forward for tender in line with the Approval in Principle and, if not, was the detailed appraisal revisited and a fresh Approval in Principle granted?	N/A	
2.9 Was approval granted to proceed to tender?	N/A	
2.10 Were procurement rules complied with?	3	
2.11 Were State Aid rules checked for all supports?	3	
2.12 Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?	N/A	
2.13 Were performance indicators specified for each project/programme that will allow for a robust evaluation at a later date?	3	
2.14 Have steps been put in place to gather performance indicator data?	3	

Checklist 3 - To be completed in respect of new current expenditure under consideration in the past year

Current Expenditure being Considered – Appraisal and Approval	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
3.1 Were objectives clearly set out?	3	My Pay - Extra staffing
3.2 Are objectives measurable in quantitative terms?	3	My Pay -Extra staffing
3.3 Was a business case, incorporating financial and economic appraisal, prepared for new current expenditure?	3	My Pay -Included in original business case
3.4 Was an appropriate appraisal method used?	3	My Pay-Peer Review
3.5 Was an economic appraisal completed for all projects exceeding €20m or an annual spend of €5m over 4 years?	3	My Pay -Part of the original Business case
3.6 Did the business case include a section on piloting?	3	My Pay -Pilot in 2014
3.7 Were pilots undertaken for new current spending proposals involving total expenditure of at least €20m over the proposed duration of the programme and a minimum annual expenditure of €5m?	N/A	
3.8 Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?	3	
3.9 Was the pilot formally evaluated and submitted for approval to the relevant Department?	N/A	
3.10 Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence?	3	
3.11 Was the required approval granted?	3	
3.12 Has a sunset clause (as defined in section B06, 4.2 of the Public Spending Code) been set?	3	
3.13 If outsourcing was involved were procurement rules complied with?	3	
3.14 Were performance indicators specified for each new current expenditure proposal or expansion of existing current expenditure programme which will allow for a robust evaluation at a later date?	3	
3.15 Have steps been put in place to gather performance indicator data?	3	

Checklist 4 - To be completed in respect of capital projects/programmes & capital grants schemes incurring expenditure in the year under review

Incurring Capital Expenditure	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
4.1 Was a contract signed and was it in line with the Approval in Principle?	3	Yes
4.2 Did management boards/steering committees meet regularly as agreed?	N/A	N/A
4.3 Were programme co-ordinators appointed to co-ordinate implementation?	3	Yes
4.4 Were project managers, responsible for delivery, appointed and were the project managers at a suitably senior level for the scale of the project?	3	Yes
4.5 Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	Yes
4.6 Did projects/programmes/grant schemes keep within their financial budget and time schedule?	3	Yes
4.7 Did budgets have to be adjusted?	3	No
4.8 Were decisions on changes to budgets / time schedules made promptly?	N/A	N/A
4.9 Did circumstances ever warrant questioning the viability of the project/programme/grant scheme and the business case incl. CBA/CEA? (exceeding budget, lack of progress, changes in the environment, new evidence, etc.)	N/A	N/A
4.10 If circumstances did warrant questioning the viability of a project/programme/grant scheme, was the project subjected to adequate examination?	N/A	N/A
4.11 If costs increased was approval received from the Sanctioning Authority?	N/A	N/A
4.12 Were any projects/programmes/grant schemes terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?	N/A	N/A

Checklist 5 - To be completed in respect of current expenditure programmes incurring expenditure in the year under review

Incurring Current Expenditure	Self-Assessed Compliance Rating: 1 -3	Comment/Action Required
5.1 Are there clear objectives for all areas of current expenditure?	3	Water Services-Annual Service Plan Planning – clear objectives Community - Objectives set in SICAP Annual Plan 2016 LEO - As per Annual Enterprise Plan My Pay - Clear objectives set annually which are monitored by the Program board Corporate - Salaries/allowances/expenses are defined by Dept. circular
5.2 Are outputs well defined?	3	Water services - Annual Service Plan Planning - Outcomes well defined Community - Yes as per DHPCLG guidelines Leo - Annual Targets Set Arts - Annual Service Delivery Plan My pay - SLA in place with all clients
5.3 Are outputs quantified on a regular basis?	3	Water Services - Annual Service Plan Community – Mid- year review and End of Year Review LEO - Performance Monitoring System updated on a monthly basis My Pay - SLA in place with all clients Corporate - Quarterly sign off
5.4 Is there a method for monitoring efficiency on an on-going basis?	3	Roads section - PRS – rate per meter Water services - Annual Service Plan/ KPI Planning - Quarterly reports, incl PDP Community - Quarterly Approval of funding to Programme Implementer by Laos LCDC LEO - Quarterly Cashflows submitted to EI to ensure compliance My Pay - SLA in place with all clients Corporate - Members attendance at events is approved in advance
5.5 Are outcomes well defined?	3	Water Services - Annual Service Plan/ KPI Planning - Outcomes well defined Community - As per agreed targets in SICAP Annual Plan LEO - Outcomes are defined by no of new businesses set up/jobs created/uptake of LEO programmes My Pay - SLA in place with all clients
5.6 Are outcomes quantified on a regular basis?	3	Planning - Outcomes are quantified on a regular basis Community - Mid year and End of Year reviews LEO - Annual Employment Survey/Quarterly Cashflow/Annual Enterprise Plan My pay - SLA in place with all clients Corporate - Quarterly sign off

5.7 Are unit costings compiled for performance monitoring?	3	Roads Section - Compliance with rate for regional and local –PI cost per sq.m for regional roads Cost per capita is a PI Environment - Review of overall landfill facility underway My Pay - SLA in place with all clients
5.8 Are other data compiled to monitor performance?	3	Roads Section - Map road and condition rating of the road pre and post works Planning - National Performance Indicators, Quarterly Reports, End of Year Sign Offs Community - Narrative Reports and site verification visits LEO - Quarterly Cashflows submitted to EI to ensure compliance/Annual Returns to EI Arts - Attendance at Events My Pay - SLA in place with all clients
5.9 Is there a method for monitoring effectiveness on an on-going basis?	2	Roads - Map road Planning - Quarterly reports Community - LCDC monitors regularly via SICAP subcommittee reports LEO - Performance Monitoring System updated on a monthly basis. Arts - PMDS My Pay - SLA in place with all clients Corporate - Update provided to members in relation to payments under various headings
5.10 Has the organisation engaged in any other 'evaluation proofing' ¹ of programmes/projects?	3	LEO - All training programmes are evaluated on completion. ABR's/Employment Survey carried out in respect of all Grant payments. My Pay - Governance review carried out in 2016

Checklist 6 - To be completed in respect of capital projects/programmes & capital grant schemes discontinued and/or evaluated during the year under review

Capital Expenditure Recently Completed	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
6.1 How many post project reviews were completed in the year under review?	3	Roads - 1 review per project
6.2 Was a post project review completed for all projects/programmes exceeding €20m?	N/A	
6.3 Was a post project review completed for all capital grant schemes where the scheme both (1) had an annual value in excess of €30m and (2) where scheme duration was five years or more?	N/A	
6.4 Aside from projects over €20m and grant schemes over €30m, was the requirement to review 5% (Value) of all other projects adhered to?	3	
6.5 If sufficient time has not elapsed to allow for a proper assessment, has a post project review been scheduled for a future date?	3	
6.6 Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority? (Or other relevant bodies)	3	
6.7 Were changes made to practices in light of lessons learned from post-project reviews?	3	Water Services - Tighter specifications in respect of consultants and contractors
6.8 Were project reviews carried out by staffing resources independent of project implementation?	1	None, apart from present review

Checklist 7 - To be completed in respect of current expenditure programmes that reached the end of their planned timeframe during the year or were discontinued

Current Expenditure that (i) reached the end of its planned timeframe or (ii) was discontinued	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
7.1 Were reviews carried out of current expenditure programmes that matured during the year or were discontinued?		
7.2 Did those reviews reach conclusions on whether the programmes were efficient?		
7.3 Did those reviews reach conclusions on whether the programmes were effective?		
7.4 Have the conclusions reached been taken into account in related areas of expenditure?		
7.5 Were any programmes discontinued following a review of a current expenditure programme?		
7.6 Were reviews carried out by staffing resources independent of project implementation?		
7.7 Were changes made to the organisation's practices in light of lessons learned from reviews?		

