



**Comhairle Cathrach  
& Contae Phort Láirge**  
Waterford City  
& County Council

**WATERFORD CITY & COUNTY COUNCIL**

**QUALITY ASSURANCE REPORT 2019**

**ISSUED BY**

**WATERFORD CITY & COUNTY COUNCIL**

**SUBMITTED TO THE NATIONAL OVERSIGHT AUDIT COMMISSION (NOAC)**

**IN COMPLIANCE WITH THE PUBLIC SPENDING CODE**

**JULY 2020**

## Certification

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

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Signature of Chief Executive:



**Michael Walsh**

Dated:

5<sup>th</sup> August, 2020

## Contents

Details	Page No
1. Introduction	4
2. Inventory of Projects and Programmes	5
3. Published Summary of Procurements	5
4. Assessment of Compliance	6
5. Summary of in-depth checks	8

**Appendix 1:** Inventory of projects and programmes above €0.5m

**Appendix 2:** Self-Assessment Checklist 1 – 7

**Appendix 3:** Quality Assurance In-depth Checks:

- LEO Measure 1 and Measure 2 supports (2019)
- Construction of 12 no. housing units at Coolfin Woods, Portlaw, Co. Waterford. (Capital)
- Acquisition of 40 no. units at The Walk, Fairfield Park, Kilcohan, Waterford under the Accelerated Capital Advance Programme by Circle Voluntary Housing Association. (Capital)
- Acquisition of 55 no housing units at Estuary Knights Grange, Lacken Road, Waterford (Capital)

## 1. Introduction

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

The primary aim of the Quality Assurance process is to gauge the extent to which Departments within the Council are meeting the obligations outlined in the Public Spending Code. Details of the Public Spending Code can be found on the following website; <http://publicspendingcode.per.gov.ie>

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### **The Quality Assurance Process contains five steps:**

1. Drawing up Inventories of all projects/programmes at different stages of the Project Life Cycle. The Project Life Cycle includes appraisal, planning/design, implementation and post implementation review. The three sections to be completed are expenditure being considered, expenditure being incurred and expenditure that has recently ended. The inventory includes all projects/programmes with a value in excess of €0.5m.
2. Publish summary information on the Council website of all procurements in excess of €10m. This applies to all projects whether new, in progress or completed.
3. Checklists to be completed in respect of the different stages. These checklists allow the Council and its departments to self-assess their compliance with the code. The checklists templates are provided through the PSC document.
4. Carry out a more in-depth check on a small number of selected projects/programmes. A number of projects or programmes (at least 5% of total spending) are selected to be reviewed more intensively. This includes a review of projects from initial appraisal right through to post implementation review.
5. Complete a short report for the National Oversight and Audit Commission (NOAC) which includes the inventory of all projects, the website reference for the publication of procurements above €10m, the completed checklists, the Council's judgement on the adequacy of processes given the findings from the in-depth checks and the Council's proposals to remedy any discovered inadequacies.

This report satisfies step 5 above for Waterford City & County Council. It is also important to note that this is the sixth year that the Quality Assurance process has been applied in Waterford City & County Council.



## 2. Inventory of Projects/Programmes

This section contains an inventory list of all projects and programmes at various stages of the project life cycle where the total project value amounts to more than €500,000.00. The inventory list (Appendix One on Pages 15-22) is divided between revenue expenditure and capital expenditure and between three stages:

- Expenditure being considered
- Expenditure being Incurred
- Expenditure that has recently ended

### **Expenditure being considered**

Appendix one contains the details of 17 of projects of a value greater than €500,000.00 that Waterford City & County Council was considering during 2019. The total value of all projects is €51,286,326. The main area being considered is the construction of 65 social housing units at Ballygunner, Waterford (€11,178,328)

### **Expenditure being incurred**

Appendix one also contains the details of all areas of expenditure with a value greater than €500,000 taken from the financial statements for 2019. Please note as of July 2020 these financial statements were unaudited. The total value of all these items of expenditure is €312,694,450 of which €180,358,790 relates to capital expenditure and the balance being current expenditure. The current expenditure relates to the normal day-to-day activities of the Council.

### **Expenditure that has recently ended**

There are 12 items of expenditure which Waterford City & County Council deem as recently ended with a total value of €44,854,507.

