



Cork City Council

Quality Assurance Report for 2017

To Be Submitted to the National Oversight Audit Committee in Compliance with
the Public Spending Code

National Oversight and Audit Commission,
NOAC Secretariat,

Custom
House,
Dublin 1.

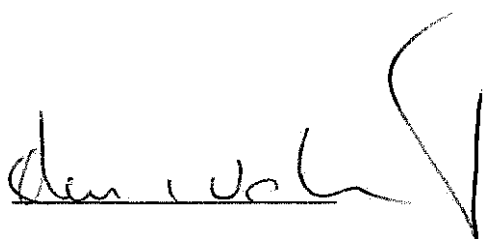
31" May 2017

Dear Sir/ Madam,

Re: Certification of Public Spending Code, Quality Assurance Report for Cork City Council 2017

This Quality Assurance Report reflects Cork City 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.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Anne Doherty', with a large, stylized flourish extending upwards and to the right.

Anne Doherty

Chief Executive, Cork City Council

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1. Introduction

Cork City Council has completed this Quality Assurance (QA) Report as part of its on-going compliance with the Public Spending Code (PSC).

The Quality Assurance procedure aims to gauge the extent to which Cork City Council is meeting the obligations set out in the Public Spending Code. The Public Spending Code ensures that the State achieves value for money in the use of all public funds.

The Quality Assurance Process contains five steps:

- 1. Drawing up Inventories of all projects/programmes at different stages of the Project Life Cycle** (appraisal, planning/design, implementation, post implementation). The three sections are expenditure being considered, expenditure being incurred and expenditure that has recently ended and the inventory includes all capital projects/programmes above €0.5m and all current expenditure as per the annual budget process above €0.5m.
- 2. Publish summary information on website of all procurements in excess of €10m, whether new, in progress or completed.**
- 3. Checklists to be completed in respect of the different stages.** These checklists allow the Council to self-assess their compliance with the code in respect of the checklists which are provided through the PSC document.
- 4. Carry out a more in-depth check on a small number of selected objects / programmes.** A number of projects or programmes are selected to be reviewed more intensively. This includes a review of all projects from ex-post to ex-ante.
- 5. Complete a short report for the Department of Public Expenditure and Reform** 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 proposals to remedy any discovered inadequacies.

This report fulfils the fifth requirement of the QA Process for Cork City Council for 2017. Certain projects and programmes included in the project inventory predate Circular 13/13 but were subject to prevailing guidance covering public expenditure prior to that, e.g. the Appraisal and Management of Capital Expenditure Guidelines 2005.

2. Expenditure Analysis

2.1 Inventory of Projects/Programmes

This section details the inventory drawn up by Cork City Council in accordance with the guidance on the Quality Assurance process. The inventory lists all of the Council's projects and programmes at various stages of the project life cycle which amount to more than €0.5m. This inventory is divided between current and capital projects and between three stages:

- A) Expenditure being considered
- B) Expenditure being incurred
- C) Expenditure that has recently ended

Details of the capital projects and revenue programmes included in the inventory for 2017 are set out in Appendix 1. Expenditure included under the Council's revenue programmes has been included in the same heading format as the 2017 adopted Budget approved by the Elected Members of the Council.

Summary of Project / Programme Inventory 2017

Programme Group	Expenditure being considered			Expenditure being incurred			Expenditure recently ended			Total € millions
	> €0.5m	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	
Housing & Building	€0.91m	€m	€85.76m	€45.92m	€m	€218.83m	€m	€m	€31.21m	€382.63m
Road Transportation and Safety	€0.78m	€m	€12m	€26.43m	€m	€22.45m	€m	€m	€1.4m	€63.06m
Water Services	€m	€m	€m	€9.47m	€m	€m	€m	€m	€m	€9.47m
Development Management	€1.47m	€m	€m	€11.50m	€m	€4.20m	€m	€m	€2.03m	€19.20m
Environmental Services	€m	€m	€m	€31.32m	€m	€8.35m	€m	€m	€10.02m	€49.69m
Recreation and Amenity	€m	€m	€1.12m	€24.41m	€m	€7.07m	€m	€m	€m	€32.60m
Miscellaneous Services	€m	€m	€m	€m	€m	€0.5m	€m	€m	€m	€0.50m
Total	€3.16m	€m	€98.88m	€149.05m	€0.00m	€261.4m	€0.00m	€0.00m	€44.66m	€557.15m
No of Projects / Programmes	3	0	14	40	0	55	0	0	13	125

2.2 Published Summary of Procurements

As part of the Quality Assurance process Cork City Council has published summary information on our website of all procurements in excess of €10m. Listed below is the link to this publication page and an illustration of its location. Two procurements over this value has been undertaken in prior years which still remains valid although no contract has been awarded to date under either. While other projects have a capital value of greater than €10 million no individual procurement has exceeded this amount.

Link to Procurement Publications:

<http://www.corkcity.ie/services/finance/procurementover10million/>

3. Assessment of Compliance

3.1 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 each of the Directorates and Departments within Cork City 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 Grant Schemes Being Considered

Checklist 3: 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 Completed

Check that this has not changed in 2017

- (a) In addition to the self-assessed scoring, the majority of answers are accompanied by explanatory comments. Each question in the checklist is judged using the following scoring mechanism:
- I. Scope for significant improvements = a score of 1
 - II. Compliant but with some improvement necessary = a score of 2
 - III. Broadly compliant = a score of 3

Cork City Council

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	Procedures for obtaining a Capital Budget mirror the PSC
1.2 Has training on the Public Spending Code been provided to relevant staff within the authority?	3	Yes
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	Yes
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?	N/A	
1.5 Have recommendations from previous QA reports (incl. spot checks) been disseminated, where appropriate, within the local authority and to agencies?	3	Yes
1.6 Have recommendations from previous QA reports been acted upon?	2	Recommendations applied to new projects but not retrospectively
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
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.	2	Process is in place. Effectiveness of post project evaluations being hampered due to staff turnover.
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?	1	No post project reviews completed by year end.
1.11 Is there a process to follow up on the recommendations of previous evaluations/Post project reviews?	2	Recommendations from previous in-depth checks are recorded and tracked.
1.12 How have the recommendations of previous evaluations / post project reviews informed resource allocation decisions?	2	Resource allocation decisions have been informed formally

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	Yes
2.2 Was an appropriate appraisal method used in respect of capital projects or capital programmes/grant schemes?	3	Some projects in the inventory were still in the early stages of appraisal
2.3 Was a CBA/CEA completed for all projects exceeding €20m?	3	Yes
2.4 Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision)	3	Yes. Budget allocation process is dependent on completion of appraisal process
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	Yes
2.6 If a CBA/CEA was required was it submitted to the relevant Department for their views?	3	Yes
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?	3	Broadly compliant. Delays in seeking fresh approvals
2.9 Was approval granted to proceed to tender?	3	Yes
2.10 Were procurement rules complied with?	3	Yes
2.11 Were State Aid rules checked for all supports?	3	Yes where relevant
2.12 Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?	3	Yes
2.13 Were performance indicators specified for each project/programme that will allow for a robust evaluation at a later date?	3	Compliant but some improvements necessary
2.14 Have steps been put in place to gather performance indicator data?	2	Priority not always given to set requirements for data gathering

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	Set out in the Service Delivery Plan & Budget Process
3.2 Are objectives measurable in quantitative terms?	3	Service Level Indicators in Place
3.3 Was a business case, incorporating financial and economic appraisal, prepared for new current expenditure?	3	Considered as part of Statutory Budgetary Process
3.4 Was an appropriate appraisal method used?	3	Appraised versus competing priorities in Budgetary Process
3.5 Was an economic appraisal completed for all projects exceeding €20m or an annual spend of €5m over 4 years?	N/A	
3.6 Did the business case include a section on piloting?	N/A	
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?	N/A	
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?	N/A	
3.11 Was the required approval granted?	Yes	Under Annual Budget Process
3.12 Has a sunset clause (as defined in section B06, 4.2 of the Public Spending Code) been set?	N/A	
3.13 If outsourcing was involved were procurement rules complied with?	N/A	
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	Expansion of existing expenditure has been relatively minor
3.15 Have steps been put in place to gather performance indicator data?	3	Under existing Service Level Indicators

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?	3	Yes
4.3 Were programme co-ordinators appointed to co-ordinate implementation?	3	Yes appointments made appropriate to size of programme
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 project managers were appointed appropriate to scale of project
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	Scope Changes & contractual issues resulted in time/financial implications
4.7 Did budgets have to be adjusted?	2	In certain cases
4.8 Were decisions on changes to budgets / time schedules made promptly?	3	Yes
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.)	3	Yes
4.10 If circumstances did warrant questioning the viability of a project/programme/grant scheme, was the project subjected to adequate examination?	3	Yes
4.11 If costs increased was approval received from the Sanctioning Authority?	3	Yes approval sought but still outstanding in 1 case
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?	3	No

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	Yes. Spending Programme Defined as part of the Annual Budget process
5.2 Are outputs well defined?	2	National KPIs are in place for Local Government
5.3 Are outputs quantified on a regular basis?	2	Service Level Indicators (KPIs) are established each year for specific services
5.4 Is there a method for monitoring efficiency on an on-going basis?	2	Annual reporting on Service Level indicators
5.5 Are outcomes well defined?	2	Well defined for certain Programmes, more subjective for others
5.6 Are outcomes quantified on a regular basis?	2	Yes for major Programmes
5.7 Are unit costings compiled for performance monitoring?	2	For certain services
5.8 Are other data compiled to monitor performance?	2	Yes for internal reporting purposes
5.9 Is there a method for monitoring effectiveness on an on-going basis?	1	Only for certain programmes
5.10 Has the organisation engaged in any other 'evaluation proofing' ¹ of programmes/projects?	1	Limited

¹ Evaluation proofing involves checking to see if the required data is being collected so that when the time comes a programme/project can be subjected to a robust evaluation. If the data is not being collected, then a plan should be put in place to collect the appropriate indicators to allow for the completion of a robust evaluation down the line.

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?	1	No post project reviews completed by year end.
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	Yes
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?	2	
6.6 Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority? (Or other relevant bodies)	2	
6.7 Were changes made to practices in light of lessons learned from post-project reviews?	2	
6.8 Were project reviews carried out by staffing resources independent of project implementation?	1	Generally no

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?	N/A	No such programmes in 2017
7.2 Did those reviews reach conclusions on whether the programmes were efficient?	N/A	No such programmes in 2017
7.3 Did those reviews reach conclusions on whether the programmes were effective?	N/A	No such programmes in 2017
7.4 Have the conclusions reached been taken into account in related areas of expenditure?	N/A	No such programmes in 2017
7.5 Were any programmes discontinued following a review of a current expenditure programme?	N/A	No such programmes in 2017
7.6 Were reviews carried out by staffing resources independent of project implementation?	N/A	No such programmes in 2017
7.7 Were changes made to the organisation’s practices in light of lessons learned from reviews?	N/A	No such programmes in 2017

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.

3.2 Main Issues Arising from Checklist Assessment

The completed checklists show the extent to which Cork City Council believes that it complies with the Public Spending Code. They show the result of a self assessment exercise completed by the project owners within the various Directorates and Departments of the Council. Overall, the checklists show a good level of compliance with the Code.

Checklists 1, 2,4,6 shows that Cork City Council is broadly meeting the requirements of the code and Quality Assurance reporting. During 2017 external training has been provided to the Council staff on the Public Spending Code and how it must be applied. The key area where the Council requires improvement is in relation to carrying out formal post project review and disseminating this information across the organisation. Efforts to improve in this area have been hampered in more recent times particular by the high level of staff leaving the organisation.

Current Expenditure programmes covered under checklist 3, 5 and 7 are generally covered by the Statutory Budget process which require the approval of the elected members of the Council.