Notes:

- ❖ The scoring mechanism for the above checklists is as follows:
 - Scope for significant improvements = a score of 1
 - Compliant but with some improvement necessary = a score of 2
 - Broadly compliant = a score of 3
- ❖ For some questions, the scoring mechanism is not always strictly relevant. In these cases, it is appropriate to mark as N/A and provide the required information in the commentary box as appropriate.
- ❖ The focus should be on providing descriptive and contextual information to frame the compliance ratings and to address the issues raised for each question. It is also important to provide summary details of key analytical outputs covered in the sample for those questions which address compliance with appraisal/evaluation requirements i.e. the annual number of appraisals (e.g. Cost Benefit Analyses or Multi Criteria Analyses), evaluations (e.g. Post Project Reviews). Key analytical outputs undertaken but outside of the sample should also be noted in the report.

APPENDIX C

Section A: Introduction

This introductory section details the headline information on the programme or project in question.

Programme or Project Information	
Name	Capital Assistance Scheme, Cluid Housing Association, Homeless & Disabled Household Purchase Scheme
Detail	Capital Assistance Scheme 2015 to supply 16 Houses to accommodate applicants who are homeless, elderly or have a disability and are in need of social housing
Responsible Body	Laois County Council
Current Status	Expenditure Being Incurred
Start Date	First Proposed in 2015
End Date	Open-ended – 12 houses purchased to date
Overall Cost	€2,168,243 Estimated Cost

Project Description

Section 6 of the Housing (Miscellaneous Provisions) Act, 1992, along with Section 15 of the Housing Act, 1988, is the statutory basis for the scheme of Capital Assistance for the provision of housing accommodation by approved housing bodies. The Capital Assistance Scheme provides primarily for the payment of a grant in respect of each sanctioned rental housing project by the Department of Housing, Community & Local Government to a housing authority following its approval of a housing project under the scheme. The housing authority then lends this money in the form of a 30-year annuity mortgage loan to the approved housing body towards the approved costs it incurs in providing the dwellings. The terms of the scheme provide that repayments and interest charges due from the approved housing body may be fully waived, provided the approved housing body continues to comply with the terms and conditions of the scheme and the mortgage deed contract signed with the local authority.

In March 2015, the Department of the Environment, Community & Local Government directed all local authorities to invite Approved Housing Bodies to develop and submit cost effective and sustainable proposals to provide independent living accommodation for people with special housing needs under the Capital Assistance Scheme. The 'Call for Proposals' invited construction and/or acquisition proposals. Up to ten proposals could be submitted by each local authority and criteria to be used by local authorities to assess proposals was also circulated. Local Authorities were required to complete their assessments/appraisals of the proposals received and to submit a list of prioritised proposals to the DECLG by 29th April 2015.

This project proposal was submitted by Cluid Housing Association in accordance with DECLG Circular, Housing 15/2015, regarding the Capital Assistance Scheme funding for 2015.

The proposal was to purchase 16 no. dwellings at various addresses in Portlaoise, Mountmellick and Timahoe, Co. Laois. Under the scheme, Cluid Housing proposed the funding of 2, 3 and 4-bed-family-units for fifteen homeless households or households threatened with homelessness, and one home for a family with a member with a disability.

18 properties were considered for purchase at the following locations:

- Portlaoise (13 no. properties)
- Mountmellick (3 no. properties)
- Timahoe (2 no. properties)

All of the properties were considered to be well located in respect of their vicinity to local amenities. The Council was satisfied that the need existed for the units based on an analysis of housing need of the towns.

The proposal consisted of:

- 2 No. 2-bed units
- 13 No.3-bed units
- 1 No. 4-bed unit

Cluid Housing Association would purchase the units with funding from the Capital Assistance Scheme (CAS). They would manage the properties on a not-for-profit basis to provide social housing for applicants on the Council's housing waiting list. The proposed cost of the scheme was estimated at €2,168,243 and included acquisition costs, repair costs, legal and professional fees as follows:

Land/Building Site Costs/Repair Costs (incl. VAT) ____	€1,964,000.00
Estimated Housing Construction Costs (incl. VAT) ____	€110,000.00
AHB Development Allowance _____	€23,851.00
AHB Legal Fees (incl. VAT) _____	€16,592.00
Site Supervision/Clerk of Works (incl. VAT) _____	€5,000.00
Other: _____	€1,600.00
Legal Disbursements _____	€7,200.00
Surveys/Valuations/Site Investigations _____	€40,000.00
Overall Project _____	€2,168,243.00

Circular 15/2015 was issued in March 2015 required Local Authorities to issue a new 'Call for Proposals' to Approved Housing Bodies (AHBs) operating in their area to submit proposals for new Capital Assistance Scheme (CAS) construction and/or acquisition proposals.

Cluid Housing Association submitted its proposal by the end of April 2015 and this was assessed by the Council. This was then submitted to the Department of the Environment, Community & Local Government for further assessment. A letter in principle approving the scheme was issued by the Department on 31st July 2015 for the purchase and upgrading of 16 No. housing units at an estimated cost of €2,168,243 (as outlined above).

As each housing unit was purchased, further information was submitted to the Department as follows:

Form CAS 1 – Application by Approved Housing Body for loan under the terms of the Capital Assistance Scheme (CAS)

Form CAS 2 - Application to the Minister for the Environment, Community and Local Government for approval of grant under Section 6 of the Housing (Miscellaneous Provisions) Act, 1992, and Section 15 of the Housing act, 1988.

Cost Estimate – for each individual housing unit including a breakdown of costs as outlined above

Valuation Report – from an independent auctioneer/valuer

Building Survey Report – to itemise any repairs/upgrades required

On receipt of the above the DECLG issue a final approval letter for the purchase and upgrade of the property. Once the final approval letter is received by the Council the following process is completed:

1. A facilities offer letter issues to the Solicitors for Cluid Housing Association for signing including a letter of acceptance to the terms of the scheme; a completed payment guarantee form; and an Insurance Letter of Authorisation
2. On receipt of the certified documentation, the Council submits the Facilities Offer Letter and a copy of the new mortgage agreement issued by the DECLG to its Solicitors for completion. The mortgage agreement is then signed and sealed by the Council.

3. Cluid Housing Association issues an invoice to the Council for the purchase price of the property.
4. The Council and/or its Solicitor ensure that Cluid Housing Association has signed a contract for sale of the property before funds are paid over. The Council arranges payment of the purchase price to Cluid Housing Association and also submits **Form CAS 3** to the DECLG for recoupment of the monies. Cluid Housing Association then finalises the purchase of the property.
5. Once the purchase of the property is completed, necessary repairs/upgrades are carried out. Cluid Housing Association submits invoices for these works and other fees and the Council refunds the monies to the Association. The Council then completes further **CAS 3 Forms** and recoups the monies from the DECLG.

The above process sets out the overall procedures to be followed for the purchase and upgrade of each housing unit approved under the terms of this project.

Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, LCC Internal Audit Unit have completed a Programme Logic Model (PLM) for the Cluid Housing Association, Housing Acquisition Scheme. A PLM is a standard evaluation tool and further information on their nature is available in the [Public Spending Code](#).

Objectives	Inputs	Activities	Outputs	Outcomes
<p>To provide 16 housing units dispersed across County Laois for families requiring housing and people with disabilities</p> <p>Reduce the numbers on Laois County Council's Housing Waiting List</p>	<p>€2,168,243 million of Capital Expenditure on the acquisition and upgrading of 16 properties</p> <p>Administrative back-up and support from Council Housing staff</p>	<p>Advertisement for 'Call for Proposals' published</p> <p>Identification of accommodation requirements and housing needs</p> <p>Cluid Housing to identify suitable properties and submit sufficient detail for LCC to assess project</p> <p>LCC to identify applicants with special needs using an inter-agency approach</p>	<p>Acquisition and upgrading of 16 houses and housing of 16 applicants/families as determined by the Assessment of Housing Needs</p>	<p>A reduction in the number of families/applicants on the Housing Waiting List who require housing and special needs housing</p>

Description of Programme Logic Model

Objectives: The main objective of the project was to provide high quality accommodation for families in need of housing and for a household with a disabled household member. This proposal involved purchasing and upgrading 16 No. housing units in the private housing market in the towns of Portlaoise, Mountmellick and Timahoe. This would also reduce the number on the Council's Housing Waiting List.

Inputs: The primary input to the programme was the capital funding of €2,168,243 million which was provided for by the Department of Housing, Community & Local Government under the CAS Scheme. It would also require the administrative back-up and support of both Laois County Council and Cluid Housing Association.