## 3. Published Summary of Procurements

The Quality Assurance process requires Waterford City & County Council to publish all procurements in excess of €10,000,000 on our website. There were no procurements in excess of €10,000,000 during 2019 in Waterford City & County Council, therefore no procurement details are published on our website. (*Note: An amount in excess of €10,000,000 is listed on the inventory, this relates to a Housing CALF project (29% funding).*)

## 4. Assessment of Compliance

### 4.1 Checklist Completion: Approach Taken and Results

The third step in the Quality Assurance process involves completing a set of checklists covering all categories of expenditure. The high level checks in Step 3 of the QA process are based on self-assessment by the Department and its agencies/bodies, in respect of guidelines set out in the Public Spending Code.

There are seven checklists in total:

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**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

A full set of checklists 1-7 was completed by Waterford City & County Council. The compiled checklist for Waterford City & County Council is set out in Appendix 2. In addition to the self-assessed scoring, some answers are accompanied by explanatory comments. Each question in the checklist is judged by a 3 point scale, where 1. Scope for significant improvement, 2. Compliant but with some improvement necessary, 3. Broadly compliant.

### 4.2 Main Issues Arising from Checklist Assessments

There are plans to increase current spending in five areas by amounts greater than €500,000 during 2020. A review of current expenditure being considered took place by analysing the adopted budget for 2020 versus the budget for 2019.

There are no items to report under checklist 7 for Waterford City & County Council. This checklist deals with current expenditure in excess of €500,000 incurred during 2019 but will not be incurred in future.

### **4.3 Conclusion**

The inventory contained in this report lists the current and capital expenditure that was categorised as being considered, incurred and recently ended, with a value greater than €0.5m for 2019. The self assessment checklists show a broad level of compliance with the code, however there are areas that require improvement.

In-depth checks were carried out by Internal Audit in respect of expenditure on Local Enterprise Office (LEO) Measure 1 and Measure 2 supports for 2019 and three Housing Capital projects. The in-depth reviews of these projects demonstrate a broad level of compliance with the principles of the Public Spending Code.

The process of identifying suitable training options to further raise the awareness of the Public Spending Code is ongoing within the organisation.

This Quality Assurance Report provides reasonable assurance that Waterford City & County Council is broadly compliant with the requirements of the Public Spending Code (PSC) where they apply.

5. In-Depth Checks



**Comhairle Cathrach  
& Contae Phort Láirge**  
Waterford City  
& County Council

**WATERFORD CITY & COUNTY COUNCIL**

**Public Spending Code Section 4 Review**

**Issued by**

**INTERNAL AUDIT**

**WATERFORD CITY & COUNTY COUNCIL**

**JULY 2020**



## Introduction

Circular 13/13: The Public Spending Code: Expenditure Planning, Appraisal & Evaluation in the Irish Public Service - Standard Rules & Procedures was issued in September 2013 implementing a comprehensive set of expenditure appraisal, Value for Money requirements and related guidance covering all public expenditure. Having completed the high level checklists that capture various areas of compliance, a more in depth review was carried out in the following area to assess the level of compliance with the Code. The project/areas chosen were as follows:

### Current:

- €1,271,176 – LEO Measure 1 and Measure 2 supports (2019)

### Capital:

- €2,443,379 - Construction of 12 no. housing units at Coolfin, Portlaw, Co. Waterford
- €9,000,000 - Acquisition of 40 no. units at The Walk, Fairfield Park, Kilcohan, Waterford under the Accelerated Capital Advance Programme by Circle Voluntary Housing Association
- €9,959,000 - Acquisition of 55 no. housing units at Knights Grange, Lacken Road, Waterford

## Purpose, Objectives & Scope

The purpose of the review was to provide an opinion on compliance with the Public Spending Code. The expenditure was examined in order to assess if the practices implemented are of a high standard.

The scope of the audit included a review of compliance with the Public Spending Code.

The total value of projects/expenditure included in the 2019 Report for Waterford City & County Council is €408,835,283.

The current expenditure project selected value of €1,271,176 represents **0.91%** of the total current expenditure projects value of €139,757,594 on the inventory.

The capital projects selected value of €21,403,379 represents **7.95%** of the total capital projects value of €269,077,689 on the inventory.