3.3 In-Depth Checks

The Council's Internal Audit function carried out the in-depth checks required under Step 4 of the Quality Assurance process. For 2017 three projects / programmes were selected, one from a Current Expenditure programme with Expenditure being Incurred, one Capital Project also under Expenditure Being Incurred and one Capital Project recently ended on the Project Inventory. The In-Depth Checks included covering a total of 4% of overall project/ programme costs. Details of the checks are as follows:

In-Depth Checks 2017	€ millions
Revenue Programme – Expenditure being Incurred	
Rental Accommodation Scheme	€9.78m
Total Value of Revenue Programme In-depth Reviews	€9.78m
Total Revenue Programme Inventory 2017	€152.51m
% Reviewed	6%
Capital Project – Expenditure Being Incurred	
Housing Acquisition – Bishopsgrrove Project	€2.21m
Capital Project – Recently ended	
Housing Acquisition – Sheridan Park	€7.70m
Total Value of Capital Projects In-depth Reviews	€9.91m
Total Capital Project Inventory 2017	€404.94m
% Reviewed	2%
2017 Overall % Reviewed	4%
2016 Overall % Reviewed	1%
2015 Overall % Reviewed	17%
Three year average % Reviewed	7%

Current Expenditure Programme - Expenditure being Incurred Programme Selected:

Rental Accommodation Scheme (RAS)

for the purpose of the in-depth checks requirement, Internal Audit chose a sample of one current expenditure programme representing 6% of overall current expenditure being incurred.

Overall, the current expenditure programme under review Rental Accommodation Scheme is managed appropriately and it is reasonable to conclude that Cork City Council is generally compliance with the Public Spending Code. The in-depth check has demonstrated that the broad principles of the public spending code guidelines for on-going management of current expenditure were adhered to. There was evidence of financial and operational monitoring against targets, expectations and budgets by the RAS unit however there is room for improved management information, and greater monitoring of arrears. While Internal Audit are satisfied that the current expenditure programme under review is suitably managed, a number of observations were made with regards to Cork City Council's practices and methodologies for evaluating, monitoring and assessing current expenditure. A summary of salient recommendations are as follows; there should be a continued greater analysis of local property markets and the potential impact of this on average rents and allocations under RAS, this information should be made readily available for management consideration. Consideration should be given to understand the systems capability to provide relevant information and to become less dependent on spreadsheets. Finally, potential arrear checks should be carried out with greater regularity to ensure that the tenant is paying their rent on time.

Capital Expenditure Projects Selected:

Bishopsgrove Project 2017 Development (Expenditure being incurred)

Sheridan Park (Expenditure recently ended)

for the purpose of the in-depth checks requirement, Internal Audit chose a sample of two capital expenditure programme representing 2.5% of overall capital expenditure being incurred.

The in-depth check of the acquisition of **Bishopsgrove** Project revealed that the principles and ethos of the Public Spending Code were broadly adhered to throughout all stages of the acquisition. Housing Capital followed the required appraisal stage through the Bishopsgrove Project 2017 Development Strategy, proposal memos and early communication with the Department of Housing, Planning and Local Government. To facilitate public procurement obligations, the Council sought proposals for the acquisition of social housing for its Social Housing Programme 2015 – 2017 in the national newspaper media. This proposal is as a result of this advertisement. Housing Capital unit have demonstrated an appreciation of value for money obligations resulting in a negotiated purchase price under market value.

While Internal Audit are satisfied that the acquisition of the properties were managed appropriately and provided value for money, there are a number of areas that may enhance future practices. Formal monitoring of timescales should be documented and kept on file to ensure that acquisitions are executed without delay. Finally to ensure that the project fully fulfils its obligations under the

Public Spending Code, Internal Audit recommends that a post-project review should be completed in the near future.

Overall, the capital expenditure project recently ended under review – acquisition of Sheridan Park was well managed and it is reasonable to conclude that Cork City Council's is in compliance with the Public Spending Code. Housing Capital followed the required appraisal stage through proposal memos and early communication with the Department of Housing, Planning and Local Government. To facilitate public procurement obligations, the Council sought proposals for the acquisition of social housing for its Social Housing Programme 2015 – 2017 in the national newspaper media. This proposal is as a result of this advertisement. Housing Capital unit has demonstrated an appreciation of value for money obligations resulting in a negotiated purchase price under market value.

While Internal Audit are satisfied that the acquisition of the properties were managed appropriately and provided value for money, there are a number of areas that may enhance future practices. Local procurement policy should be followed to ensure that third party consultants are engaged in line with national guidelines. Project briefs and appraisals could be strengthened by including stronger justification for projects and analysis of alternative options. Finally to ensure that the project fully fulfils its obligations under the Public Spending Code, Internal Audit recommends that a post-project review should be completed within a reasonable timeframe.

4. Next Steps: Quality Assurance Process

Cork City Council has operated in broad compliance with the requirements of the Public Spending Code in 2017, borne out by the checklists completed by the project owners and the in-depth reviews carried out by Internal Audit. Lessons learned over the last number of years show that ongoing communication of the requirements of the public spending code is key to both maintaining this level and making the improvements necessary. The experience gained by staff in completing this quality assurance process and ongoing capital budget controls all support the keeping of PSC requirements in the day to day priorities of Council staff.

A new division is currently being set up to manage Capital / Infrastructural projects which will take on responsibility of the delivery of the Capital Programme in the area of roads and transportation. The establishment of this centralised unit will further assists with embedding best practice in project management, implementing the requirements of the PSC and support corporate learning from past experiences.

5. Conclusion

The inventory outlined in this report lists the capital expenditure that is being considered, being incurred, and that has recently ended. Cork City Council has published details of all procurements in excess of €10 million on its website. The checklists completed by the organisation show a satisfactory level of compliance with the Public Spending Code. The in-depth checks carried out on a selection of programmes revealed no major issues which would cast doubt on the Council's compliance with the Code. However the Quality Assurance Process has identified areas where the Council can improve both at a broad level in implementing the Code and in specific areas across all three expenditure categories.

Appendix 1

Inventory of Projects and Programmes above €0.5m

Local Authority	Expenditure being considered					Expenditure being incurred			Expenditure recently ended		
	Current > €0.5m	Capital Grant Schemes > €0.5m	Capital Projects			> €0.5m			> €0.5m		
						Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects
			€0.5 - €5m	€5 - €20m	€20m plus						
Cork City Council											
CORK CITY COUNCIL											
Housing & Building											
CNWR SOCIAL & COMMUNITY								€0.90m			
CNWR CORK NORTH WEST REGENERATION PROJECT								€12.49m			
CNWR PHASE 1A DESIGN								€3.94m			
CNWR PHASE 1B DEVT. (PROJECT 4-7)								€6.1m			
CNWR PH. 2A (DECANT/ENABLING)								€1.02m			
CNWQR PH 2A DESIGN & CONSTRUCT								€10.21m			
CNWQR PH 2B DECANT & ENABLING								€1.73m			
PHASE 1C								€6.26m			
PHASE 1D			€3.20m								
PHASE 2C (previously PHASE 1E)								€6.87m			
PHASE 3B			€4.19m								
PHASE 3C			€3.14m								
PHASE 3D			€1.59m								
5 UNITS ARD AOIBHINN BANDUFF								€1.27m			
30 UNITS ARUS MHUIRE BLACKROCK								€7.73m			
32 UNITS BARRACK STREET								€8.76m			
43 UNITS CHURCH ROAD BLACKROCK								€11.98m			
10 UNITS HIGH STREET								€2.41m			
4 UNITS TRAMORE ROAD								€1.10m			
46 UNITS WHITE STREET								€11.96m			
16 UNITS WOOD STREET								€4.45m			
OLD WHITECHURCH RD INFRASTRUCTURE								€9.87m			
25 UNITS BLARNEY STREET								€0.50m			

Local Authority	Expenditure being considered					Expenditure being incurred			Expenditure recently ended		
	Current > €0.5m	Capital				Current Expenditure	> €0.5m		Current Expenditure	> €0.5m	
		Capital Grant Schemes > €0.5m	Capital Projects				Capital Grant Schemes	Capital Projects		Capital Grant Schemes	Capital Projects
Cork City Council		€0.5 - €5m	€5 - €20m	€20m plus							
REFURB DEANROCK-TOGHER							€1.18m				
DEANROCK CONSTRUCTION							€15.8m				
5/6 SHANDON STREET							€0.92m				
3 INFILL UNITS CHURCHFIELD PL							€0.53m				
50 UNITS BOYCES STREET							€11.50m				
67/68 ST. JOHN'S WELL							€1.24m				
40 UNITS GERALD GRIFFIN ST							€10.75m				
SOCIAL HOUSING ACQUISITIONS							€38.82m				
PROJECTS TO BE DEVELOPED UNDER THE Social Housing Strategy					€65.0m						
HOUSING ADAPTATION GRANTS							€3.14m				
CAPITLA ASSISTANCE SCHEME TO AHBs							€4.33m				
FABRIC UPGRADE										€5.80m	
TURNKEY SHERIDAN PARK										€7.70m	
BISHOPSGROVE							€2.21m				
VOID RECOVERY PROGRAMME 2017							€2.73m				
VOID RECOVERY PROGRAMME 2018			€1.00m								
TURNKEY 1-4 MARBLE LANE										€1.08m	
DEEP ENERGY RETROFIT - APTS							€6.16m				
BEC SCHEME 2017 (FUP2)										€0.50m	
HOUSE PURCH 1-3 SHERIDAN COURT				€7.00m							
28/29 DUBLIN STREET							€0.78m				
SPRING LANE UPGRADE WORKS							€0.64m				
27 WASHINGTON ST& 5/6 JAMES ST										€0.61m	
REVOLVING FUND VACANT HSE. REP							€0.62m				
HOUSING VOIDS PROGRAMME 2015										€8.75m	
BLACKPOOL VILLAGE GREEN LANE										€0.93m	

Local Authority	Expenditure being considered					Expenditure being incurred			Expenditure recently ended		
	Current > €0.5m	Capital Grant Schemes > €0.5m	Capital Projects			Current Expenditure	> €0.5m Capital Grant Schemes	Capital Projects	Current Expenditure	> €0.5m	
			€0.5 - €5m	€5 - €20m	€20m plus					Capital Grant Schemes	Capital Projects
Cork City Council								€6.00m			
HOUSING VOIDS PROGRAMME 2016											
ARD BHAILE GLENAMOY LAWN ENERG											€0.80m
5 UNITS FARRANREE								€1.22m			
3 UNITS CORCORANS QUAY								€0.71m			
VOIDS PROGRAMME 2017											€5.04m
ST. MARY'S HOSPITAL LINK ROAD			€0.64m								
A01 MAINT/IMP LA HOUSING UNITS						€15.92m					
A02 HOUSING ASSESS, ALLOC & TRANSFER						€0.81m					
A03 HOUSING RENT & TENANT PURC ADM						€0.87m					
A04 HOUSING COMM DEVELOP SUPPORT						€5.84m					
A05 ADMIN OF HOMELESS SERVICE	€0.91m					€7.14m					
A06 SUPPORT TO HOUSING CAPITAL PRO						€2.27m					
A07 RAS PROGRAMME						€9.78m					
A08 HOUSING LOANS						€1.02m					
A09 HOUSING GRANTS						€2.27m					
TOTAL HOUSING & BUILDING	€0.91m	€0.00m	€13.76m	€7.00m	€65.00m	€45.92m	€0.00m	€218.33m	€0.00m	€0.00m	€31.21m
Road Transportation and Safety											
Curraheen Bridge											€1.4m
McCurtain St Public Transport Improvements			€4.5m								
City Centre Public Transport Improvements								€4.8m			
Harley Street Bridge								€5.2m			
Blackrock Harbour Remediation								€2.2m			
Barrack St Renewal Phase II								€1.3m			
Kent Station to City Centre Phase 2								€3.2m			
Ballyvolane to City Centre Cycle								€1.65m			
Skehard Rd-Church Rd Junction								€3.4m			