Activities: There were a number of key activities carried out throughout the project to date. In accordance DECLG Circular, Housing 15/2015, the Council issued a 'Call for Proposals' to Approved Housing Bodies (AHBs) operating in their area to submit proposals for new Capital Assistance Scheme(CAS) construction and/or acquisition proposals.

Cluid Housing submitted a proposal to purchase 16 no. dwellings at various addresses in Portlaoise, Mountmellick and Timahoe, Co. Laois. Under the scheme, Cluid Housing proposed the funding of 2, 3 and 4-bed family units for homeless households or households threatened with homelessness, including those with disabilities.

18 properties were put forward by Cluid Housing for consideration for purchase at the following locations:

- Portlaoise (13 no. properties)
- Mountmellick (3 no. properties)
- Timahoe (2 no. properties)


Laois County Council identified suitable applicants from the Housing Waiting List based on its Housing Needs Assessments data.

Outputs: The acquisition of 12 No. housing units to date out of the required 16 No. housing units as per the project objectives. This has been achieved within the agreed budget. This process is ongoing and will be completed by December 2017.

Outcomes: The envisaged outcome of the project was to provide housing for 15 homeless families and 1 unit for a person with a disability. This would also have the effect of reducing the numbers on Laois County Council's Housing Waiting List.

Section B - Step 2: Summary Timeline of Project/Programme

The following section tracks the Cluid Housing Association, Homeless & Disabled Household Purchase Scheme from inception to conclusion in terms of major project/programme milestones



February 2015	'Calls for Proposals' advertised
April 2015	'Calls for Proposals' application made by Cluid Housing Association
April 2015	Application assessed and submitted to the Department by end of April 2015
May 2015	Request by the Department for supplementary information to be provided by 2 nd June 2015
June 2015	Supplementary information provided to Department throughout June including an estimate of costs for each individual housing unit to be purchased
July 2015	Letter of Approval (in principle) received from the DECLG on 31 st July 2015
	The following documents were submitted to the DECLG for assessment:
October 2015 - ongoing	<ul style="list-style-type: none">- Form CAS 1- Form CAS 2- Cost estimate summary- Valuation report- Building Survey report
December 2015 - ongoing	Facilities Offer letters submitted to Cluid Housing Association Solicitors for signing in respect of properties
January 2016 - ongoing	Form CAS 3s (application for grant) submitted to the DECLG for recoupment of costs of acquisitions, repairs and other fees. The above process will continue until all house purchases are completed.

Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the Cluid Housing Association, Homeless and Disabled Household Purchase Scheme.

Project/Programme Key Documents	
Title	Details
1. Original Business Proposal (April 2015)	Funding Application for the purchase of 16 No. Housing Units received from Cluid Housing Association
2. Follow-up Assessment of Business Case (April 2015)	Laois County Council assessment of Cluid Housing Association proposal and submission to DECLG
3. Estimated break-down of costs for each Individual Housing Unit (June 2015)	Further Information requested by the DECLG prior to Approval in Principle Letter issuing
4. DECLG Approval in Principle (July 2015)	Letter of approval in principle received in July 2015
5. (i) CAS 1 Form	Application by Approved Housing Body for loan under the terms of the Capital Assistance Scheme (CAS)
5.(ii) CAS 2 Form	Application to the Minister for the Environment, Community and Local Government for approval of grant under Section 6 of the Housing (Miscellaneous Provisions) Act, 1992, and Section 15 of the Housing Act, 1988.
5. (iii) CAS 3 Form	Application to the Minister for the Environment, Community and Local Government for payment of grant or instalment of grant under Section 15 of the Housing Act, 1988.
6. Final Approvals from the DECLG	Final Approval letters are issued as each property is purchased
7. Post-Project Review	Final individual costings for each unit are included on file and applicants have been housed in each unit purchased to date

Key Document 1: Original Business Proposal

The original business proposal was submitted by Cluid Housing Association in April 2015 for the purchase and upgrading of 16 No. Housing Units to provide housing accommodation for 15 homeless families and 1 family where a family member had a disability. The funding application was comprised of the following sections:

1. General Details
2. An outline of the project
3. Housing needs to be met
4. Site Information
5. Project Management Arrangements
6. Overall Cost Estimates
7. Sustainable Community Proofing
8. Authorisation of the Approved Body

The funding application contained most of the overall required general information for the scheme.

Key Document 2: Follow-up Assessment of Business Proposal

Laois County Council carried out a follow-up assessment of the funding application submitted by Cluid housing Association and submitted same to the DECLG for further assessment. This document included details of the following:

1. Site/Property Selection – specific addresses of properties and their location
2. The number and type of houses that were being considered, i.e. 2, 3 or 4 bedroom houses
3. An analysis of housing need in the three selected areas
4. Details of the tenure mix including units of accommodation for families, e.g. homeless, threat of homelessness and/or with a disability
5. Financial Considerations
6. Timescale for completion

The proposal submitted to the DECLG by the Council contained the overall general information required for an assessment of the scheme.

Key Document 3: Further Information - Estimates/Break-down of costs for each individual housing unit

This information was required by the DECLG prior to an Approval in Principle letter issuing. The detailed cost estimate/break-down for each property was submitted in June 2015 and contained all necessary information.

Key Document 4: DECLG Approval in Principle Letter dated 1st July 2015

An Approval in Principle letter issued from the DECLG on 1st July 2015. The letter set out the projects/schemes that had been approved for the Council and set out the terms and conditions of the approval under the following headings:

1. Acquisitions
2. Construction Projects
3. Need Assessment
4. Rents
5. Compliance with Voluntary Regulatory Code
6. Application for funding
7. Local Authority Role

Key Document 5: CAS Forms 1, 2 and 3

Form CAS 1 – Application by Approved Housing Body for loan under the terms of the Capital Assistance Scheme (CAS)

Form CAS 2 - Application to the Minister for the Environment, Community and Local Government for approval of grant under Section 6 of the Housing (Miscellaneous Provisions) Act, 1992, and Section 15 of the Housing Act, 1988.

Form CAS 3 - Application to the Minister for the Environment, Community and Local Government for payment of grant or instalment of grant under Section 15 of the Housing Act, 1988.

The above forms must be submitted to the Department at different stages in the CAS process in respect of each individual house purchase. It was found that the forms were completed and on file in respect of each of the 12 housing units bought to date.

Key Document 6: DECLG Final Approval Letters

The DECLG issued final approval letters for each of the 12 No. house purchases to date setting out the overall budget for each property.

Key Document 7: Post Project Review

There is a detailed break-down of costs, expenditure and recoupments on each file. This ensures that there a clear audit trail of the financials on each house purchase and the overall financial estimates of the scheme. A full post-project review will be carried out when all 16 No. housing units are purchased (12 No. houses purchased to date, 2 No. house purchases in progress, and 2 No. house purchases in negotiations)

Section B - Step 4: Data Audit

The following section details the data audit that was carried out for the Cluid Housing Association, Homeless and Disabled Household Purchase Scheme. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
Overall Level of Project Expenditure	Measure Programme Inputs	Available from Files
Break-down of costs for each house purchase and upgrade	For comparison purposes with other/future schemes	Available from each individual file
Average cost of each Housing Unit provided	For comparison purposes with other/future schemes	Available from each individual file
No. of families/housing applicants accommodated	Reduce Council Housing Waiting List	Available from files

Data Availability and Proposed Next Steps

Most of the appropriate data for the future evaluation of the project/programme is already available on file. A full break-down of the costs, expenditures and recoupments for each property is available on file and from spreadsheets maintained by the Administrative Officer, Housing. A full post-project review will be carried out when all 16 No. Housing Units have been purchased, upgraded and occupied as per the project proposal. The post – project review should detail the total number of families and individuals housed as a result of this project and the corresponding reduction in the Council’s Housing Waiting List.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for Cluid Housing Association, Homeless and Disabled Household Purchase Scheme based on the findings from the previous sections of this report.