## Methodology

No methodology for the completion of the in depth review/check is prescribed in the Circular. As a result the decision has been taken to apply methodology used in the preparation of Internal Audit reports within the Council.

These include the following;

- Expenditure data to date was extracted from the Financial Management system Agresso.
- Communication with Senior Staff within the relevant departments.
- The examination of any procedures and policies that are currently in place.
- Supporting files and documentation were examined.
- Relevant departmental circulars and legislation were also examined.

### **Current expenditure project: Local Enterprise Office (LEO) Measure 1 and Measure 2 – 2019**

#### **Background**

<sup>1</sup>LEO Waterford is one of 31 such Local Enterprise Offices established in 2014 after the dissolution of the previous County and City Enterprise Boards and acts as a “First Stop Shop” for the enterprise and business community in Waterford and for anyone seeking information and support on starting or growing a business. Its role is to drive the development of local enterprise and to support entrepreneurship, putting local micro and small business at the heart of job creation. Whether it is via direct financial support or through the provision of information, advice, mentoring or training or by hosting events or by delivering a variety of enterprise and training programmes, the key objectives are to support business start-ups and business expansions as well as to support a culture of entrepreneurship in Waterford. Ultimately, the primary objective of the LEO is the creation and retention of high quality, sustainable jobs through supporting client businesses and entrepreneurs.

This document reviews two supports administered by LEO Waterford. Measure 1 – direct financial support and Measure 2 provides for general development such as training, mentoring and support.

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<sup>1</sup> LEO Waterford Local Enterprise Development Plan 2017-2020

### **Audit Opinion**

From Internal Audits review of the programme documentation and through communication with those involved in the programme Internal Audit is satisfied that the programme objectives are clearly defined. All relevant documentation in relation to this programme was available and filed as appropriate for audit trail purposes. There is continuous monitoring and assessment of the programme – both financial and non financial. There is an independent skilled evaluation and approvals committee in place. Quarterly reporting to Enterprise Ireland including reconciliation to the LA FMS occurs. A comprehensive set of procedure manuals are in place.

Based on Internal Audits review of this programme it appears that this programme complies with the principles of the Public Spending Code

### **Project Status**

31 clients secured Measure 1 (financial support) to the value of €703,315 in 2019. During 2019, 2,144 Measure 2 clients received support to the value of €567,861. Work is ongoing within the Local Economic Office with regard to all elements of this programme in conjunction with Enterprise Ireland. Publicising the services available, reviewing applications for Measure 1 clients, checking eligibility, reconciliation/preparation of the quarterly drawdown reports, support the Evaluation and Approvals committee. For Measure 2 supports ensuring panels of trainers and mentors are in place. Organising and publicising training and other related events.

### **Recommendations**

Due to the restrictions and challenges presented by the Covid 19 pandemic rescheduling of review meetings with the relevant stakeholders should now be rescheduled. The LEO team had to develop new ways of delivering their services and meeting objectives throughout the restrictions. Procedure manuals should be updated to reflect the changes in work practices that have been put in place during the pandemic.

## **Capital Project No. 1: Construction of 12 no. housing units at Coolfin Woods, Portlaw, Co. Waterford**

### **Background**

The housing construction development at Coolfin Woods, Portlaw, Co Waterford delivered 12 no. social housing units during 2019 (6 no. three bed two storey dwellings and 6 no. two bed bungalow dwellings). These properties help address some of the demand for social housing identified by Waterford City and County Council through the housing needs assessment. The Council acquired land for this development in 1982. The scheme has been successful and provided 12 no. housing units in what was previously a green field site adjacent to an existing housing estate. All units are allocated and occupied.

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### **Audit Opinion**

From review of the files and through communication with those involved in the project, Internal Audit is satisfied that the project objective was clearly defined and that the needs that were to be met were outlined. All relevant documentation in relation to this project was available and filed as appropriate for audit trail purposes. This project complies with the principles of the Public Spending Code.

### **Project Status**

The scheme has been successful and provided 12 no. housing units in what was previously a green field site adjacent to an existing housing estate. All units are allocated and occupied.

### **Recommendations**

With regard to the post project review report Internal Audit notes that additional areas may be included which would enhance future reviews. Possible additional areas to be included are referenced in Circular SHIP 2010/12 Appendix D and CWMF Pillar 4 – GN 4.1 - Project Reviews. Lessons learned etc could be noted in the post project review for the benefit of future projects.