Local Authority	Expenditure being considered					Expenditure being incurred			Expenditure recently ended		
	Current > €0.5m	Capital Grant Schemes > €0.5m	Capital Projects			Current Expenditure	> €0.5m Capital Grant Schemes	Capital Projects	Current Expenditure	> €0.5m Capital Grant Schemes	Capital Projects
			€0.5 - €5m	€5 - €20m	€20m plus						
Cork City Council								€0.7m			
Mahon Point Bus Gate & Walkway											
Bessboro Rd Junction to St.Michaels Drive			€3.8m								
Boreenmanna Rd to Churchyard Lane			€1.6m								
Car Parks			€2.1m								
B01 NP ROAD - MAINTENANCE & IMPROVEMENT						€0.67m					
B03 REGIONAL ROAD - MAIN&IMPROVE						€0.85m					
B04 LOCAL ROAD - MAIN&IMPROVE	€0.78m					€9.61m					
B05 PUBLIC LIGHTING						€2.66m					
B06 TRAFFIC MANAGEMENT IMPROVE						€5.47m					
B08 ROAD SAFETY PROMO/EDUCATION						€0.88m					
B09 CAR PARKING						€4.96m					
B10 SUPPORT TO ROADS CAPITAL PROG						€1.33m					
TOTAL Road Transportation and Safety	€0.78m	€0.0m	€6.6m	€0.00m	€0.00m	€26.43m	€0.00m	€22.45m	€0.00m	€0.00m	€1.40m
Water Services											
C01 WATER SUPPLY						€6.25m					
C02 WASTE WATER TREATMENT						€3.22m					
TOTAL WATER SERVICES	€0.00m	€0.00m	€0.00m	€0.00m	€0.00m	€9.47m	€0.00m	€0.00m	€0.00m	€0.00m	€0.00m
Development Management											
UNESCO CONFERENCE								€0.70m			
BOOLE HOUSE REDEVELOPMENT											€0.61m
STAPLETON HOUSE											€1.42m
PURCH OF PROPERTY @ KIFT'S LANE								€2.50m			
SITE @ KINSALE RD/MICK BARRY RD								€1.00m			
D01 FORWARD PLANNING						€1.37m					

Local Authority	Expenditure being considered					Expenditure being incurred			Expenditure recently ended		
	Current	Capital				> €0.5m			> €0.5m		
	> €0.5m	Capital Grant Schemes > €0.5m	Capital Projects			Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects
			€0.5 - €5m	€5 - €20m	€20m plus						
Cork City Council											
D02 DEVELOPMENT MANAGEMENT						€2.35m					
D03 ENFORCEMENT						€0.63m					
D05 TOURISM DEVELOPMENT&PROMOTION						€0.65m					
D06 COMMUNITY&ENTERPRISE FUNCTION	€1.47m					€3.03m					
D09 ECONOMIC DEVELOPMENT&PROMOTION						€2.95m					
D11 HERITAGE&CONSERVATION SERVICES						€0.52m					
TOTAL DEVELOPMENT MANAGEMENT	€1.47m	€0.00m	€0.00m	€0.00m	€0.00m	€11.50m	€0.00m	€4.20m	€0.00m	€0.00m	€2.03m
Environmental Services											
MORRISONS ISL PUB REALM & FLOOD DEFENCE								€7.50m			
ELECTRICITY GEN. AT KINSALE RD								€0.85m			
LANDFILL VOID SPACE CONTRACT 9											€10.02m
E01 LANDFILL OPERATION & AFTERCARE						€2.01m					
E02 RECOVERY&RECYC FACILITIES OPS						€1.30m					
E06 STREET CLEANING						€7.55m					
E08 WASTE MANAGEMENT PLANNING						€0.56m					
E09 MAINTENANCE OF BURIAL GROUNDS						€1.40m					
E10 SAFETY OF STRUCTURES & PLACES						€0.68m					
E11 OPERATION OF FIRE SERVICE						€16.19m					
E12 FIRE PREVENTION						€1.63m					
TOTAL ENVIRONMENTAL SERVICES	€0.00m	€0.00m	€0.00m	€0.00m	€0.00m	€31.32m	€0.00m	€8.35m	€0.00m	€0.00m	€10.02m
Recreation and Amenity											
DEVELOPMENT OF MARINA PARK								€5.30m			
TRAMORE VALLEY PARK			€0.62m								
BISHOPSTOWN PARK PLAYGROUND								€0.67m			

Local Authority	Expenditure being considered					Expenditure being incurred			Expenditure recently ended		
	Current > €0.5m	Capital Grant Schemes > €0.5m	Capital Projects			Current Expenditure	Capital Grant Schemes	Capital Projects	> €0.5m		
			€0.5 - €5m	€5 - €20m	€20m plus				Current Expenditure	Capital Grant Schemes	Capital Projects
Cork City Council								€1.10m			
MONAHAN RD ENVIRON ENHANCEMENT											
RELOCATE PITCH AT TANKFIELD			€0.5m								
F01 LEISURE FACILITIES OPERATIONS						€1.23m					
F02 OP OF LIBRARY&ARCHIVE SERVICE						€7.72m					
F03 OUTDOOR LEISURE AREA OPERATION						€9.51m					
F04 COMM,SPORT&REC DEVELOPMENT						€1.11m					
F05 OPERATION OF ARTS PROGRAMME						€2.71m					
Agriculture, Education, Health and Welfare											
H05 OP OF MORGUE&CORONER EXP						€0.82m					
H09 LOCAL REPRES/CIVIC LEADERSHIP						€1.31m					
TOTAL RECREATION & AMENITY	€0.00m	€0.00m	€1.12m	€0.00m	€0.00m	€24.41m	€0.00m	€7.07m	€0.00m	€0.00m	€0.00m
Miscellaneous Services											
BPI CRM INITIATIVE								€0.5m			
TOTAL MISCELLANEOUS SERVICES	€0.00m	€0.00m	€0.00m	€0.00m	€0.00m	€0.00m	€0.00m	€0.50m	€0.00m	€0.00m	€0.00m

Appendix 2

In-Depth Checks Detailed Reports 2017

Quality Assurance – In Depth Check

Section A: Introduction

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

Programme or Project Information	
Name	Rental Accommodation Scheme – RAS (A07)
Detail	The provision of housing long term rent supplement recipients (of 18 months +) through the sourcing of accommodation from private rental market or through other social housing measures.
Responsible Body	Cork City Council
Current Status	Expenditure Being Incurred
Start Date	First Proposed in 2004 and commenced in 2005. The scope of this review is for the period 1 st January 2017 to December 2017.
End Date	No definitive end date. The scope of this review is for the period 1 st January 2017 to December 2017.
Overall Cost	€10,129,800 per budget (€9.78m per inventory)

Project Description

Arising from a joint memorandum by the Departments of Social and Family Affairs and Environment, Heritage and Local Government, the Government decided in July 2004 that new arrangements be put in place for the provision of housing for long-term rent supplement recipients (of 18 months plus) through the sourcing by housing authorities of accommodation from the private rented market or through other social housing measures. RAS was initially to be implemented over a four year period with local authorities progressively taking over responsibility for housing rent supplement recipients transferred to them. The transfer of long-term rent supplement recipients to RAS commenced in 2005. It was estimated based on figures at that time of persons in receipt of rent supplement on a continuous basis for more than 18 months that in the region of 30,000 persons would be assessed as to their long-term housing need with a view to their possible transfer to RAS over the four year period. As at the end of 2017, approximately 34,500 persons have transferred from rent supplements to RAS. RAS is a collaborative project between the Department of Housing, Planning and Local Government, local authorities, the Department of Employment Affairs and Social Protection and the Community Welfare Service (HSE). While the Department was charged with the overall implementation of RAS nationally, local implementation was managed by each local authority. A series of co-ordinating committees and groups working at national, regional and local level were originally established to set up the programme.

RAS involves a three-way relationship between:

- The local authority (Cork City Council) and the landlord
- The landlord and the tenant
- The tenant and the local authority

Cork City Council RAS unit seeks to enter into a contractual arrangement with the accommodation provider to make housing available to RAS for an agreed term. The terms of this contract is negotiated between the two parties. The accommodation may be an existing property or new build. The local authority will guarantee the rent on behalf of the tenant and will undertake to make the full payment directly to the landlord.

The RAS unit will then nominate a RAS recipient to the accommodation who signs a residential tenancy agreement with the landlord. The nominee could be an existing tenant of the property who currently receives rent supplement and is eligible for RAS. RAS can be used by local authorities to accommodate homeless cases who are not on Rent Supplement but do have a long-term housing need. This objective was part of proposed action in the setting up of the RAS. The report Review of Implementation of Homeless Strategies has as a key priority action the provision of long-term accommodation for the homeless using a range of accommodation providers, including the private sector. The local authority will be party to this agreement as guarantor of the rent.

Cork City Council (as agent of the household) is responsible for making full payments directly to the accommodation provider - landlord. There is no direct payment from the RAS recipient to the accommodation provider. Each participating household however, pays a rent contribution to Cork City Council. The Differential Rent Scheme 2014 is based on 15% of the assessable income of the Principal Earner together with a calculated contribution from any subsidiary earners in the household whereby €22.10 is the minimum rent payable. The tenant is requested to pay rent either through Household Budget or Bill pay (Post Office), by Standing Order or in person. The RAS unit

draws up agreements between the tenant, the landlord and Cork City Council. Checks are carried out to ensure that the tenant is paying their rent on time and tenants are requested to inform the RAS unit if their circumstances change. Where an arrears situation arises, there is intervention by the RAS unit to put an agreement in place to address the arrears however if the matter escalates, the landlord is requested to contact the tenant and inform them that they are jeopardising their tenancy and need to engage with the RAS unit. The management of these arrears is an important facet of the scheme.

Cork City Council is refunded the amount currently provided for rent in each case, together with a per case administrative fee from the DHPLG. The funding regime was set up so as to incentivise local authorities to take responsibility for rent supplement recipients and to secure better value in the sourcing of accommodation through the use of long-term contracts with landlords. Savings arising from securing accommodation at rents below the existing rent supplement payment for the tenant concerned is retained by the Council and is used to discharge administrative and other costs arising under the scheme.

For the forthcoming year, Cork City Council will continue to focus on securing homes to meet the ambitious targets set out in the Social Housing Strategy for 2020, for qualifying social housing applicants within the DHPLG funded scheme, while continuing to support and maintain established tenancies. The Council works with all stakeholders to confront the challenges being faced in a competitive private rental sector, with the primary objective of securing and sustaining tenancies on a long-term basis.

Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, [Unit Name] have completed a Programme Logic Model (PLM) for the Rental Accommodation 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 minimise dependence on the rent supplement scheme for recipients with long-term accommodation needs,</p> <p>To achieve better value for money in provision of accommodation for persons in need of long-term social housing,</p> <p>To facilitate social mix through providing a wider geographical spread of social housing through RAS,</p> <p>To expand the amount of private rented accommodation available on a long-term basis for SWA/RS tenants through the procurement of new rental accommodation on a long-term basis,</p> <p>To improve the quality, suitability and usage of private rented accommodation,</p> <p>To improve tenant choice through the creation of a graduated system of housing supports.</p> <p>To provide long term accommodation for homeless cases.</p>	<p>Estimated total programme cost for 2017 - €10.1m (estimated funding €7.8m)</p> <p>Cork City Council staff – 2 FT and 2 PT</p> <p>Tenants - transferring from rent supplement.</p> <p>Landlords – private rental properties.</p>	<p>Identify suitable properties.</p> <p>Interviews with landlords and tenants.</p> <p>Liaising with the Cork City Council Homeless Management Unit.</p> <p>Negotiating with landlords in relation to obtaining preferential rental agreements.</p> <p>Property inspections.</p> <p>Entering into contracts with landlords and tenants.</p> <p>Monitoring of potential arrears and addressing arrears as they arise.</p> <p>Preparation of annual return and year end reconciliation.</p> <p>Monthly (formally quarterly) recoupments from DHPLG</p>	<p>51 private and voluntary transfers to RAS in 2017 bringing the total number of RAS contracts up to 831.</p> <p>(DHPLG Target 2016-2017 - 108 units)</p>	<p>Minimise dependency on rent supplement.</p> <p>Provide high quality accommodation for tenants with medium to long-term needs through property inspections.</p> <p>Facilitate an improved social mix through tenant choice of residing area.</p> <p>Alleviate demands on homeless accommodation by providing long term housing solutions.</p>

Description of Programme Logic Model

Objectives: The objectives of Rental Accommodation Scheme were to minimise dependence on the rent supplement scheme for recipients with long term needs, this was to incentivise local authorities to take responsibility for rent supplement recipients and to secure better value in the sourcing of accommodation through the use of long-term contracts with landlords. RAS can be used by local authorities to accommodate homeless cases who are not on Rent Supplement but do have a long-term housing need. This objective was part of proposed action in the setting up of the RAS. The report Review of Implementation of Homeless Strategies has as a key priority action the provision of long-term accommodation for the homeless using a range of accommodation providers, including the private sector.