Does the delivery of the project/programme comply with the standards set out in the Public Spending Code? (Appraisal Stage, Implementation Stage and Post-Implementation Stage)

This in-depth check has shown that the project complies substantially with the standards set out in the Public Spending Code. The statutory provisions for the Capital Assistance Scheme are set down in Section 6 of the Housing (Miscellaneous Provisions) Act, 1992 along with Section 15 of the Housing Act, 1988. There is a process and procedure for operating the Capital Assistance Scheme and this was evident on each file in the course of this in-depth check. The Council was obliged to receive approvals from the Department of the Environment, Community & Local Government in respect of the overall scheme (Approval in Principle) and in respect of each

housing unit purchase as the scheme progressed (Final Approvals). There was a range of documentation that had to be submitted during the course of the scheme to obtain these approvals as follows:

- Original Application for funding including an overall cost estimate from Cluid Housing Association
- An assessment of this application by the Council
- For each housing unit purchase, Form CAS 1, Form CAS 2, a repairs estimate, a building survey and a house valuation had to be submitted
- The Council had to submit Form CAS 3 in respect of recoupments made

This process ensured that the purchase of each housing unit was evaluated by both the Council and the Department.

The one aspect of the project that requires further attention relates to the completion and finalisation of house purchases. The project was approved in principle for the purchase of 16 No. housing units at an estimated overall cost of €2,168,243. To date, 12 No. housing units have been purchased outright, while the purchase of a further 2 No. housing units are in progress. This has been achieved within agreed budgets. This means that the purchase of a further 2 No. housing units are required to complete the scheme in full. It is important that the project is completed at the earliest possible date to ensure that the benefits of the scheme are maximised and to allow a full post-project review to be carried out on the overall project.

Is the necessary data and information available such that the project/programme can be subjected to a full evaluation at a later date?

To date, there is sufficient data and information on each individual file to ensure that the project can be subjected to a full evaluation at a later date. There is a clear audit trail on every file from the start to the completion of each house purchase including details of repairs carried out and all recoupments from the Department. The scheme has the benefit of having clear outcomes and benefits established from an early stage, i.e. 16 No. families will be housed when the scheme is completed. This makes the process of evaluation easier than where the outcomes are less certain.

What improvements are recommended such that future processes and management are enhanced?

The terms and conditions of the Capital Assistance Scheme involve a three way process between an Approved Housing Body, the Local Authority and the Department of Housing, Community and Local Government. Under the scheme Approved Housing Bodies are required to submit an Application for Funding which includes the business proposal i.e. acquisition and upgrading of a defined number of housing units to provide housing for the homeless or people with disabilities. This application is submitted to the Local Authority for assessment and ultimately to the Department. When approval in principle is received the Approved Housing Body may start

purchasing housing units under the scheme. The Local Authority draws down money from the Department and sets up a mortgage with the Approved Housing Body for a thirty year period.

This in-depth check demonstrates that the Council is fulfilling its obligations under the scheme in respect of the Cluid Housing Association, Homeless and Disabled Household Purchase Scheme which commenced in 2015. To date, 12 No. Housing Units have been purchased while the purchase of 2 No. Housing Units are in progress. The onus is on Cluid Housing Association to source and purchase another 2 No. housing units in order for the project to be completed. This is outside of the control of the Council and an overall post-project evaluation cannot be finalised out until this occurs. It is worth noting, however, that the Council has carried out a post-project review on each of the 12 No. housing units purchased to date and there is a clear audit trail on every file.

In-Depth Check Summary

The following section presents a summary of the findings of this In-Depth Check on the Cluid Housing Association, Homeless and Disabled Household Purchase Scheme.

Summary of In-Depth Check

It is the opinion of Internal Audit that Laois County Council is in substantial compliance with the Public Spending Code in respect of its responsibilities under the Capital Assistance Scheme, in particular with regard to the Cluid Housing Association Project. The Council has followed the required process and procedures and ensured that Departmental approval is in place for each step of the process. There is a clear audit trail on every file including the range of documentation required for each individual house purchase, Mortgage and facilities agreements, payments made to Cluid Housing Association, and recoupments obtained from the Department.

The main objective of this project was the purchase by Cluid Housing Association of 16 No. Housing Units to provide housing for 15 Homeless Families, and for 1 Family with a member who has a disability. When the project is completed this would have the effect of reducing the Council's Housing Waiting List. To date, 12 No. Housing Units have been purchased and the purchase of a further 2 No. units is in progress. This has been achieved within the budget approved by the Department. The onus is on Cluid Housing Association to complete all house purchases as soon as is practicable. This will facilitate the Council in completing an overall post-project review and ensure full compliance with the Public Spending Code.

Quality Assurance: In Depth Check No. 2**Section A: Introduction**

This introductory section details the headline information on the programme or project in question.

Programme or Project Information	
Name	Conniberry Way, Social Housing Scheme, Portlaoise
Detail	Capital Construction Project to build 33 Social Housing Units at Conniberry Way, Knockmay, Portlaoise
Responsible Body	Laois County Council
Current Status	Expenditure Being Incurred
Start Date	First Proposed in 2007
End Date	Currently in Construction
Overall Cost	€5,358,529

Project Description

The project involves the construction of 33 No. Social Housing units at Conniberry Way, Portlaoise at an estimated overall cost of €5,358,529.

The site was acquired by Laois County Council Housing Department in 2005. The Council appointed a design team to the project and following departmental approval a Part VIII Planning approval was granted for a 33 unit housing scheme. In February 2008, the project was included in the Social Housing Investment Programme (SHIP). However, funding did not become available and the scheme did not proceed to construction.

Subsequently the Council submitted a proposal to the Department under the Carbon Neutral Scheme. This proposal was granted approval in principle, and the design team brought an 11 unit Low Carbon Scheme through the tender process. However, funding could not be sourced to award the contract and the scheme did not proceed.

In 2012, the Council applied to have the lands included in the Land Aggregation Scheme. The site was transferred from the Council to the Housing & Sustainable Communities Agency in 2013, and in 2014, the Council applied for, and was granted Annuity Loan Recoupment under the Land Aggregation Scheme.

In December 2014 the Council submitted an updated proposal to appoint a design team to the project for a 33 unit housing scheme within the parameters of the 2007 Part VIII Planning Approval while incorporating modifications required by regulatory changes, including revisions to the Building regulations.

Circular SHIP 2010/12 titled "Social Housing investment Programme (SHIP) – Management of Project Budgets and Cost Control Procedures at the implementation stage of a project, up to and including Final Accounts and Post Project Reviews" issued on 31st May 2010. This circular set out the arrangements for the management of the project budget from the issue of the Letter of Acceptance, throughout the implementation stage of a project, through to the submission of final accounts and post project reviews for projects under the Department's Social Housing Investment Programme (SHIP). All capital projects under the SHIP are required to be managed within strict budgetary and cost control parameters and completed in a timely manner. The circular set out the procedures that would apply to all capital projects involving SHIP expenditure under the following headings:

- Implementation Stage Budget for a Project
- Employer's Representative
- Managing Change orders
- Managing Contractor's Claims
- Construction Cost control
- Project Reviews and Progress Reports
- Budget Management and Communications within the Sanctioning Authority
- Final Accounts; 1. Draft Final Account, 2. Interim Final Account, 3. Final Account Report

- Post Project Review Report
- Conciliation & Arbitration

Circular SHIP 2010/12 also states that the instructions and guidance for the management of projects under SHIP are set out in a comprehensive suite of guidance documents issued by the Department of Finance under both the Capital Appraisal Guidelines for Capital Projects and the Capital Works Management Framework (CWMF). The Capital Works Management Framework is a 9-Stage Approval Process for the proper management of all aspects of capital projects. The Government's Housing Policy Document "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'. In "Social Housing Design, Approval and Delivery: Process and Procedures Review" the Department of Housing, Planning, Community & Local Government in consultation with the City & 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: 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.

The 4-Stage Approval Process is an effort to streamline the 9-Stage Approval Process in a bid to speed up the delivery of housing units. The Department of Housing, Planning, Community & 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. "Social Housing Design, Approval and Delivery: Process and Procedures Review" published in February 2017 states that 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 purpose of this In-Depth Review is to assess the level of compliance of Laois County Council with the 4-Stage Approval Process as outlined above and the projects overall compliance the tenets of the Public Spending Code.

Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, LCC Internal Audit have completed a Programme Logic Model (PLM) for the Conniberry Way Social Housing Scheme, Portlaoise. A PLM is a standard evaluation tool and further information on their nature is available in the [Public Spending Code](#).