## **Capital Project No. 2: Acquisition of 40 no. units at The Walk, Fairfield Park, Kilcohan, Waterford under the Accelerated Capital Advance Programme by Circle Voluntary Housing Association**

### **Background**

This project relates to the acquisition (turnkey) of 40 no. units (3 bed houses) at The Walk, Fairfield Park, Kilcohan, Waterford under the capital advance programme by Circle Voluntary Housing Association (CVHA) for social housing use. Total cost of the scheme is €9,000,000.

### **Audit Opinion**

From review of the files and through communication with those involved in the project, Internal Audit is satisfied that the project objective was clearly defined and that the needs that were to be met were outlined. All relevant documentation in relation to this project was available and filed as appropriate for audit trail purposes. Based on Internal Audits review this project complies with the principles of the Public Spending Code.

### **Project Status**

This project is due to be finalised in 2020.

### **Recommendations**

The requirements of the Public Spending Code were complied with at all completed stages of the project. There is sufficient data for a post project review to be completed on this project

## **Capital Project No. 3: Acquisition of 55 no. housing units at Knights Grange, Lacken Road, Waterford (Turnkey)**

### **Background**

The acquisition of 55 no. housing units at Lacken, Waterford project is categorised under Capital Expenditure recently ended in 2019. Although the project is approved for 55 no. housing units the project has been split into a number of phases. Phase 1 and 2 delivering 34 no. housing units in 2019 with the remaining units due to be completed in 2020.

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### **Audit Opinion**

After reviewing available information it can be concluded that this project complies with the principles of the Public Spending Code. Outlined below are the reasons as to why this conclusion can be drawn

- The project timeline provides evidence that this project has been identified in various policies/plans over a period of time.
- The Council's Capital assessment and recommendation document outlines the need, the options reviewed to meet this housing need.
- Value for Money was demonstrated through the independent valuation process for these properties.
- The appropriate claim and recoupment process was evident during the review process.
- The Council's systems will enable a full evaluation to be made at a later date.
- Houses completed in Phase 1 & 2 have been allocated to Council tenants.

### **Project Status**

This project is due to be completed in 2020.

### **Recommendation**

A post project review should be carried out after the project has been completed to evaluate if the project objectives have been met. This would determine if the project was managed well and if anything could be done differently or better for future projects.



# Appendix 1 – Inventory 2019

Local Authority Name	City & County	Expenditure		being considered		Expenditure being incurred			Expenditure recently ended			Notes		
		Current > €0.5m	Capital Grant Schemes > €0.5m	Capital Projects	€0.5 - €5m	€5 - €20m	€20m plus	Current Expenditure	Capital Grant Schemes > €0.5m	Capital Projects	Current Expenditure		Capital Grant Schemes > €0.5m	Capital Projects
<b>Housing &amp; Building</b>														
A01	Maintenance/ Imp of LA Housing							€7,278,163						
A02	Housing Assessment, Allocation and Transfer							€1,195,766						
A03	Housing Rent and Tenant Purchase Administration							€1,555,003						
A04	Housing Community Dev Support							€745,851						
A05	Administration of Homeless Service							€5,759,865						
A05	Administration of Homeless Service (expanded)	€1,449,162												
A06	Support to Housing Capital & Affordable Prog.							€1,112,263						
A07	RAS Programme							€7,246,320						
A07	RAS Programme (expanded)	€1,250,876												
A08	Housing Loans							€1,883,799						
A09	Housing Grants							€1,857,388						









Road Transportation and Safety											
B01 NP Road - Maintenance and Improvement									€5,109,335		
B01 NP Road – Mtce & Imp (expanded)	€3,007,954										
B02 NS Road - Maintenance and Improvement								€2,269,196			
B03 Regional Road - Maintenance and Improvement								€7,292,281			
B03 Regional Road - Maintenance and Improvement (expanded)	€988,392										
B04 Local Road – Mtce & Imp								€16,319,304			
B05 Public Lighting								€1,972,081			
B06 Traffic Management Improvement								€550,416			
B07 Road Safety Engineering Improvement								€787,576			
B09 Maintenance & Management of Car Parking								€1,543,755			
B11 Agency & Recoupable Services								€3,580,994			
WCURS (Waterford City Urban Renewal Scheme)									€12,100,000		
Waterford Greenway										€20,086,068	
Dungarvan Town Centre Public Realm									€3,300,000		
Bord Gais Car Park											€1,610,000