Savings arising from securing accommodation at rents below the existing rent supplement payment for the tenant concerned can be retained by the local authority and used for both administrative and other costs arising under the scheme. The scheme's aim was also to facilitate social mix through providing a wider geographical spread of social housing through RAS. This is in line with Rebuilding Ireland targets which highlight the importance of delivering mixed social and affordable housing. The RAS unit's aim is to expand the amount of private rented accommodation and also improve the quality, suitability and usage of private rented accommodation.

Inputs: The primary input to the scheme is €9.78 million expended on the scheme during 2017. A further significant input is the staff time and expertise, both administrative and technical, in administering the scheme.

Activities: There are a number of key activities in administering the Rental Accommodation Scheme. There is an onus on the Council to forge, manage, and maintain relationships between all of the key stakeholders in the process, from the client to the Landlord and the Council's relationship with the Department of Housing, Planning and Local Government. Through the property inspection process the Council contributes to improving the standard of accommodation available. The accurate and timely recoupment of amounts expended on the scheme is also a key activity as the scale of expenditure is such so as to have a potential negative impact on cash flow management if not attended to appropriately. The monthly payment run to landlords (both private and voluntary/AHB) is also a significant activity requiring a review of all exits, additions & recent rent reviews to ensure accurate expenditure. Processing of rent reviews for tenants in a timely manner is also required to ensure the RAS tenant is being charged a fair and accurate rent in accordance with Cork City Council's differential rents scheme. A considerable period of time is assigned to managing existing tenants on 'Notice to Quits' to ensure an alternative offer is provided to the tenant.

Outputs: The outputs from the Rental Accommodation Scheme include the number of clients and properties transferred to the scheme. Also outputs include the resultant financial transactions and the recoupment process.

Outcomes: A key outcome of the Rental Accommodation Scheme is successfully addressing clients housing needs by minimising dependence on the Rent Supplement Scheme and providing a long term housing solution out of homeless services. Another important outcome is the property inspection process from which improvements in quality are initiated. Clients can readily choose the areas that they would like to live in, therefore improving tenant choice and facilitating social mixing.

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

The following section tracks the Rental Agreement Scheme from inception to conclusion in terms of major project/programme milestones



July 2004	Joint memorandum by the Departments of Social and Family Affairs and Environment, Heritage and Local Government
2004 to 2015	Residential Tenancies Act
2005	Commencement of the RAS programme
2006	Towards 2016 Ten-Year Framework Social Partnership Agreement 2006-2015
2009	Housing (Miscellaneous Provisions) Act 2009 (No. 22 of 2009)
2011	Guidelines for Housing Authorities in the Implementation of Minimum Standards in Rented Accommodation
2014	Social Housing Strategy 2020: Support, Supply and Reform
2016	Rebuilding Ireland – Action Plan for Housing and Homelessness
2017	Public Consultation Paper - Review of Rent Predictability Measure (Rent Pressure Zones)
2017	Transfer of 51 new tenants to RAS within Cork City Council

Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the Rental Accommodation Scheme.

Project/Programme Key Documents	
Title	Details
Rental Accommodation Scheme – General Overview of the Scheme	Background, objectives and benefits of RAS. It includes the relevant funding, management and contractual arrangements.
Department of Housing, Planning and Local Government (DHPLG) - Circulars & Guidance Notes	<p>Circular 13/2012 is a general RAS circular, relating to various RAS issues, such as progress to date, end of year returns, insurance issues.</p> <p>Circular 36/2014 relates to the introduction of HAP and its effect on RAS</p> <p>Circular 12/2016 relates to the introduction of the RAS Monthly Progress Report (MPR)</p> <p>Circular 45/2016 relates to the use of the RAS reserve.</p> <p>Circular 23/2017 relates to changing the format of End of year returns on to the LG Returns portal (not a change of policy)</p> <p>Circular 40/2017 relates to the recent changes in RAS recoupment & reporting (not a change of policy)</p> <p>Circular 12/2018 relates to a change in the RAS recoupment process for T2016 RAS contracts</p> <p>GN 1 relates to Financial arrangements underpinning the transfer of RS recipients to RAS</p> <p>GN 5 relates to the transfer of AHB tenants to RAS and implementation of RAS for AHB tenants.</p> <p>GN 10 is a guide to Differential Rents & how they are calculated.</p> <p>GN 16 relates to RAS recipients returning to work</p> <p>GN 19 is a guide to negotiating rents with</p>

	landlords GN 20 is the legal arrangements underpinning RAS.
Tenant Files & Landlord Files	Completed Questionnaire, Acknowledgement Letter, Garda Check, Photo ID, Income Details, Signed Declaration of Income, Household Budget/ Standard Order, RAS 5 Form Completed, Rent Calculation, Signed Summary Agreement, Rent Review information Contains contracts, rent calculations, supporting evidence.
Chief Executive Monthly Management Report to the Council	On-Going Management Report to the Council outlining the NOAC monthly indicators
Annual Reports to the DHPLG	Provided to the DHPLG and contains

Key Document 1: Rental Accommodation Scheme – General Overview of the Scheme

Cork City Council provides access to RAS information via their website – available documentation includes RAS Tenant Information Leaflet, RAS Landlord Information Leaflet and frequently asked questions. RAS staff are also available in City Hall for advice on the scheme or engagement with existing tenants.

In addition to this, the RAS unit completed a detailed procedure manual in response to a previous audit recommendation. This procedure manual outlines but not limited to the following;

- RAS Overview
- Requirements for entry – tenants & landlords
- Rent negotiation
- Rent reviews
- Property unit management
- Financial management
- Financial controls process
- Complaints management
- Arrears management
- Supporting documentation/ templates

Through review and discussion with staff, it appears that this manual should be reviewed and updated to ensure that it practicable and reflects current circulars/ guidance.

Key Document 2: Department of Housing, Planning and Local Government (DHPLG) - Circulars & Guidance Notes

All circulars and guidance notes are found on the Housing Agency website. Each circular reflects relevant changes and templates provided by the Department of Housing, Planning and Local Government.

Key Document 3: Tenant Files & Landlord Files

We reviewed a sample of tenant and landlord file for the purpose of the in dept review.

The tenant files contain the following; completed questionnaire, acknowledgement letter, Garda check, photo ID, income details, signed Declaration of Income, household budget/ Standard Order, RAS 5 Form Completed, rent calculation, signed summary agreement, rent review information. The tenant files are supported by checklists to ensure completion of file.

The landlord files contain contracts, rent calculations, supporting evidence, inspection reports, tax clearance certificates etc.

These files are managed by the RAS unit only and the team understand their obligations under General Data Protection Regulation.

In summary, these files are satisfactory however it is recommended that checklists with dates are used for landlord files to ensure that complete and accurate data is held.

Key Document 4: Chief Executive Monthly Management Report to the Council

For the purpose of this review we examined a number of reports and documents related to the projects on-going delivery and management. The Chief Executive Reports to Council is presented at monthly Council meetings whereby capital expenditure information is provided to the Chief Executive and Head of Finance in advance. The report includes details on revenue spend and performance indicators (both local and NOAC indicators) are outlined.

Overall there was evidence of financial and operational monitoring against targets, expectations and budgets by the RAS unit however there is room for improved management information.

Key Document 5: Annual Reports to the DHPLG

These reports are submitted to the DHPLG on an annual basis and contain end of year financial and activity returns. In addition, detailed supporting documentation is available to support the information submitted. In addition the RAS unit prepare a yearly reconciliation.

Section B - Step 4: Data Audit

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

Data Required	Use	Availability
Financial costs associated with RAS	To assess the financial impact of the scheme	Yes, information available through FMS and Annual Returns to the DHPLG
Recoupment of RAS costs	To determine whether costs are being recouped	Yes, information available through FMS and monthly recoupment (monthly since 2018, formally these were quarterly returns) to the DHPLG
Current Market Rents	To determine whether rent paid to landlord is less than the market rent.	Yes, this information should be readily available through local rental agents/ Daft.ie
Number of tenants transferred from Long Term Rent Supplement (private and voluntary tenants)	Assess whether long-term dependence on the Supplementary Welfare Allowance rent supplementation scheme is being eliminated.	Yes, held by RAS unit
Notice to quit by landlord	To determine the viability of the programme	Yes, outlined in the CE Monthly Management Report to the Council
Property inspections/ Standards Compliance Confirmation information	Assess whether accommodation is fit for purpose	Yes, outlined in the CE Monthly Management Report to the Council

Data Availability and Proposed Next Steps

An important consideration in terms of the development, management and evaluation of the programmes under review is the overall data infrastructure that is in place and the resultant level of data availability. The majority of available data arrives via the financial management system, the tenant and landlord files, the Annual Returns to the Department of Housing, Planning and Local Government and Chief Executive Monthly Management Report to the Council. As detailed below, data availability for the Rent Accommodation Scheme is limited in some respects by the system utilised to administer the scheme. The landlord and tenant files are available for review.

Given the level of data and information available, the programme could be subjected to a full evaluation at a later date.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for Rental Accommodation 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)

Since this is a national programme there were no definitive appraisal documents prepared by Cork City Council to reference; however, objectives are clearly defined within the RAS unit's procedure manual and also referenced within the Housing Manual (Housing Agency).

The in-depth check has demonstrated that the broad principles of the public spending code guidelines for on-going management of current expenditure were adhered to. There was evidence of financial and operational monitoring against targets, expectations and budgets by the RAS unit however there is room for improved management information, and greater monitoring of arrears. There is proactive engagement between the RAS unit and with tenants through annual tenant reviews which recommenced in April 2017. At present there are no landlord periodic reviews being undertaken, these are undertaken on demand.

The Department of Housing, Planning and Local Government requires reporting on an annual basis to ensure that the programme is in line with national targets. There may be room to improve monitoring and assessing changes in the broader environment in line with PSC expectations. However, there were no instances of mismanagement of costs or significant programme overruns identified during the review. Management have a good understanding of achieving value for money.

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

Given the level of data and information available both from a financial and operational perspective, the programme could be subjected to a full evaluation at a later date. It may be beneficial for management to determine enhanced performance indicators (other than NOAC KPI's) based on the data available to quantify outcomes and facilitate decision making. As detailed below, data availability for the Rent Accommodation Scheme is limited in some respects by the system utilised to administer the scheme.

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

The management and operation of the Rental Accommodation Scheme should continue to focus on the operational efficiency and effectiveness of housing supports. Costs should be

managed in an appropriate manner such that sufficient supply, in terms of quantity and suitability, can be delivered at a cost level that maximises the value for money while being cognisant of the Councils obligation to provide alternative suitable properties for 'Notice to Quit' tenants. In particular, cost levels and how they relate to market rents should be kept under review to assess future developments in the context of wider housing market pressures. This information should be made readily available for management consideration therefore management information/ reports should be improved upon. Data availability for the Rent Accommodation Scheme is limited in some respects by the system utilised to administer the scheme, consideration should be given to understand the systems capability. At present, reconciliations are performed annually, due to the volume of transactions; Internal Audit recommends that reconciliations are performed more regularly.