Objectives	Inputs	Activities	Outputs	Outcomes
<p>The Construction of a 33 unit Social Housing Scheme at Conniberry Way, Portlaoise</p> <p>A Reduction in the Council's Housing Waiting List by 33 family units.</p>	<p>€5,358,529 of capital expenditure</p> <p>Staff Back-up support of an administrative and technical nature</p>	<ol style="list-style-type: none"> 1. Site Selection 2. Preparing the submissions to obtain necessary departmental approvals for each stage of the process. 3. Carrying out a Project Appraisal, 4. Preparing a Design brief, 5. Proper Procurement of an Architect Led design team 6. Compiling Cost Estimates and other required information to be included in submissions. 7. Complying with the 4-Stage Approval process under the Capital Works Management Framework 8. Proper Procurement for the Contractor to complete the works on E-tenders and on the OJEU. 9. Proceed to construction of 33 housing units 	<p>33 New Social Housing Units available to Laois County Council to reduce the Housing Waiting List</p>	<p>33 Housing Units are currently under construction</p>

Description of Programme Logic Model

Objectives: The main objective of this project is the construction of 33 Social Housing Units for to house applicants on the Council's Housing Waiting List. When the project is completed this will reduce the Housing Waiting List by 33 no. families.

Inputs: The primary input to the project is capital funding of €5,358,529 which is provided for by the Department of Housing, Planning, Community & Local Government. It also requires administrative and technical back-up support from Laois County Council staff.

Activities: There were a number of key activities carried out throughout the project to date including:


1. Site Selection
2. Carrying out a Project Appraisal,
3. Preparing a Design brief,
4. Proper Procurement of an Architect Led design team
5. Preparing the submissions to obtain necessary departmental approvals for each stage of the process.
6. Compiling Cost Estimations and other required information to be included in submissions.
7. Complying with the 4-Stage Approval process under the Capital Works Management Framework
8. Proper Procurement for the Contractor to complete the works on E-tenders and on the OJEU.
9. Proceed to construction of 33 No. Housing Units.

Outputs: The 33 No. Housing Units are currently under construction


Outcomes: The envisaged outcome of the project is to provide 33 No. Social Housing Units for 33 family units currently on the Council's Waiting List.

Section B - Step 2: Summary Timeline of Project/Programme

The following section tracks the Conniberry Way, Social Housing Scheme, Portlaoise from inception to conclusion in terms of major project/programme milestones



2005	Site acquired by the Council's Housing Department at Old Knockmay Road, Portlaoise
Nov 2007	Grant of Part VIII Approval of the Local Government (Planning & Development) Regs, 2001 – 2007 for 33 Housing Units
2008 – 2014	Scheme on hold pending approval of funding by the Department
Dec 2014	Project Appraisal including; a) an Analysis of Housing Need, b) Design Brief, c) Site Selection, d) Project Management details, e) Initial Cost Estimate, submitted to Department
Feb 2015	Budget Approval for €4,774,230 granted by Department and approval to proceed to advertise for the services of an Architect Led Design Team. A definitive Design Brief was developed and incorporated into the Request for Tender.
March 2015	Request for tender for Architect Led design Team published on E-tenders and the OJEU.
June 2015	A revised Budget Approval in the sum of €4,836,265 granted by Department and approval to the appointment of the Architect Design Team, which were appointed in July 2015.
December 2015	Submission of Cost Plan and revised budget figures to Department seeking approval to proceed to tender
March 2016	Revised Budget Approval for €5,358,529 granted by Department and approval to proceed to tender for the construction contract
June 2016	Closing Date for the submission of Tenders
July 2016	Submission to the Department for Stage 4 Approval including a Report on Tenders prepared by the Quantity Surveyors and an updated Scheme Cost Details.



July 2016

Stage 4 approval to proceed to appoint successful tenderer granted by Department and revised all-in budget cost of €4,740,360.

September 2016

Appointment of successful tenderer as Project Supervisor Construction Stage for the project

October 2016

Site formally handed over to successful tenderer from 1st October 2016 and start of construction phase (18 month contract)

Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the Conniberry Way, Social Housing Scheme, Portlaoise.

Project/Programme Key Documents	
Title	Details
Original Business Case (2014)	Project Appraisal prepared and submitted to the Department in December 2014
Stage-1 Approval Letter (May 2015)	Approval for Design Expenditure granted by Department. Procure an Architect Design Team and undertake a detailed design
Chief Executive's Order No. 401/2015 dated 22/07/2015	Appointment of Architect Led Design Team and submission of detailed design and costs in the form of a Quantity Surveyor cost plan to Department
Application for Stage-3 Approval (Dec 2015)	A Revised Cost Plan and Cost Plan analysis submitted to Department for Approval
Stage-3 Approval (March 2016)	Detailed design approved by the Department and approval of the pre-tender cost estimate
Application for Stage 4 Approval (July 2016)	Application submitted in respect of All-In cost details to Department
Stage-4 Approval (July 2016)	Approval of the recommended tender and all-in cost granted by the Department
Appointment of successful tenderer to the contract (September 2016)	Letter of acceptance of tender and appointment as Project Supervisor Construction Stage to the project.

Key Document 1: Original Business Case (2014)

A Project Appraisal for the proposed development was prepared and submitted to the Department in December 2014. The document includes a preamble which outlined previous efforts to construct a scheme from when the site was purchased in 2005 onwards. However, the scheme did not proceed during this period due to lack of funding following the economic downturn in 2008. The appraisal included details on the following:

1. An Analysis of Housing Need – This was provided by the Senior Executive Officer, Housing Department. It outlined that there were 1,225 approved applicants on the Housing List with a preference for Portlaoise, and that there were a number of existing tenants who applied for a transfer to the Portlaoise area. The analysis went on to state that the need existed for the units and they would be tenanted in accordance with the Council's allocation scheme.
2. Design Brief – The Design Brief included details on the Proposed Tenure Mix, the density of the development, dwelling types, and the scheme layout details.
3. Site Selection – The Site Selection section outlined details on the site location in relation to major facilities and amenities in the town.
4. Project Management/Project Delivery – This section dealt with the need to appoint a new design team to the project who would be tasked with taking the design through to Tender, Tender Report & Recommendation and then to construction stage. It also nominated three members of staff who would be assigned to the delivery of the project.
5. Initial Cost Estimate – An initial cost estimate of €4,832,190 was included on Form SHIP 01.

The project appraisal document included all of the required information as set out in the Capital Works Management Framework and complies substantially with the requirements of the Public Spending Code.

Key Document 2: Stage 1-Approval Letter (May 2015)

Stage 1- Approval: An Approval-in-principle Letter was received from the Department in May 2015 for a budget of €4,774,230 and approval to proceed to advertise for the services of an Architect Led Design Team.

The approval outlined that projects must be submitted to the Department at 4 critical stages for evaluation and approval:

- ✓ **Stage 1:** Confirm approval for design expenditure
- ✓ **Stage 2:** Assess project prior to statutory approval
- ✓ **Stage 3:** Approve detailed design; review pre-tender cost check
- ✓ **Stage 4:** Review tender returns in advance of awarding the contract

The approval-in-principle also stated that no contract should be signed or construction commence without completing each of the required stages and obtaining the prior approval of

the Department at each stage. The letter stated that it served as Stage-1 approval and that the Council should proceed with the scheme.

Key Document 3: Chief Executive Order No. 401/2015 dated 22/07/2015

As previously outlined, this scheme was originally proposed in 2007 and Part VIII planning permission had been obtained in 2008. Also, a significant amount of work on the design brief had previously been carried out to 2008. As such it was not necessary for the Council to obtain formal Stage 2 approval under the process as much of the necessary information and requirements had already been completed and agreed with the Department. Having obtained Stage1 Approval, the Council prepared a definitive Design Brief which was developed and incorporated into the Request for Tender for the procurement of an Architect Led Design Team. In March 2015, the Request for Tender was advertised on E-Tenders and on the OJEU. Approval for the appointment of the Architect Led Design Team was granted in June 2015 and the successful tenderer was appointed in July 2015 by Chief Executive Order No. 401/2015 dated 22/07/2015.

Key Document 4: Application for Stage-3 Approval (December 2015)

Form SHIP 02 (All-in-Cost details – Planning Stage), Form SHIP 04 (Cost plan Analysis), a set of tender drawings and a break- down of the site costs were submitted to the Department in December 2015 in respect of application for Stage-3 Approval. The Cost plan was submitted by the Architect Led Design Team for the project and set out the main costs for the completion of the project. The application fulfilled all the requirements for information that the Department would require to assess the application for Stage-3 Approval, and is in compliance with the Capital Works Management Framework requirements to obtain Stage-3 Approval.