<b>Water Services</b>												
Waterford City Flood Alleviation Scheme											€22,270,000	
OPW Flood Defence Duckspool 2019												€794,000
C01 Operation and Maintenance of Water Supply											€6,898,404	
C02 Operation and Maintenance of Waste Water Treatment											€2,180,436	
C06 Support to Water Capital Programme											€816,252	
<b>Development Management</b>												
Viking Triangle Ph. 2												€1,480,418
Public Realm Tramore											€1,600,000	
Acquisition & Demolition of North Quays											€2,700,000	
Redevelopment of North Quays											€78,900,000	
Bilberry to City Centre Greenway Link											€4,900,000	
Acquisition of former KRM site											€4,050,000	
LIHAF scheme Kilbarry											€3,389,500	







## Appendix Two - Completed Checklists 1 to 7

### CHECKLIST 1 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 organisation ensure, on an ongoing basis, that appropriate people within the organisation and its agencies are aware of their requirements of the Public Spending Code (incl. through training)?	1	Await sector wide roll out of training . In the interim the process of identifying suitable training options is ongoing within the LA
1.2 Has training on the Public Spending Code been provided to relevant staff within the organisation?	1	See 1.1 – elements of the PSC were revised during 2019.
1.3 Has the Public Spending Code been adapted for the type of project/programme that your organisation is responsible for? i.e., have adapted sectoral guidelines been developed?	2	
1.4 Has the organisation in its role as Sanctioning Authority satisfied itself that agencies that it funds comply with the Public Spending Code?	2	
1.5 Have recommendations from previous QA reports (incl. spot checks) been disseminated, where appropriate, within the organisation and to agencies?	3	
1.6 Have recommendations from previous QA reports been acted upon?	2	
1.7 Has an annual Public Spending Code QA report been certified by the organisation Chief Executive, submitted to NOAC and published on the organisation's website?	3	
1.8 Was the required sample of projects/programmes subjected to in-depth checking as per step 4 of the QAP?	3	
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.	1	
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	
1.11 Is there a process to follow up on the recommendations of previous evaluations/Post project reviews?	2	
1.12 How have the recommendations of previous evaluations/post project reviews informed resource allocation decisions?	2	

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

<b>Capital Expenditure being Considered – Appraisal and Approval</b>	<b>Self-Assessed Compliance Rating: 1</b>	<b>Comment/Action Required</b>
2.1 Was a preliminary appraisal undertaken for all projects > €5m?	3	
2.2 Was an appropriate appraisal method used in respect of capital projects or capital programmes/grant schemes?	3	
2.3 Was a CBA/CEA completed for all projects exceeding €20m?	n/a	Value below threshold
2.4 Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision)	3	
2.5 Was an Approval in Principle granted by the Sanctioning Authority for all projects before they entered the planning and design phase (e.g. procurement)?	3	
2.6 If a CBA/CEA was required was it submitted to the relevant Department for their views?	n/a	
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	
2.9 Was approval granted to proceed to tender?	3	
2.10 Were procurement rules complied with?	3	
2.11 Were State Aid rules checked for all supports?	n/a	
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	
2.13 Were performance indicators specified for each project/programme which will allow for a robust evaluation at a later date?	3	
2.14 Have steps been put in place to gather performance indicator data?	3	



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

Current Expenditure being Considered – Appraisal and Approval	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
3.1 Were objectives clearly set out?	3	Set out in annual service plan and annual budget
3.2 Are objectives measurable in quantitative terms?	3	
3.3 Was a business case, incorporating financial and economic appraisal, prepared for new current expenditure?	2	
3.4 Was an appropriate appraisal method used?	2	
3.5 Was an economic appraisal completed for all projects exceeding €20m or an annual spend of €5m over 4 years?	n/a	No project of this value in the current exp being considered category in 2019
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?	3	Yes where applicable
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?	2	Yes where applicable
3.15 Have steps been put in place to gather performance indicator data?	2	Yes where applicable