The importance of appropriate negotiation skills and market knowledge are also key elements for the successful negotiation of lower rents. Accordingly, it is suggested that a continuation of greater analysis of local property markets and the potential impact of this on average rents and allocations under RAS is recommended. This may require liaising with other departments such as property, housing etc. requesting support from the Department of Housing, Planning and Local Government (already evidenced) and utilising available external information such as daft reports, CSO housing market information etc. this is referenced in the RAS Process Manual.

Due to the impact of increased rents and rent pressure zone limitations, Cork City Council RAS unit often finds it difficult to attract and retain landlords. This has led to increased number 'Notice to Quits' (NTQ's) which further compounds the lack of suitable available properties. The RAS unit manager requested guidance on whether it was possible to transfer RAS tenants into the Housing Assistance Programme (HAP) however under section 45 of the 2014 Act, a household in receipt of social housing support other than HAP, such as RAS, is not eligible to transfer to HAP except in an emergency such as fire or flood, lack of housing supply does not constitute an emergency in this regard. This prevailing issue should remain an agenda item between management and the Department of Housing, Planning and Local Government.

The contribution made by tenants is an important element of the scheme. Consideration should be given to the appropriate scale of tenant contribution such that the scheme is maintained and those in receipt of support are contributing to the extent that they can. In determining such a level, full account should be taken of impacts on household income, affordability, barriers to work, social inclusion and poverty, based on this in-depth review, we conclude that the unit considers all relevant impacts when determining differential rent. To ensure ongoing receipt of payments from tenants, monitoring of arrears is of utmost importance to ensure that value for money is achieved. Tenants are requested to inform the RAS unit if their circumstances change. The current economic situation has had a negative impact on some tenants and their ability to meet their commitments. The management of these arrears is an important facet of the scheme. The RAS unit maintain and review a

spreadsheet monthly to determine whether rent is being paid, however given the magnitude of the rents received Internal Audit recommends that checks should be carried out with greater regularity to ensure that the tenant is paying their rent on time. This should be reviewed by way of weekly/ monthly exception reports extracted from the financial management system. It is crucial that rental income be consistently monitored so that corrective action can be taken at the earliest possible opportunity.

Finally an area for improvement relates to development of local performance indicators for better decision making and appraisal of value for money. For current expenditure, performance indicators should be further developed, as well as a means of gathering the data to support performance indicator measurement. These performance indicators should then be used as part of the monitoring and management of the current expenditure programmes.

Section: In-Depth Check Summary

The following section presents a summary of the findings of this In-Depth Check on the Rental Accommodation Scheme.

Summary of In-Depth Check

Overall, the current expenditure programme under review Rental Accommodation Scheme is managed appropriately and it is reasonable to conclude that Cork City Council is generally compliance with the Public Spending Code. The in-depth check has demonstrated that the broad principles of the public spending code guidelines for on-going management of current expenditure were adhered to. There was evidence of financial and operational monitoring against targets, expectations and budgets by the RAS unit however there is room for improved management information, and greater monitoring of arrears.

To ensure that future processes and management of current expenditure programmes over €0.5m are enhanced, Internal Audit has made the following recommendations for the RAS unit to ensure that value for money is continuously achieved;

- Cost levels and how they relate to market rents should be kept under review to assess future developments in the context of wider housing market pressures. There should be a continued greater analysis of local property markets and the potential impact of this on average rents and allocations under RAS. This information should be made readily available for management consideration therefore it is recommended that management information/ reports should be improved upon.
- Data availability for the Rent Accommodation Scheme is limited in some respects by the system utilised to administer the scheme, consideration should be given to understand the systems capability to provide relevant information and to become less dependent on spreadsheets.

- The Council's difficulty in attracting and retaining RAS landlords with the City's rent pressure zones should remain an agenda item between management and the Department of Housing, Planning and Local Government.
- Potential arrear checks should be carried out with greater regularity to ensure that the tenant is paying their rent on time. This should be reviewed by way of weekly/ monthly exception reports extracted from the financial management system. It is crucial that rental income be consistently monitored so that corrective action can be taken at the earliest possible opportunity.
- Review and enhancement of departmental/ section performance indicators on an adhoc basis to provide relevant management information.

Quality Assurance – In Depth Check

Section A: Introduction

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

Programme or Project Information	
Name	Housing Acquisitions Programme – primarily the acquisition of Bishopsgrrove, Bishopstown.
Detail	Capital investment Programme targeted to delivery new social housing units.
Responsible Body	Cork City Council
Current Status	Expenditure Being Incurred
Start Date	January 2016
End Date	December 2017
Overall Cost	€2,215,972

Project Description

The capital investment Programme main objectives are to delivery new social housing units. When identifying acquisitions for social housing purposes, Cork City Council ensures that all the relevant issues are considered, particularly in line with the document 'Quality Housing for Sustainable Communities'. This includes issues such as tenure mix/estate composition, specific local needs, etc. Housing authorities should ensure that acquisitions are cost effective and sustainable and, where possible, be purchased in a 'fit-for-purpose' condition to enable immediate occupancy. Adaptations where necessary should be minor in nature, with any necessary works completed as soon as possible following purchase. It is important that the Local Authority to be mindful of the capital target set for delivery under the Social Housing Strategy out to end 2017 when pursuing acquisitions, as well as when developing build proposals.

Cork City Council may acquire suitable dwellings in block or estates where it addresses particular housing need. All guidelines are representative of stock having a minimum C1 BER rating, being in good condition and ready for occupancy. Local Authorities may make individual purchases up to the value of the "upper range" however the average price of all purchases should not exceed the "average/benchmark" figure for each Local Authority. They have a delegated sanction for the acquisition of such dwellings where the total value is less than €600,000. Recoupment of Acquisitions costs have to provide capital cost of acquiring a property, upgrade costs and legal and professional fees. If it is deemed necessary to exceed the prescribed 'cap' – departmental approval is required – see below.

The following principles should underpin unit purchases for social housing needs:

- The acquisitions policy of the local authority should reflect the importance of mixed tenure in the provision of social housing and local authorities should have a clear rationale for acquiring;
- Acquisitions of dwellings should not be concentrated in any given area;
- Acquisitions of dwellings by local authorities should be managed in a manner that does not unduly impact the local housing market;
- In special limited circumstances, an authority may acquire a dwelling(s) that exceeds the ceiling limit subject to the prior approval of the Department. A written request setting out the circumstances should be sent to the Department;
- Local authorities should observe proper procurement practices in all cases, including advertising its acquisitions policy as appropriate;
- Local authorities are encouraged to consider the option of purchasing older, multi dwelling buildings that with appropriate improvements could provide good quality accommodation for particular categories of need, especially in inner city areas;
- Local authorities must carry out proper technical evaluation of all acquisitions and must ensure that all dwellings acquired comply with statutory building regulations and fire safety; and

- Before purchasing a dwelling[s] the authority should obtain a professional valuation of the property or properties in question and the amount paid should not exceed this valuation.

The Cork Foyer is a supported Residential Project that has been developed by Cork City Council to meet the needs of 18-25 years olds who are at homeless or at risk of becoming homeless.

In the mid-1990's the Homeless Forum, spearheaded by Cork City Council, identified the need to provide supported accommodation for young homeless persons and to link this accommodation to meaningful Programmes aimed at building up the capacity of individuals and providing the skills and training for independent living and self-fulfilling living. The need for this facility was re-affirmed by independent research into homelessness in Cork, undertaken by University College Cork in 1998 - this research study incorporated direct feedback from the end users of homeless services.

In 2000-2001 Cork City Council and the Homeless Forum completed a consultative process with all its stakeholders to identify the needs of homeless persons and to consider actions for inclusion in a 3 year Strategic Plan to tackle these needs - An *Integrated Homeless Strategy for Cork 2001 - 2003* was what resulted from this process and the provision of a Foyer was one of the objectives identified under this strategy. This objective was re-affirmed in the review of the original strategy and the finalisation of a Reviewed Strategy for the period 2005-2007.

In 2003, Cork City Council acquired a property in Blackpool, near the City Centre. The property needed major renovation works that was mindfully completed in March 2006.

Bishopsgrove is the next phase of the expansion of the Cork Foyer Project as they continue to play a focussed strategic role. The Bishopsgrove Project 2017 Development Strategy aimed to complement Strategic Aim One of the Way Home: A Strategy to Address Adult Homeless in Ireland. The collaborative project between the Cork Foyer, TUSLA and Focus Ireland was the first model of its kind in Ireland, with an objective to help to reduce homelessness and housing instability among young people and those leaving care. The initiative also aims to provide an opportunity to promote the benefits of shared living and near independence.

Bishopsgrove complex comprises of 39 modern and secure purpose built student accommodation units close to the Cork Institute of Technology. It was built approximately 10/11years ago to section 50 standards. Located on .74 acres, along with 39 units of single en-suite accommodation spread over 7 blocks; there is a purpose built security building, car park facilities and private grounds.

In 2015, Cork City Council advertised for an 'Invitation for Expression of Interest from Developers for Turnkey Housing Interests'. As a result of this call, Cork City Council received a proposal from a property development company. Cork City Council sought preliminary

approval from the Department of Housing, Planning and Local Government. This was supported by a detailed development and operational strategy. To substantiate the purchase, subsequent surveys were undertaken which outlined remedial works required for suitability and an external independent valuation was obtained. The purchase price was negotiated for an amount below open market value. The Department of Housing, Planning and Local Government granted approval for the purchase of the properties which included upgrading costs and professional fees (capped at 1.5% of purchase price). Cork City Council purchased the Bishopsgrove property in April 2017.

Section B – Step 1: Logic Model Mapping

As part of this In-Depth Check, Cork City Council have completed a Programme Logic Model (PLM) for the **Bishopsgrove Project 2017 Development**. 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>Capital Acquisitions Programme is used to deliver new social housing units; this is dictated by the Housing Strategy 2020 from the DHPLG.</p> <p>Bishopsgrove Project – aims to address 18-25 year olds at risk of homelessness.</p> <p>Aims to provide a unique supported accommodation based project with a principle focus on supporting mainstream development activity and resettlement</p>	<p>Capital funding provided for by the DHPLG.</p> <p>‘Bishopsgrove Project 2017 Development Strategy’ – Capital Appraisal.</p> <p>Cork City Council (Housing Capital, Property and Law Agent) and Cork Foyer Staff.</p> <p>External Valuations.</p> <p>External engineer surveys on potential houses.</p>	<p>Identification of social need.</p> <p>Preparation of Strategy.</p> <p>Identification of potential social housing units sourced internally/externally.</p> <p>Preliminary inspections.</p> <p>Independent valuations (procured panel of valuers).</p> <p>Structural surveys (external consultants).</p> <p>Negotiation of purchase price.</p> <p>Conveyancing (in house Law Agent).</p> <p>Purchase of suitable housing.</p>	<p>The purchase of 7 dwellings (39 units) for the Bishopsgrove Project – Cork Foyer.</p>	<p>To reduce homelessness and housing instability among care leavers.</p> <p>To provide accommodation and supportive environment to 18 to 25 year olds at risk of homelessness.</p> <p>To provide an opportunity to promote the benefits of shared living and near independence.</p> <p>To forge links between third level institutions, training Programmes and clients that use the Bishopsgrove project.</p>

Description of Programme Logic Model

Objectives: The objective of the housing acquisition Programme is to deliver new social housing units to support the Housing Strategy 2020 Programme. Rebuilding Ireland was a follow up action plan to help with the housing crisis. There are five pillars under these action plans; these are the foundations upon which Cork City Council accelerates housing supply.

Bishopsgrove Project was undertaken in line with strategic aim one of 'The Way Home: A Strategy to Address Adult Homelessness in Ireland 2008 – 2013'. The main objective of the project is to provide an environment which is motivated and positive for young people leaving care and at risk of homelessness. The strategic objectives are as follow;

- Through multi agency approach, meet the accommodation, training and support needs of homeless young people aged 18-25 and response to the changes in the nature and level of need.
- Tackle the economic and social needs of 18-25 year old residents and service users.
- To provide quality customer focused housing management and support in order to sustain residents and help them maintain education, training or work experience and move into independence.
- To work in partnership with other providers to maximise the service to our users.
- To proactively monitor internal practices of agents in order to deliver a service which embodies best practice and value for money.
- In conjunction with Cork City Council, relevant agencies and key stakeholders, introduce a comprehensive range of operational policies and procedures.
- To be a successful sister project to the present accredited Foyer Project.