Key Document 5: Stage-3 Approval (March 2016)

Stage-3 Approval: An Approval-in-principle Letter was received from the Department in March 2016. A revised budget approval in the amount of €5,358,529 was approved on the Form HCA6 (Scheme Budget Cost Approval Notification). The approval stated that it was now in order to proceed with tendering the project subject to the Council's compliance with public procurement tendering procedures and confirmation/adherence on a number of conditions requested by the Department's Architectural Advisor/Quantity Surveyor.

Key Document 6: Application for Stage-4 Approval (July 2016)

Following receipt of Stage-3 approval, the tender documents were finalised and advertised on e-tenders for a four week tender process. A tender report was then prepared by the Quantity Surveyor. In letter dated July 20th 2016 the Council applied for Stage-4 Approval to appoint contractors by submitting the Report on Tenders which had been prepared by the Quantity Surveyors, and an updated Scheme Cost details on Form SHIP 03. This is in compliance with the Capital Works Management Framework requirements to obtain Stage-4 Approval.

Key Document 7: Stage-4 Approval (July 2016)

Stage-4 Approval: Stage-4 Approval was received from the Department in July 2016. A recommended all-in budget approval in the amount of €4,740,360 was approved on Form HCA6 (Scheme Budget Cost Approval Notification). The approval stated that the Department had no objection to the acceptance of the recommended tender for construction.

Key Document 8: Appointment of successful tenderer as Project Supervisor Construction Stage (Main Contractor) to the project.

The successful tenderer was appointed as Project Supervisor Construction Stage in letter dated 23/09/2016. This letter confirmed the contract was formed by acceptance of the tender and included:

- The letter of acceptance
- The Agreement
- The conditions of Public Works Contract for Minor Building and Civil Engineering Works designed by the Employer
- The tender and schedule

The agreed contract sum for construction only was €3,715,074.92 excluding VAT.

Section B - Step 4: Data Audit

The following section details the data audit that was carried out for the Conniberry Way, Social Housing Scheme, Portlaoise. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
Contract documents	Assess level of compliance with successful tender	Available from files
Overall Level of Project Expenditure	Measure Programme Inputs	Available from files and Agresso Financial Management System
Break-down of Costs of the project expenditure	For comparison purposes with future schemes	Available from files and Agresso Financial Management System
Average Cost of each housing unit provided	For comparison purposes with future schemes	Available from files and Agresso Financial Management System
No. of families/housing applicants accommodated	Reduce Council Housing Waiting List	Available from files

Data Availability and Proposed Next Steps

Most of the appropriate data for the future evaluation of the project/programme will be available when required. A full break-down of the costs and expenditures can be obtained from the Agresso Financial Management System and any other required information will be on file. A full post-project review will be carried out when construction is finished and the houses occupied. The post – project review should detail the total number of families and individuals housed as a result of this project and the corresponding reduction in the Council’s Housing Waiting List.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for Conniberry Way, Social Housing Scheme based on the findings from the previous sections of this report.

Does the delivery of the project/programme comply with the standards set out in the Public Spending Code? (Appraisal Stage, Implementation Stage and Post-Implementation Stage)

This in-depth check has shown that the project complies substantially with the standards set out in the Public Spending Code. The Government’s Housing Policy Document “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’. In “Social Housing Design, Approval and Delivery: Process and Procedures Review” published in February 2017 the Department of Housing, Planning, Community & Local Government in consultation with the City & County Management Association (CCMA) streamlined the 9-Stage Approval Process, as set down in the Capital Works Management Framework, down to 4 approval stages:

- ✓ **Stage 1** *Capital Appraisal*: 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.

“Social Housing Design, Approval and Delivery: Process and Procedures Review” published in February 2017 states that 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.

From an analysis of the approvals process in terms of the timelines, key milestones and documents of this project it is evident that the project is in substantial compliance with the standards set out in the Public Spending Code and indeed the Capital Works Management Framework. There is a clear audit trail on file of the required documentation and approvals for

each stage of the project. Site meetings are held on a monthly basis or more often if necessary and the agenda and minutes of these meetings are available for inspection. There is a clear audit trail of contractor's payments and each payment must be certified by the Architect and by Chief Executive Order prior to payment. Any changes or modification to the project require the approval of the Department and to date the project is on time and within budget.

A post-project evaluation will be carried out on completion of the scheme.

Is the necessary data and information available such that the project/programme can be subjected to a full evaluation at a later date?

There is sufficient data and information on file to ensure that the project can be subjected to a full evaluation at a later date. Necessary financial information can be obtained from the Agresso Financial Management System and Quantity Surveyors reports are available to back-up each contractor's payment. There is a clear audit trail on the file from the start to the signing of the contract document. The scheme has the benefit of having clear outcomes and benefits established from an early stage, i.e. 33 No. families will be housed when the scheme is completed. This makes the process of evaluation easier than where the outcomes are less certain. A full post project review should be carried out when the scheme is completed. The expected completion date of the scheme is March 2018. The scheme is ahead of schedule and on budget to date.

What improvements are recommended such that future processes and management are enhanced?

The processes and management of social housing construction projects are defined and set down in the Capital Works Management Framework. As previously stated the Capital Works Management Framework is a 9-Stage Approval Process for the proper management of all aspects of capital projects. The Government's Housing Policy Document "Rebuilding Ireland: An Action Plan for Housing and Homelessness set out the commitment to 'review the processes and procedures for approving and advancing housing construction projects'. In "Social Housing Design, Approval and Delivery: Process and Procedures Review" the Department of Housing, Planning, Community & Local Government in consultation with the City & County Management Association (CCMA) streamlined the 9-Stage Approval Process, as set down in the Capital Works Management Framework, down to 4 approval stages. It is the opinion of internal audit that the processes and stages as set down in the CWMF have been followed to a substantial degree in this project.

Departmental approval has been granted for each stage of the project and the budget was also approved by the Department. Contract documents, insurances and health and safety requirements are also on file. There is sufficient oversight arrangements in place with the Architect Led Design Team, a Clerk of Works overseeing the construction on the ground, and other Senior Engineering Staff working closely on the project. There are regular meetings held

between all parties to the contract and the budget and payments to contractors are closely monitored.

There are no recommendations to improve future processes and management of such projects at this time. It is essential, however, that staff continue to comply and follow the processes and management as set down in the SHIP circulars and the Capital Works Management Framework, to ensure that projects are delivered within budget and on time.

Section B - In-Depth Check Summary

The following section presents a summary of the findings of this In-Depth Check on the Conniberry Way, Social Housing Scheme, Portlaoise.

Summary of In-Depth Check

It is the opinion of Internal Audit that Laois County Council is in substantial compliance with the Public Spending Code in respect of the Conniberry Way, Social Housing Scheme, Portlaoise. The Council has followed the required process and procedures and ensured that Departmental approval is in place for each step of the process. There is a clear audit trail on file including:

- Project Appraisal
- Departmental Approvals at Stage-1, Stage-3 and Stage-4 of the process (Stage-2 Approval not required as outlined previously in this report)
- Procurement requirements for the appointment of the Architect Led Design Team and subsequently for the awarding of the Construction contract.
- Payments to contractors and their required certifications.
- Agendas and minutes of site meetings held.

The main objective of this project is the construction of 33 No. Housing Units to provide housing for 33 Homeless Families and reduce the Council's Housing Waiting List accordingly. To date, progress on the construction of the houses is ahead of schedule and the contract completion date of March 2018 is expected to be met comfortably. The contract is also currently within budget. The Council should be in the position to complete an overall post-project review during by mid 2018 and this will ensure full compliance with the Public Spending Code.

Section A: Introduction

This introductory section details the headline information on the programme or project in question.

Programme or Project Information	
Name	Public Lighting Contracts – Energy & Maintenance
Detail	Provision of Public Lighting including energy and maintenance contracts
Responsible Body	Laois County Council
Current Status	Expenditure Being Incurred
Start Date	Energy Supply : 1 st Nov 2015 Maintenance Contract : 1 st Sept 2013
End Date	Energy Supply : 31 st Oct 2018 Maintenance Contract : 31 st Aug 2017
Overall Cost	€1.2 million (Budget 2017)

Project Description

Introduction

Since the Public Health Act 1878, the Council is entrusted with the Statutory authority for the provision of public lighting. The Electricity Supply Board (ESB) has historically acted as the sole service provider to Local Authorities for the erection, maintenance and energy supply of public lights throughout the county. Almost 89% of all energy requirements was categorised as Unmetered Supply (UMS) in 2016. The Unmetered Supply Market was opened up to competition from 19th July 2005 following a decision of the Commission for Energy Regulation (CER). This allowed the Council to proceed to tender for both its public lighting energy requirements and the maintenance of network and non-network poles. Since September 2009 the Council has tendered and changed supplier for its energy requirements while the maintenance contract has been tendered out since January 2011.