**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	Ongoing contract for lead consultants
4.2 Did management boards/steering committees meet regularly as agreed?	3	
4.3 Were programme co-ordinators appointed to co-ordinate implementation?	3	
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	
4.5 Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	Monthly reports from lead consultants
4.6 Did projects/programmes/grant schemes keep within their financial budget and time schedule?	2	Variations required
4.7 Did budgets have to be adjusted?	2	Variations required
4.8 Were decisions on changes to budgets / time schedules made promptly?	3	
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	
4.10 If circumstances did warrant questioning the viability of a project/programme/grant scheme was the project subjected to adequate examination?	3	
4.11 If costs increased was approval received from the Sanctioning Authority?	n/a	
4.12 Were any projects/programmes/grant schemes terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?	n/a	

**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	
5.2 Are outputs well defined?	3	
5.3 Are outputs quantified on a regular basis?	3	
5.4 Is there a method for monitoring efficiency on an ongoing basis?	3	
5.5 Are outcomes well defined?	3	
5.6 Are outcomes quantified on a regular basis?	3	
5.7 Are unit costings compiled for performance monitoring?	3	
5.8 Are other data compiled to monitor performance?	3	
5.9 Is there a method for monitoring effectiveness on an ongoing basis?	3	
5.10 Has the organisation engaged in any other 'evaluation proofing' <sup>2</sup> of programmes/projects?	3	

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**2** Evaluation proofing involves checking to see if the required data are being collected so that when the time comes a programme/project can be subjected to a robust evaluation. If the data are 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 in the year under review.**

Capital Expenditure Recently Completed	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
6.1 How many post project reviews were completed in the year under review?	3	Completed in all cases of Project Close i.e. Final Statements and final retention release
6.2 Was a post project review completed for all projects/programmes exceeding €20m?	2	Scheduled to be completed once sufficient time has elapsed
6.3 Was a post project review completed for all capital grant schemes where the scheme both (1) had an annual value in excess of €30m and (2) where scheme duration was five years or more?	n/a	
6.4 Aside from projects over €20m and grant schemes over €30m, was the requirement to review 5% (Value) of all other projects adhered to?	3	
6.5 If sufficient time has not elapsed to allow for a proper assessment, has a post project review been scheduled for a future date?	3	See 6.2
6.6 Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority? (Or other relevant bodies)	3	Through Sanctioning Authority approvals and conditions, and also through internal review meetings.
6.7 Were changes made to practices in light of lessons learned from post-project reviews?	3	
6.8 Were project reviews carried out by staffing resources independent of project implementation?	3	



**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	
7.2 Did those reviews reach conclusions on whether the programmes were efficient?	n/a	
7.3 Did those reviews reach conclusions on whether the programmes were effective?	n/a	
7.4 Have the conclusions reached been taken into account in related areas of expenditure?	n/a	
7.5 Were any programmes discontinued following a review of a current expenditure programme?	n/a	
7.6 Were reviews carried out by staffing resources independent of project implementation?	n/a	
7.7 Were changes made to the organisation's practices in light of lessons learned from reviews?	n/a	

**Notes:**

(a) The scoring mechanism for the above tables is set out below:

- 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

(b) 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 for those questions which address compliance with appraisal / evaluation requirements i.e. the annual number of CBAs, VFMs/FPAs and post project reviews.

## Appendix 3 – Current expenditure project – Local Enterprise Office (LEO) Measure 1 and Measure 2 supports (2019)

### Quality Assurance – In Depth Check

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#### Section A: Introduction

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

<b>Programme or Project Information</b>	
<b>Name</b>	Local Enterprise Office (LEO)
<b>Detail</b>	LEO Measure 1 and Measure 2 Expenditure (2019)
<b>Responsible Body</b>	Waterford City & County Council
<b>Current Status</b>	Expenditure Being Incurred
<b>Start Date</b>	January 2019
<b>End Date</b>	December 2019
<b>Overall Cost</b>	<b>€1,271,176</b>

## **Programme Description**

<sup>3</sup>LEO Waterford is one of 31 such Local Enterprise Offices established in 2014 after the dissolution of the previous County and City Enterprise Boards and acts as a “First Stop Shop” for the enterprise and business community in Waterford and for anyone seeking information and support on starting or growing a business. Its role is to drive the development of local enterprise and to support entrepreneurship, putting local micro and small business at the heart of job creation. Whether it is via direct financial support or through the provision of information, advice, mentoring or training or by hosting events or by delivering a variety of enterprise and training programmes, the key objectives are to support business start-ups and business expansions as well as to support a culture of entrepreneurship in Waterford. Ultimately, the primary objective of the LEO is the creation and retention of high quality, sustainable jobs through supporting client businesses and entrepreneurs.