Inputs: The primary input to the Programme is the capital funding provided for by the DHPLG. For the Bishopsgrove Project, Cork City Council sought and obtained Department approval as the acquired dwellings exceeded the ceiling limit as set by the Department. The total funding covered purchase of properties, professional fees (capped at 1.5% of purchase cost) and refurbishment fees.

The Department of Housing, Planning & Local Government sets out the criteria against which potential housing stock units should be benchmarked. Maximum thresholds for each type of housing unit are set out in DHPLG Circular 41_2016 Acquisition Cost Guidelines – October 2016 for units acquired from that date to Jan 2018.

Cork City Council and Cork Foyer prepared a detailed development strategy to appraise the project. This capital appraisal in conjunction with detailed responses to the DHPLG outlined the objectives, the needs, an assessment of an alternative means of meeting the need and detailed the future management of the project.

Both Cork City Council and Cork Foyer employees were involved in the completion of the strategy and for the overall purchase of the development.

To substantiate the purchase, subsequent surveys were undertaken which outlined remedial works required for suitability and an external independent valuation was obtained. The purchase price was negotiated for an amount below open market value.

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

- Identification of social need through firsthand knowledge by the Cork Foyer
- Advertisement for ‘Invitation for Expression of Interest from Developers for Turnkey Housing Interests’
- Evaluating expressions of interest for suitability
- Preparation of a Strategy (Capital Appraisal)
- Completion of a Structural Survey (External Surveyors)
- Completion of an Independent Valuation (Panel of Valuers)
- Continuous correspondence with DHPLG & Subsequent Approval
- Certificate of compliance of minor works completed (External Surveyors)
- Preparation of internal memo for Director of Service & subsequent approval
- Chief Executive Order
- Conveyancing (Law Agent)
- Purchase of suitable housing
- Recoupment of Capital Grant Claim

Outputs: The main output was the purchase of 7 dwellings (39 units) for the Bishopsgrove Project – Cork Foyer.

Outcomes: The main outcome of the project is to reduce homelessness and housing instability among care leavers (18 to 25 year olds). The project aims to continue to bridge the current gap to mainstream education and training and promote partnership working with colleagues and to continue to provide a low level of support to those not ready for full independence. The Project is managed by the existing Cork City Council Foyer Project and its Management Board; therefore it remains under the ownership of Cork City Council using a partnership approach with other homeless services. A steering group chaired by the Foyer Manger was established and an agreed set of policies for the project was produced which reiterates its objectives ensuring that the ethos and vision of the project remains focused on young people maintaining and finishing education, training and resettlement into the community as quickly as possible.

Facilitate a social mix by providing a wider geographical spread of social housing. Improved quality of social housing units.

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

The following section tracks the **Housing Acquisitions Programme – Bishopsgrove Project 2017 Development** from inception to conclusion in terms of major project/Programme milestones



1994	Commencement of the housing acquisitions Programme
2001	Integrated Homeless Strategy for Cork 2001 – 2003
2006	Cork Foyer – Blackpool opened
2014	Social Housing Strategy 2020 & Rebuilding Ireland
April 2015	Invitation for Expressions of Interest from Developers
November 2015	Interest received from a development company.
November 2015	Preparation of Capital Proposal (Bishopsgrove Project 2017 Development Strategy)
November/ December 2015	Preliminary discussions with the Department of Housing, Planning and Local Government (DHPLG)
June 2016	Conditional Survey & Independent Valuation
July 2017	Cork City Council Director of Services – Housing Approval
August 2016	Approval in Principle obtained by the DHPLG
December 2016	Revised Approval in Principle by the DHPLG
January 2017	Updated Capital Proposal
March 2017	Inspection Survey carried out by External Surveyors
March 2017	Chief Executive Order & Contract of Purchase
April 2017	Capital Grant Claim
June 2017	Receipt of Capital Claim

Section B – Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the **Housing Acquisitions Programme – Bishopsgrove Project 2017 Development**

Project/Programme Key Documents	
Title	Details
Procedure Manual: Cork City Council Housing Acquisitions Programme – General overview of Programme	Background, objectives and benefits of housing acquisitions. Housing circulars set out specific benchmarked to which properties acquisitions should be assessed.
Files relating to new acquisitions 2016/2017	Paper files containing details of business case, inspections/ surveys, valuations, bidding negotiations, DHPLG claim, correspondence etc.
Business Case: Bishopsgrove Project 2017 Development Strategy (Capital Appraisal)	The strategy was prepared by Cork City Council Housing Capital staff and Cork Foyer.
Project Authorisation Form (Project Briefs)	Authorisation Form from Chief Executive and Director of Service for projects over €0.5m.. This project brief identifies the need for the project, the objectives and possible risks.
Conditional Survey Report	Conducted by External Consultants to appraise the property.
Independent Valuation	Conducted by independent External Valuers.
Correspondence with the Department of Housing, Planning and Local Government	All correspondence relating to securing approval for purchase of units, additional information required including further assessment of alternative proposals.
Director of Service Request for Approval - Proposal	Proposal prepared by Housing Capital for the purchase of Bishopsgrove.
Chief Executive Order	A Chief Executive Order was obtained on the 23 rd March 2017.

Key Document 1: Procedure Manual

Housing Capital procedure manual outlines the various stages of the acquisitions process. The Procedure Manual is a live document to be updated as processes/ requirements change. The manual is linked to various Housing Circulars which set out specific benchmarks to which properties acquisitions should be assessed. These circulars were used by Internal Audit to determine the Housing Capital compliance and to ensure that value for money was achieved in all housing acquisitions for the period 2016 to 2017.

Key Document 2: Property Acquisition File

The Property Acquisition file is kept by Housing Capital, which keeps all the relevant information relating to the Bishopsgrrove Project. This file was used as the basis for our review. The file contains the following;

- Correspondence with the vendor.
- Correspondence and Clarifications with the Department of Housing, Planning and Local Government.
- Conditional Survey Report.
- Independent Valuation.
- Bishopsgrrove Project 2017 Development Strategy (Capital Appraisal)
- Proposal Memo's – Director of Services Approval
- Project Agenda's
- Certificates of Completion
- Chief Executive Order.
- Maps.
- Legal Correspondence.
- Recoupment of Costs from Department of Housing, Planning and Local Government.

The files are comprehensive and complete.

Key Document 3: Bishopsgrrove Project 2017 Development Strategy (Capital Appraisal)

Capital Appraisal was first completed by Cork Foyer in July 2016 and updated in January 2017. The appraisal includes a clear statement of the needs/ objectives which the proposal is designed to meet and outlines how the project aims to meet them. The strategy provides a background to the Cork Foyer Project and explains how the project fits in with national strategies. The strategy outlines how the project will be managed and appraised and it sets out clear performance measures with near future targets. These targets are focussed on organisational performance, investment in training, investment in user training, development and participation, accountability to stakeholders, health and safety, public profile and fundraising. The strategy outlines the proposed staffing structure providing a multi-disciplined team. The strategy concludes with a cautionary note outlining that in order to provide a high level service, the project will require adequate resourcing.

Although the strategy is a ‘case making’ document, it clearly and objectively outlines how the project benefits the wider community rather than focussing on the benefits of acquiring this particular property. To fully appraise the project, this strategy should be reviewed in conjunction with correspondence with the Department and Director of Service Request for Approval – Proposal.

Key Document 4: Project Authorisation Form

The Project Authorisation Form (PAF) is a standard form in use within Cork City Council for projects over €0.5m. The form requires a project description, project justification, work scope, schedule summary, details of construction regulations (S.I504 of 2016), nominated team which includes a project manager at a suitably senior level for the scale of the project, required man-hours and a high level value for money of the project (includes outlining the needs that the project addresses, the objectives, details of alternative options, key constraints, and identified risks.)

This document appear largely in line with the Public Spending Code (PSC) and, more specifically, with compliance with the Department of Finances ‘Guidelines for Appraisal and Management of Capital Expenditure Proposals in the Public Sector’ however recent appraisal guidance from the Department of Public Expenditure and Reform requires that the project brief includes a Programme for completion of works. It would be best practice to include the project deliverables to ensure that outcomes are quantified.

Key Document 5: Conditional Survey Report

The Conditional Survey Report was conducted by external consulting engineers in June 2016. The report appraises the main parts of the property and provides a detailed description of areas that require minor works. Following on from this report, in October 2016 the consulting engineers provided a Programme of required works and estimated timeframe, confirmations of Building Regulations and Building Energy Ratings. In March 2017, the consulting engineers confirmed that works have been completed in accordance with good building practice.

There is no evidence that these services were procured in line with the Corporate Procurement Policy.

Key Document 6: Independent Valuation

The Independent Valuation was conducted by external independent valuers in June 2016. The valuers formed their opinion based on taking into account evidence from actual transactions and quoting prices of properties on the market at the time. The actual amount paid was below the quoted market value outlined in the report.

The independent valuer is on Cork City Council’s panel of valuers.

Key Document 7: Correspondence with the Department of Housing, Planning and Local Government

Based on this review, correspondence with the Department of Housing, Planning and Local Government identifies all realistic options and possible constraints, which include an assessment of alternative means of meeting the need. The correspondence contains a preliminary assessment of the costs (i.e. acquisition costs and cost per unit operational cost) and current funding opportunities.

- Initial queries with DHPLG – December 2015
- Stage 1 approval – requested conditions in July/ August 2016 and response provided in October 2016
- Revised Stage 1 Approval – requested conditions in December 2016 and approval obtained in March 2017

Key Document 8: Director of Service Request for Approval - Proposal

The internal letter dated July 2016 to the Director of Services, Housing and Community Directorate refers to previous discussions and outlines the proposal for the project, management of the facility and the expected cost. The proposal was subsequently approved.

Section B - Step 4: Data Audit

The following section details the data audit that was carried out for the **Housing Acquisitions Programme – Bishopsgrove Project 2017 Development**. It evaluates whether appropriate data is available for the future evaluation of the project/Programme.

Data Required	Use	Availability
Total costs associated with the acquisition	To determine the value of the project.	Information readily available – Available on file.
Total running cost per unit	To determine the viability of the project.	Projections already made during appraisal. Information available from Cork City Council and Cork Foyer
Occupancy of beds/units	To determine the success of the project.	Information readily available. Cork Foyer Project – outcome of service review to be made available.
Number of 18 – 25 year old at risk of homelessness	To determine the ongoing need for the project.	Statistics available through National Pathway, Accommodation and Support Database System

Number of admissions	To determine whether homelessness is reduced through preventative measures.	Information readily available. Cork Foyer Project – outcome of service review to be made available.
Number of re-admissions	To determine whether Cork City Council are meeting long term housing needs of people progressing out of homelessness.	Information readily available. Cork Foyer Project – outcome of service review to be made available.
Number of clients involved in third level education, training and or work.	To determine whether the objective as outlined in the strategy are being met.	Information readily available. Cork Foyer Project – outcome of service review to be made available.
Continuous service reviews	Establish consistency in how persons experiencing homelessness responded to service delivery.	This is a KPI for Cork Foyer

Data Availability and Proposed Next Steps

All files and data reviewed in relation to the operation of all Cork City Council acquisitions 2016/2017 were all available at time of audit. The files that were reviewed were of a high quality and contained all relevant information. All associated costs for the acquisition of the project are clearly identified and can be traced back to the financial management system. Projected running costs took into consideration the total non pay costs (running costs) and pay cost associated with the project to determine a weekly cost per unit. Statistics to support the ongoing need for the project are available through National Pathway, Accommodation and Support Database System. The Cork Foyer has committed to measuring performance and report to Cork City Council. The acquisition may also subject to audits/ checks by the Department of Housing, Planning and Local Government since they are the sanctioning body.