Background

Energy Supply Contract

The Energy Supply Contract has been tendered out since September 2009 under various procurement framework competitions held under the National Procurement Services (NPS) Energy Tender for Public Lighting. The initial successful tender was supplied by Energia at an 11% discount on ESB rates. This resulted in almost €50,000 savings in 2010 for energy bills out of a total energy bill of approximately €500,000. The contract was then put out to tender annually until the current energy supply contract was put in place through a framework agreement from 1st November 2015 to 31st October 2018.

Public Lighting Maintenance Contract

Originally, the maintenance contract was divided into two areas:

- Network Poles
- Non-Network Poles

1. Network Poles were owned by ESB Networks and the lights and energy supply provided by the Council. In 2009, there were 2,200 lights on network poles.

2. Non-Network Poles were owned by the Council. There were 5,000 lights on non-network poles.

Up to the end of 2008, the ESB maintained all public lights based on a fixed price contract for the patrolling, repair and replacement of defective units plus the cost of materials employed which had an average cost of €60 per light per year. The contract was deemed to be poor value for money and the Council had no control over the process. ESB contracts then sold the business to Airtricity Utility Solutions in November 2009. This led to Airtricity Utility Solutions maintaining the 2,200 public lights on network poles only, and the Council entered into separate contracts for the 5,000 public lights on non-network poles.

In order to be in a position to tender for maintenance contracts on network poles owned by ESB Networks, the Council had to comply with ESB requirements for works on Public Lighting. The ESB set out its requirements for training, competence, qualifications and monitoring and auditing of contractors employed by Local Authorities to maintain the ESB Network lights. The ESB also clearly set out the roles and responsibilities of the 3 parties to the contract, i.e. ESB, Local Authorities and Public Lighting Contractors appointed by Local Authorities, with regard to

Health and Safety Requirements and the provisions contained in Construction Regulations. As part of this process each Local Authority was required to appoint a "Responsible Manager" (RM) and an "Authorising Officer" (AO) with the following functions:

Responsible Manager (RM): The person employed by a Local Authority having managerial responsibility for installation and/or maintenance of public lighting activities, to issue public lighting safety approvals, and to appoint Public Lighting contractors to work on Public Lighting assets owned by the Local Authority.

Authorising Officer (AO): A person appointed by the Local Authority to assess the competency of individuals nominated for appointment as Public Lighting contractors and with responsibility to make recommendations for authorisation by the Responsible Manager.

By 2011 the Council was in the position of tendering out for maintenance of all public lighting excluding the 2,200 lights on ESB Network Poles, with the main provision being that the Council would only pay for works actually carried out on lights and a five day fix period after which penalty clauses would kick in.

The result of these changes was that the maintenance cost of €60 per light per year in 2008 was reduced to €26 per light per year by the end of 2011.

The current maintenance contract started from 1st September 2013 and could be extended annually for a maximum of another three years. The contract was extended for this period and expires on 31st August 2017. Tender documents are currently being prepared for the new procurement competition.

DeadSure Database

Subsequent to the deregulation of the Unmetered Supply in July 2005, Local Authorities were required to establish a database and inventory of public lighting by the end of 2009. Laois County Council completed the database/inventory in November 2008. The contractor appointed for the maintenance of public lighting is responsible for taking and logging complaints on the DeadSure database. Access to up-to-date information is available to the Council's Public lighting section and the Council can issue instructions to the contractor via the database.

The public lighting section of the Council carried out its own inventory of public lights in 2016 to confirm the accuracy of the records held on the DeadSure database and it was found to be in order.

Public Lighting National Roads

Another point of note is the significant expenditure incurred on Public Lighting on National Primary and Secondary Routes each year. For example, in 2016, €81,768 was incurred on National Primary Route lighting and €145,329 on National Secondary Route lighting.

No. of Public Lights and Total Expenditure incurred 2008 - 2016

Year	2009	2010	2011	2012	2013	2014	2015	2016
Unmetered	6002	7148	7148	6971	6654	6846	6969	7308
Metered	0	254	314	328	358	942	979	979
Total	6,002	7,402	7,462	7,299	7,012	7,788	7,948	8,287
Total Expenditure	917,464	737,721	956,605	1,113,628	1,046,454	1,184,704	1,185,820	1,146,835
Nat. Primary Route	(134,783)	(60,915)	(179,602)	(202,901)	(120,023)	(77,382)	(67,219)	(81,950)

Nat. Route	Secondary	(72,675)	(74,079)	(138,843)	(169,336)	(177,153)	(220,068)	(188,086)	(149,615)
Exp less Nat. Roads		710,006	602,727	638,160	741,391	749,278	887,254	930,515	915,270

Expenditure on public lighting on National Roads is fully recoupable from the National Roads Authority and these recoupments are up-to-date.

Conclusion

There is significant expenditure incurred on Public Lighting on an annual basis. The objectives of this in-depth review are to ascertain if the current Public Lighting Energy and Maintenance contracts were properly procured and thus represent the best value for money available to the Council. The number of public lights under the control of the Council is likely to increase year on year due to health and safety requirements for Roads and housing estates and due to the Taking-in- Charge of Housing Estates. It is essential that the contracts for both energy supply and maintenance requirements are flexible and that the rates and tariffs agreed under contract are the best available in the marketplace.

Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, LCC Internal Audit have completed a Programme Logic Model (PLM) for the **Public Lighting Contract**. A PLM is a standard evaluation tool and further information on their nature is available in the [Public Spending Code](#).

Objectives	Inputs	Activities	Outputs	Outcomes
To Provide Public Lighting on Local , Regional, National Roads and housing estates in County Laois	Budgeted expenditure for 2017 of almost €1.2mil	Provision of Energy Supply Contract Provision of public lighting maintenance contract services Recoupment of Expenditure on National Roads public lighting from the NRA	8,287 public lights maintained around County Laois in 2016	An increasing number of public lights provided each year for the past three years An improved level of service for Road Users and local communities where increased lighting is provided Ensure value for money is obtained by competitive tendering for energy supply and maintenance

Description of Programme Logic Model

- Objectives:** The objectives of the programme are to provide adequate public lighting on Local, Regional and National Roads, and housing Estates in County Laois. The number of public lights required may increase annually as more housing estates are taken in charge, or for health and safety reasons on local, regional or national routes. The provision of lights involves the civil works involved in providing the poles and lamps and the necessary energy supply.
- Inputs:** Budgeted expenditure of €1.2 million for 2017.
- Activities:** The Council must properly procure the energy supply for public lighting and also procure a maintenance contract for the upkeep of the poles, lamps and other associated services. The Council must also recoup expenditure on National Roads public lighting from the National Roads Authority.
- Outputs:** 8,287 public lights were provided and maintained across the County in 2016 and this number has increased year on year for the past three years.
- Outcomes:** An increased number of public lights was provided across the County in 2016 and this improves road safety and health and safety of citizens in general.

Section B Step 2: Summary Timeline of Project/Programme

The following section tracks the Public Lighting Contract from inception to conclusion in terms of major project/programme milestones

Tender for Supply of Maintenance & Associated Services

June 2013 Tender for the Supply of Maintenance & Associated Services for Public Lighting advertised on E-Tenders in conjunction with Offaly County Council

July 2013 Memo detailing tender assessment summary which compared the tenders on the basis of Price & Quality and recommending successful tender

July 2013 Memo appointing successful tenderer as PSDP and PSCS for the supply of Maintenance & Associated Services for Public Lighting (Contract for 1 year with provision to extend contract for a maximum of another 3 years)

August 2015 Letter to successful tenderer extending contract for period of 1 year from 1st September 2015 to 31st August 2016

September 2016 Letter to successful tenderer extending contract for period of 1 year from 1st September 2016 to 31st August 2017

May 2017 Tender requirements being drafted for new competition. Tender process to be completed by August 2017 with successful tenderer commencing from 1st September 2017

Tender for Energy Supply (Office for Government Procurement)

August 2015 Supplementary Request for Tenders relating to Unmetered & Domestic electricity supplies to the public sector issued through E-Tenders

October 2015 Evaluation and Supplementary Framework Contract for Unmetered supplies awarded to Energia

October 2015 Goods Contract signed by each Framework Client including Laois County Council and returned to OGP (3 year contract running from 1st November 2015 to 31st October 2018)

Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the Public Lighting Contracts.