As per the table above, it should be feasible to determine the data required to evaluate the project's future success. However this project will require several years to fully embed and to evaluate its core strategic objectives.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for **Housing Acquisitions Programme – Bishopsgrove Project 2017 Development** 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)

Based on the in-depth review undertaken, it appears that Bishopsgrrove Project is substantially in compliance with the Public Spending Code. To facilitate public procurement obligations, the Council sought proposals for the acquisition of social housing for its Social Housing Programme 2015 – 2017 in the national newspaper media. This proposal is as a result of this advertisement. Housing Capital followed the required appraisal stage through the Bishopsgrrove Project 2017 Development Strategy.

As an additional appraisal support, proposal memos were communicated by the Programme Manager to the Director which outlined the proposal, management of the facility going forward and the expected costs. The Housing Capital unit initiated early communication with the Department of Housing, Planning and Local Government to ensure that approval in principle was sought before expenditure commenced (surveyors, valuers etc.). The Housing Capital unit ensured that all conditions set by the Department were addressed and met where required.

The Project Authorisation Form (PAF) is a standard form in use within Cork City Council for projects over €0.5m. The form requires a project description, project justification, work scope, schedule summary, details of construction regulations (S.I504 of 2016), nominated team which includes a project manager at a suitably senior level for the scale of the project, required man-hours and a high level value for money of the project (includes outlining the needs that the project addresses, the objectives, details of alternative options, key constraints, and identified risks.)

Ultimately, the Housing Capital unit demonstrated a great appreciation of obtaining value for money by negotiating a purchase price for under market value.

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 available on file, through FMS and reporting by Cork Foyer to ensure that the project can be subjected to a full evaluation at a later date. Financial information is easily obtained through Cork City Council financial management system – JD Edwards. There is a clear audit trail on the file from appraisal, project management, approvals and completion of the sale. The project file contains details of the evolution of the business case, inspections/ surveys, valuations, internal approvals, bidding negotiations, DHPLG correspondence, approvals & DHPLG claim, etc. To fully evaluate the project to date, there is a proven track record by Cork Foyer, who has supported over 300 homeless young people (through their existing Programme); information is substantiated by statistics such as the National Pathway, Accommodation and Support Database System. Cork Foyer has also committed to monitoring performance and outcomes through defined

KPI's; this will be reported to the Director of Services, Housing & Community within Cork City Council.

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

The in-depth check indicates that there was a lengthy timeframe from the letter of interest to the completion of sale and opening of the development. There is no definitive reference to this on file therefore it is recommended that formal monitoring of timescales should be documented and kept on file to ensure that acquisitions are executed without delay.

To ensure that the project fully fulfils its obligations under the Public Spending Code, Internal Audit recommends that a post-project review is completed in the near future. A Post-Project Reviews aims to confirm whether project objectives have been met, the project has been delivered to required standard, on time and within budget and to ensure that experience gained can be used on other projects. It may also help to inform managers on the continued best use of the new development. Documentation outlined in the appraisal undertaken is the key starting point or reference for any post-project review.

Section: In-Depth Check Summary

The following section presents a summary of the findings of this In-Depth Check on the **Housing Acquisitions Programme – Bishopsgrove Project 2017 Development**

Summary of In-Depth Check

The in-depth check of the acquisition of Bishopsgrove Project revealed that the principles and ethos of the Public Spending Code were broadly adhered to throughout all stages of the acquisition. Housing Capital followed the required appraisal stage through the Bishopsgrove Project 2017 Development Strategy, proposal memos and early communication with the Department of Housing, Planning and Local Government. To facilitate public procurement obligations, the Council sought proposals for the acquisition of social housing for its Social Housing Programme 2015 – 2017 in the national newspaper media. This proposal is as a result of this advertisement. Housing Capital unit have demonstrated an appreciation of value for money obligations resulting in a negotiated purchase price under market value.

While Internal Audit are satisfied that the acquisition of the properties were managed appropriately and provided value for money, there are a number of areas that may enhance future practices. Formal monitoring of timescales should be documented and kept on file to ensure that acquisitions are executed without delay. Finally to ensure that the project fully fulfils its obligations under the Public Spending Code, Internal Audit recommends that a post-project review should be completed in the near future.

Quality Assurance – In Depth Check

Section A: Introduction

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

Programme or Project Information	
Name	Housing Acquisitions Programme – primarily the acquisition of Sheridan Park
Detail	Capital investment programme targeted to delivery new social housing units.
Responsible Body	Cork City Council
Current Status	Expenditure Recently Ended
Start Date	August 2016
End Date	March 2017
Overall Cost	€7,701,000

Project Description

The capital investment programme main objectives are to delivery new social housing units. When identifying acquisitions for social housing purposes, Cork City Council ensures that all the relevant issues are considered, particularly in line with the document 'Quality Housing for Sustainable Communities'. This includes issues such as tenure mix/estate composition, specific local needs, etc. Housing authorities should ensure that acquisitions are cost effective and sustainable and, where possible, be purchased in a 'fit-for-purpose' condition to enable immediate occupancy. Adaptations where necessary should be minor in nature, with any necessary works completed as soon as possible following purchase. It is important that the Local Authority to be mindful of the capital target set for delivery under the Social Housing Strategy out to end 2017 when pursuing acquisitions, as well as when developing build proposals.

Cork City Council may acquire suitable dwellings in block or estates where it addresses particular housing need. They have a delegated sanction for the acquisition of such dwellings where the total value is less than €600,000. Recoupment of Acquisitions costs have to provide capital cost of acquiring a property, upgrade costs and legal and professional fees.

The following principles should underpin unit purchases for social housing needs:

- The acquisitions policy of the local authority should reflect the importance of mixed tenure in the provision of social housing and local authorities should have a clear rationale for acquiring;
- Acquisitions of dwellings should not be concentrated in any given area;
- Acquisitions of dwellings by local authorities should be managed in a manner that does not unduly impact the local housing market;
- In special limited circumstances, an authority may acquire a dwelling(s) that exceeds the ceiling limit subject to the prior approval of the Department. A written request setting out the circumstances should be sent to the Department;
- Local authorities should observe proper procurement practices in all cases, including advertising its acquisitions policy as appropriate;
- Local authorities are encouraged to consider the option of purchasing older, multi dwelling buildings that with appropriate improvements could provide good quality accommodation for particular categories of need, especially in inner city areas;
- Local authorities must carry out proper technical evaluation of all acquisitions and must ensure that all dwellings acquired comply with statutory building regulations and fire safety; and
- Before purchasing a dwelling[s] the authority should obtain a professional valuation of the property or properties in question and the amount paid should not exceed this valuation.

In 2015, Cork City Council issued an invitation for expressions of interest from developers for Turnkey Housing Units in the national media. The project under review – Sheridan Park transpired as a result of this call. Sheridan Park consists of newly constructed 28 units (22 terraced 3 bedroomed houses, 3 duplex three bedroomed units and 3 two bedroomed apartments) acquired for the provision of social housing. The total value of the purchase including professional fees was €7.7m which gives rise to an approximate purchase price of €275k per unit. At the time of acquisition there were over 2,000 approved housing applicants for social housing on Cork City Council's waiting list for the Turners Cross/ Togher Area.

Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, Cork City Council have completed a Programme Logic Model (PLM) for the Housing Acquisitions Programme – Sheridan Park. 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>Capital Acquisitions programme is used to delivery new social housing units which are dictated by the Housing Strategy 2020 from the DHPLG.</p> <p>Key priority - aims to acquire 28 turnkey housing units in line with DHPLG targets set out in the Social Housing Strategy 2015 – 2017.</p> <p>Provide housing to meet guidelines for the development of Quality Sustainable Communities.</p>	<p>Capital funding provided for by the DHPLG.</p> <p>‘Proposed Turnkey Housing Development at Tramore Road, Cork ’ – Capital Appraisal/ Proposal.</p> <p>Cork City Council (Housing Capital, Property and Law Agent) Staff.</p> <p>External Valuations.</p> <p>External engineer surveys on potential houses.</p>	<p>Identification of social need.</p> <p>Preparation of proposal.</p> <p>Identification of potential social housing units sourced internally/externally.</p> <p>Preliminary inspections.</p> <p>Independent valuations (procured panel of valuers).</p> <p>Structural reports and consultancy services (external consultants).</p> <p>Negotiation of purchase price.</p> <p>Conveyancing (in house Law Agent).</p> <p>Purchase of suitable housing.</p>	<p>The purchase of 28 units – Sheridan Park in 2016.</p> <p>CBL placement for allocation of units.</p>	<p>To deliver new social housing units to support the Housing Strategy 2020 programme.</p> <p>Facilitate a social mix by providing a wider geographical spread of social housing.</p> <p>Improved quality of social housing units.</p>

Description of Programme Logic Model (Note: One paragraph each here if possible)

Objectives: The objective of the housing acquisition programme is to deliver new social housing units to support the Housing Strategy 2020 programme. Rebuilding Ireland was a follow up action plan to help with the housing crisis. There are five pillars under these action plans; these are the foundations upon which Cork City Council accelerates housing supply.

A target of 643 units was set by the Department of Housing, Planning and Local Government for Cork City Council to be delivered under capital programmes encompassing LA Housing (Construction and Acquisition, including Part V acquisitions), Capital Assistance Scheme and the return of Void properties for the period 2015 to 2017. As a result of these targets, Sheridan Park was acquired.

Inputs: The primary input to the programme is the capital funding provided by the DHPLG. For the Sheridan Park, Cork City Council sought and obtained Department approval as the acquired dwellings exceeded the ceiling limit as set by the Department. The total funding covered purchase of properties and professional fees (capped at 2% of purchase cost – 2016 circular).

The Department of Housing, Planning & Local Government sets out the criteria against which potential housing stock units should be benchmarked. Maximum thresholds for each type of housing unit are set out in DHPLG Circular 41_2016 Acquisition Cost Guidelines – October 2016 for units acquired from that date to Jan 2018.

Cork City Council (Programme Manager) prepared a detailed proposal to appraise the acquisition. This capital appraisal in conjunction with detailed responses to the DHPLG outlined the proposal, the planning status, the procurement requirements and project appraisal.

To substantiate the purchase, consultancy services were engaged to communicate with the developer to determine suitability and an external independent valuation was obtained. The purchase price was negotiated for an amount below open market value.

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

- Identification of social need through housing applicants waiting lists in the Turners Cross/ Togher area.
- Advertisement for 'Invitation for Expression of Interest from Developers for Turnkey Housing Interests'
- Preparation of a Proposal (Capital Appraisal)
- Evaluating expressions of interest for suitability
- Engaging external consultants to review project proposal, liaise with Developers and Council, preparation of a schedule of requirements (External Consultants)
- Engaging external consultants to oversee the development, liaise with Developers professional team and with Cork City Council Law Agent and Housing Department (External Consultants)

- Completion of a Structural Survey (External Consultants)
- Completion of an Independent Valuation (Panel of Valuers)
- Continuous correspondence with DHPLG & Subsequent Approval
- Preparation of internal proposal for Director of Service & subsequent approval
- Chief Executive Order
- Conveyancing (Law Agent)
- Purchase of suitable housing
- Recoupment of Capital Grant Claim

Outputs: The main output was the purchase of 28 units in the Tramore Road area of Cork City.

Outcomes: The main outcome of the project is to deliver new social housing units to support the Housing Strategy 2020 programme. In the Turners Cross/ Togher area of the City, there is an elevated list of approved housing applicants. These 28 units form part of the Council's overall acquisition programme for 2016 to meet its targets under the Social Housing Strategy 2015 – 2017.

Facilitate a social mix by providing a wider geographical spread of social housing. Tramore Road is located approximately 3 kilometres south from Cork City centre and links Togher to the Kinsale Road/ South Link Road. The area is predominately residential and there are many local amenities in the vicinity.

Improved quality of social housing units, the housing units substantially meet the guidelines for the development of Quality Sustainable Communities set out in the DHPLG guidance. The units have an 'A' BER rating utilising air to water heating systems which assists in reducing fuel dependency while ensuring compliance with building regulations.

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

The following section tracks the Housing Acquisition Programme – Sheridan Park from inception to conclusion in terms of major project/programme milestones



1994	Commencement of the housing acquisitions program
2014	Social Housing Strategy 2020 & Rebuilding Ireland
2015	Invitation for Expressions of Interest from Developers for Turnkey Housing Units – Cork City Council Social Housing Programme 2015 to 2017
August 2016	Letter of Interest for turnkey housing units received by Cork City Council
August 2016	Independent valuations obtained
September 2016	Proposal/ Business Case
September 2016	Final negotiations and agreed figure
September 2016	Form HCA3 – seeking funding from DHPLG
October 2016	Request for Professional Services
October 2016	Approval in principle obtain from the DHPLG
November 2016	Chief Executive Order and Contract of Sale
December 2016	Receipt of Claim from DHPLG
February/ March 2017	Allocation of tenants

Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the Housing Acquisition Programme – Sheridan Park.

Project/Programme Key Documents	
Title	Details
Procedure Manual: Cork City Council Housing Acquisitions Program – General overview of program	Background, objectives and benefits of housing acquisitions. Housing circulars set out specific benchmarked to which properties acquisitions should be assessed.
Files relating to Sheridan Park acquisition 2016/2017	Paper files containing details of business case, inspections, valuations, bidding negotiations, DHPLG communication & approval, CE Order, Legal correspondence, Contract of Sale
Original Proposal/ Business Case	The strategy was prepared by Cork City Council Housing Programme Manager.
Project Authorisation Form (Project Briefs)	Authorisation Form from Chief Executive and Director of Service for projects over €0.5m. This project brief identifies the need for the project, the objectives and possible risks.
Independent Valuation	Conducted by independent External Valuers.
Correspondence with the Department of Housing, Planning and Local Government	All correspondence relating to securing approval for purchase of units, additional information required including further assessment of alternative proposals.
Director of Service Request for Approval - Proposal	Proposal prepared by Housing Capital for the purchase of Sheridan Park.
Chief Executive Order	A Chief Executive Order was obtained on the 24 th November 2016.

Key Document 1: Procedure Manual

Housing Capital procedure manual outlines the various stages of the acquisitions process. The Procedure Manual is a live document to be updated as processes/ requirements change. The manual is linked to various Housing Circulars which set out specific benchmarks to which properties acquisitions should be assessed. These circulars were used by Internal Audit to determine the Housing Capital compliance and to ensure that value for money was achieved in all housing acquisitions for the period 2016 to 2017.

Key Document 2: Property Acquisition File

The Property Acquisition file is kept by Housing Capital, which keeps all the relevant information relating to the Sheridan Park. This file was used as the basis for our review. The file contains the following;

- Correspondence with the vendor/ developer.
- Detailed drawings/ plans.
- Record of Negotiations.
- Correspondence and Clarifications with the Department of Housing, Planning and Local Government.
- Form HCA 3.
- Procurement of External Consultants through quotations.
- Schedules & specifications for build.
- Independent Valuation.
- Proposal – Director of Services Approval.
- Chief Executive Order.
- Maps.
- Legal Correspondence.
- Recoupment of Costs from Department of Housing, Planning and Local Government.

The files are comprehensive, complete and provide a good audit trail.

Key Document 3: Original Proposal/ Business Case

The original proposal/ letter of interest dated August 2016 from the Developers is as a result of the 2015 Cork City Council invitation for expression of interest from developers for turnkey housing units. The proposal outlines the development, the expected construction completion date (December 2016) and the potential release price on the open market (as a private dwelling).

Based on the letter of interest, negotiations proceeded between the Developer and the Housing Programme Manager to determine whether the project provided value for money (supported by independent valuation). An offer was subject to Department of Housing, Planning and Local Government approval, good title and agreed specification.

The proposal was completed by the Programme Manager, which outlined the project appraisal; description of the development, identification of need, social housing design guidelines, compliance with building standards and acquisition costs.

In addition to the project authorisation form, the proposal is substantially in line with public spending code requirements however the proposal could be further strengthened by including stronger justification for projects and analysis of alternative options.

Key Document 4: Project Authorisation Form

The Project Authorisation Form (PAF) is a standard form in use within Cork City Council for projects over €0.5m. The form requires a project description, project justification, work scope, schedule summary, details of construction regulations (S.I504 of 2016), nominated team which includes a project manager at a suitably senior level for the scale of the project, required man-hours and a high level value for money of the project (includes outlining the needs that the project addresses, the objectives, details of alternative options [building of new stock], key constraints, and identified risks.)

This document appear largely in line with the Public Spending Code (PSC) and, more specifically, with compliance with the Department of Finances 'Guidelines for Appraisal and Management of Capital Expenditure Proposals in the Public Sector' however recent appraisal guidance from the Department of Public Expenditure and Reform requires that the project brief includes a programme for completion of works. It would be best practice to include the project deliverables to ensure that outcomes are quantified.

Key Document 5: Independent Valuation

The Independent Valuation was conducted by external independent valuers in September 2016. The valuers formed their opinion based on taking into account evidence from actual transactions and quoting prices of properties on the market at the time. The actual amount paid was below the quoted market value outlined in the report which supports value for money.

The independent valuer is on Cork City Council's panel of valuers.

Key Document 6: Correspondence with the Department of Housing, Planning and Local Government

Based on this review, correspondence with the Department of Housing, Planning and Local Government outlines the proposal, the project appraisal and acquisition costs. The correspondence with DHPLG includes the following;

- Form HCA 3
- Stage 1 approval – includes requested recommendations in October 2016

To support Cork City Council's proposal to DHPLG, the programme manager provided the following supplementary supporting information;

- Independent valuation
- Original proposal submitted by the developer
- Plan for the Housing Development
- Record of negotiations

The above information supports a thorough appraisal of the capital acquisition.

Key Document 7: Director of Service Request for Approval - Proposal & Chief Executive Order

The internal letter dated September 2016 to the Director of Services, Housing and Community Directorate refers to previous discussions and outlines the proposal for the project, management of the facility and the expected cost. The proposal was subsequently approved.

The Chief Executive Order was signed on the 24th November 2016 which approves the purchase of the development for social housing.

Section B - Step 4: Data Audit

The following section details the data audit that was carried out for the Housing Acquisitions program – Sheridan Park. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
Housing Acquisitions – General overview of the program	To gain and understanding of the terms and conditions of the housing acquisitions program	Procedures were made available on request
Total costs associated with the acquisition	To determine the value of the project.	Information readily available – Available on file.
Occupancy of units	To determine the success of the development.	Information readily available. Choice Based Letting is used with Cork City Council.
Rental Arrears	To determine the success of the development.	Information readily available. Choice Based Letting is used with Cork City Council.
Environmental/ Energy Performance	To determine how energy efficient is the housing stock	All housing stock acquired has an 'A' rating.
Social Return on Investment	To determine the additional benefits that the development brings to neighbourhoods and society	This development will require several years to fully embed to evaluate its social return on investment.

Data Availability and Proposed Next Steps

All files and data reviewed in relation to the operation of all Cork City Council acquisitions 2016/2017 were all available at time of audit. The files that were reviewed were of a high quality and contained all relevant information. All associated costs for the acquisition of the project are clearly identified and can be traced back to the financial management system. Statistics to support the ongoing need for the development will be available through Choice

Based Lettings data. The acquisition may also subject to audits/ checks by the Department of Housing, Planning and Local Government since they are the sanctioning body.

As per the table above, it should be feasible to determine the data required to evaluate the project's future success. However this project will require several years to fully embed and to evaluate its core strategic objectives.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for Housing Acquisition program – Sheridan Park 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)

Based on the in-depth review undertaken, it appears that the acquisition of Sheridan Park is substantially in compliance with the Public Spending Code. To facilitate public procurement obligations, the Council sought proposals for the acquisition of social housing for its Social Housing Programme 2015 – 2017 in the national newspaper media. This proposal is as a result of this advertisement. Housing Capital followed the required appraisal stage through preparation of a proposal outlining

As an additional appraisal support, proposal memos were communicated by the Programme Manager to the Director which outlined the project appraisal, the social need, compliance with building regulations and social housing guidelines, and the expected acquisition cost. The Housing Capital unit initiated early communication with the Department of Housing, Planning and Local Government to ensure that approval in principle was sought before expenditure commenced (surveyors, valuers etc.). The Housing Capital unit ensured that all recommendations set by the Department were addressed and met where required.

The Project Authorisation Form (PAF) is a standard form in use within Cork City Council for projects over €0.5m. The form requires a project description, project justification, work scope, schedule summary, details of construction regulations (S.I504 of 2016), nominated team which includes a project manager at a suitably senior level for the scale of the project, required man-hours and a high level value for money of the project (includes outlining the needs that the project addresses, the objectives, details of alternative options, key constraints, and identified risks.)

Ultimately, the Housing Capital unit demonstrated a great appreciation of obtaining value for money by negotiating a purchase price for under market value.

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 available on file, through FMS and allocations reporting to ensure that the project can be subjected to a full evaluation at a later date. Financial information is easily obtained through Cork City Council financial management system – JD Edwards. There is a clear audit trail on the file from appraisal, project management, approvals and completion of the sale. The project file contains details of the evolution of the proposal, inspections/ surveys, valuations, internal approvals, bidding negotiations, DHPLG correspondence, approvals & DHPLG claim, etc.

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

While external consultants were engaged by means of obtaining five written quotations, as per Cork City Council policy, a more formal process is required which includes drawing up tender documents using Open Procedure and advertisement on e-tenders in line with Public Procurement Guidelines For Goods And Services: Office of Government Procurement. For the purpose of selecting the consulting services for this project, the most economically advantageous quotation was utilised and all unsuccessful parties were debriefed.

Project briefs and appraisals could be strengthened by including stronger justification for projects and analysis of alternative options. Additionally, it would be beneficial for project briefs to include a programme for completion of works/ project deliverables to ensure that outcomes are easily quantified. A project execution plan (PEP) template is available within Cork City Council's Standard Operating Procedures for the Appraisal and Management of Projects which is in line with the requirements of the 2005 Department of Finance Guidelines on Appraisal and Management of Capital Expenditure Proposals in the Public Sector. This template appears to outline the all required details to satisfy compliance with the public spending code.

It is important that post project reviews are undertaken within a reasonable timeframe, as per Public Spending Code requirement, to assess whether project objectives have been met and that lessons learned can be applied.

Section: In-Depth Check Summary

The following section presents a summary of the findings of this In-Depth Check on the Housing Acquisition Programme – Sheridan Park

Summary of In-Depth Check

Overall, the capital expenditure project recently ended under review – acquisition of Sheridan Park was well managed and it is reasonable to conclude that Cork City Council's is in compliance with the Public Spending Code. Housing Capital followed the required appraisal stage through proposal memos and early communication with the Department of Housing, Planning and Local Government. To facilitate public procurement obligations, the

Council sought proposals for the acquisition of social housing for its Social Housing Programme 2015 – 2017 in the national newspaper media. This proposal is as a result of this advertisement. Housing Capital unit has demonstrated an appreciation of value for money obligations resulting in a negotiated purchase price under market value.

While Internal Audit are satisfied that the acquisition of the properties were managed appropriately and provided value for money, there are a number of areas that may enhance future practices. Local procurement policy should be followed to ensure that third party consultants are engaged in line with national guidelines. Project briefs and appraisals could be strengthened by including stronger justification for projects and analysis of alternative options. Additionally, it would be beneficial for project briefs to include a programme for completion of works/ project deliverables to ensure that outcomes are easily managed. A project execution plan (PEP) template is available within Cork City Council's Standard Operating Procedures for the Appraisal and Management of Projects which is in line with the requirements of the 2005 Department of Finance Guidelines on Appraisal and Management of Capital Expenditure Proposals in the Public Sector. This template appears to outline the required details to satisfy compliance with the public spending code. Finally to ensure that the project fully fulfils its obligations under the Public Spending Code, Internal Audit recommends that a post-project review should be completed within a reasonable timeframe.