Project/Programme Key Documents	
Title	Details
Energy Supply Contract	
Supplementary Request for Tenders for Unmetered And Domestic Electricity Supplies (August 2015)	Prepared by the Office for Government Procurement under the new Multi-Supplier Framework Agreement
Summary of Results for Tender Assessment (October 2015)	Prepared by Schneider Electric on behalf of the OGP
Goods Contract (October 2015)	Signed by Laois County Council and Energia for 3 year contract
Maintenance & Associated Works Contract	
Tender for the Supply of Maintenance & Associated Services for Public Lighting advertised on E-Tenders (June 2013)	Prepared in conjunction with Offaly County Council
Memo detailing tender assessment summary which compared the tenders on the basis of Price & Quality and recommending successful tender (July 2013)	Prepared by Laois County Council recommending successful tenderer
Memo appointing successful tenderer as PSDP and PSCS for the supply of Maintenance & Associated Services for Public Lighting (July 2013)	Prepared by Laois County Council to appoint successful tenderer as PSDP and PSCS for the contract (Contract for 1 year with provision to extend contract for a maximum of another 3 years)

Key Document 1: The Supplementary Request for Tenders for Unmetered And Domestic Electricity Supplies (August 2015) was prepared by the Office of Government Procurement and issued through E-Tenders. The competition was run under a Multi-Supplier Framework Agreement.

Key Document 2: The Summary of Results for Tender Assessment was published in October 2015. This document set out details of how the competition was run, the key criteria and costs on which the contract was awarded. It recommended the preferred tenderer on the basis of Lowest Priced Tenderer. It also set out the winning Tariff Rates submitted which would be in place for a three year period. The document contained all the required and necessary information to progress the contract award.

Key Document 3: Laois County Council signed a Goods Contract with Energia in October 2015 as part of the Multi-Supplier Framework Agreement. The Goods Contract contains a number of schedules which set out the details of the contract as follows:

- Overall terms and conditions of the contract
- The nature, quantity, time of delivery, key personnel and functional specifications of the contract
- The price and rates agreed under the contract
- The length of the contract and provisions for early termination of contract

The Goods Contract is a comprehensive agreement that covers all the required aspects for the provision of Energy Supply for public lighting.

Key Document 4: The Tender for the Supply of Maintenance & Associated Services for Public Lighting was advertised on E-Tenders in June 2013. Laois and Offaly Local Authorities prepared a joint tender for the provision of maintenance and associated works for public lighting for approximately 12,000 public lights throughout both counties (both counties would arrange separate contracts after the tender process was finalised).

The maintenance contract would initially operate for a period of one year from 1st September 2013 to 31st August 2014 and could be extended annually up to a further three years at the discretion of the contracting authorities subject to an annual review to ensure satisfactory compliance with the terms of the contract.

The tender set out all the terms and conditions of the contract that would have to be met by the successful tenderer such as:

- Contract hours with an on-call service outside of these hours
- Schedule of rates for minor works
- Definition of all public lights covered under the contract

The tender document was a comprehensive document that set out all the requirements for the provision of maintenance and associated works for public lighting to cover a possible four year period.

Key Document 5: A tender assessment summary was prepared in July 2013 that compared the tenders received on the basis of Price & Quality and recommended a successful tender. There were five tenders received and the successful tenderer was significantly more cost effective than the next available tenderer, approximately 30% lower cost. The tender assessment document set out all of the required details and clearly detailed the best available option open to the Council.

Key Document 6: An approval and letter appointing the successful tenderer as PSDP and PSCS for the supply of Maintenance & Associated Services for Public Lighting issued in July 2013 which effectively sealed the contract between both parties. The successful tenderer formally accepted their appointment as PSDP and PSCS at the time of the awarding of the contract.

Section B - Step 4: Data Audit

The following section details the data audit that was carried out for the Public Lighting Contracts. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
Overall level of expenditure incurred on an annual basis	Measure the inputs for public lighting annually	Available from the Agresso Financial Management System
Annual Inventory of Public Lights	Measure increases/decreases in public lighting to forecast budget requirements	Available from the DeadSure database
Average installation and maintenance cost per light per annum	Assess the value for money being achieved	Available from the Agresso Financial Management System and DeadSure database

Data Availability and Proposed Next Steps

The data requirements listed above are available from the Agresso Financial Management System and the DeadSure database as required.

This information can be used to monitor ongoing expenditure and to budget for future costs arising from proposals to increase the number of public lights each year.

This information can also help evaluate the performance of the maintenance contractor and the cost of energy supply, and this in turn can inform the procurement process for new contracts when the current contracts expire.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for Public Lighting Contracts based on the findings from the previous sections of this report.

Does the delivery of the project/programme comply with the standards set out in the Public Spending Code? (Appraisal Stage, Implementation Stage and Post-Implementation Stage)

This in-depth check has shown that the public lighting programme complies substantially with the standards set out in the Public Spending Code. The Council has a statutory responsibility to provide public lighting for local, regional and national roads, and for the towns and housing estates within its administrative area. The main components of providing this service are energy supply and the installation and maintenance of lamp poles and lights/lamps. Both of these areas have been procured properly and the current contracts in place represent the best value available at the time of the awarding of the contracts. There is ongoing monitoring of expenditure and the budget for public lighting is informed by the DeadSure Database and proposed requirements for new lights on an annual basis.

Is the necessary data and information available such that the project/programme can be subjected to a full evaluation at a later date?

The necessary data and information is available from the Agresso Financial Management System and the DeadSure database as required. This information can inform future decision making regarding the number of new lights that can be provided and the budget required each year. This information can also help evaluate the performance of the maintenance contractor and the cost of energy supply, and this in turn can inform the procurement process for new contracts i.e. any additional requirements, when the current contracts expire.

What improvements are recommended such that future processes and management are enhanced?

This in-depth check demonstrates that the Council is fulfilling its obligations under the Public Spending Code in respect of its Public Lighting Programme. The current maintenance contract expires on 31st August 2017 and the preparation of the new tender documents are underway. The energy supply contract does not expire until 31st October 2018 and the new procurement framework will also be carried out by the Office of Government Procurement.

The public lighting programme does require careful monitoring to balance the competing demands of providing additional lighting within available resource constraints. It is imperative that adequate consideration and planning is given to the process of identifying future public lighting requirements each year so that the budget can be accurately established and adhered to. This will involve proper engagement between the Finance, Planning and Roads Departments of the Council.

Section: In-Depth Check Summary

The following section presents a summary of the findings of this In-Depth Check on the Public Lighting Contracts.

Summary of In-Depth Check

It is the opinion of Internal Audit that Laois County Council is in substantial compliance with the Public Spending Code in respect of its responsibilities for the provision of its public lighting programme. The Council has followed the required procurement processes and procedures, and ensured that it has obtained the best value available in the awarding of its energy supply and maintenance contracts. It should be noted that the energy supply contract was procured under a national framework by the Office of Government Procurement, and the Council entered into a Goods Contract with the successful tenderer on foot of this process. There is a clear audit trail on file including back-up documentation for the procurement processes it undertook and the necessary approvals from Senior Management. With regard to the maintenance contract the Council undertook a regional procurement competition in conjunction with Offaly County Council in 2013 and the tender competition was posted on the E-tenders website. Both counties then signed separate contracts with the successful tenderer based on the results of the procurement competition. The maintenance contract is due to expire on 31st August 2017 and preparation of tender documents for a new maintenance contract is ongoing.

The main objective of the public lighting programme is to provide public lighting on local, regional, and national roads and in towns and villages throughout the county. Significant expenditure is incurred on the programme each year and the demands for public lighting increases year on year. It is essential that the Council achieves the best value for money available by balancing the needs for public lighting and the resources available. The current contracts for energy supply and maintenance reflect the best value available at the time of awarding the contracts. These contracts will be reviewed prior to the commencement of new procurement competitions for energy supply and maintenance. Any improvements identified or required will be incorporated into the new tender process.