While supporting the micro-enterprise sector via direct financial aid is a primary responsibility of the LEO, many of the other non-financial supports, such as training and mentoring, are also critical to the development and sustaining of enterprises.

While traditional activities, such as the provision of Start Your Own Business (SYOB) courses or supporting small enterprises to showcase at trade fairs and at events such as the National Ploughing Championships, continue to be in demand, many recent initiatives supported at a national level such as Ireland’s Best Young Entrepreneur (IBYE), Trading On-Line Vouchers (TOVs) and the services of Microfinance Ireland are proving extremely popular.

This document reviews two supports administered by LEO Waterford. Measure 1 – direct financial support and Measure 2 provides for general development such as training, mentoring and support.

### **Waterford LEO Mission Statement<sup>4</sup>**

<sup>5</sup>“To ensure a co-ordinated and cohesive development of micro enterprise for Ireland which contributes to economic growth and job creation. We serve as a ‘first stop shop’ to provide strategic, administrative, technical and financial support and services to start, grow and develop micro and small business in each local area”.

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<sup>3</sup> LEO Waterford Local Enterprise Development Plan 2017-2020

<sup>4</sup> [www.localenterprise.ie/Waterford](http://www.localenterprise.ie/Waterford)

<sup>5</sup> Waterford LEO Mission Statement



The Local Enterprise Office offers a number of services detailed below:

#### **Business Information and Advisory Services**

- General business advice and information
- Information and access to other enterprise related government agencies
- Advice and information on accessing public procurement processes
- Advice on energy efficiency, sustainable development and alternative renewable energy sources

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#### **Entrepreneurship Support Services**

- Education
- Female entrepreneurship
- Senior entrepreneurship
- Development of clusters
- Enterprise Awards
- Enterprise promotional activities

#### **Enterprise Support Services**

- Provide financial support for start-up and business development
- Provide training supports
- Mentoring
- Marketing
- Access to business networks
- Product and Service development
- Supports for businesses to trade online
- Community Enterprise Centres in Waterford area
- Microfinance Ireland Loan Fund
- Progression for high potential start-ups and high growth companies to Enterprise Ireland
- Promotional Space

**Overall priorities for LEO Waterford:** Enterprise development and support of entrepreneurship in the micro and SME sectors.

- 31 clients secured **Measure 1** (financial support) to the value of €703,315 in 2019.
- 2,144 clients received **Measure 2** support (general development) to the value of €567,861 in 2019.
- 105 Net new jobs created in 2019



LEO (Local Enterprise Office) is funded by Enterprise Ireland and based on a Service Level Agreement between Enterprise Ireland and all local authorities. LEO Waterford activities are guided by a three-year Development Plan agreed with Enterprise Ireland and with the local authority. Direct financial grants to micro enterprises dictated by a set of Financial Instruments – Service Level Agreement, Enterprise Ireland, and an independent Evaluation and Approvals Committee.

## MEASURE 1

<sup>6</sup>Following the establishment of the LEOs in 2014 and subsequent consultations with the <sup>7</sup>DJEI, the Financial Instruments (Circular No. 2/2015), which govern how LEOs implement financial supports, were revised.

There are three grant types:

- Feasibility Study Grants** - to assist the promoter with researching market demand for a product or service and examining its sustainability
- Priming Grants** - a business start-up grant, available to micro enterprises within the first 18 months of start-up
- Business Expansion Grants** - designed to assist the business in its growth phase after the initial 18 month start-up period

The cumulative level of grant aid to any eligible business must not exceed €150,000 over a three-year period. This accumulation of aid applies retrospectively i.e. to clients who have availed of support over the previous three years from the date of drawdown of approved funds.

The threshold for public aid from all sources to qualify as *De Minimis* Aid is €200,000. This will facilitate the support of projects that may have been grant aided from other sources. LEOs must ensure that all state aid is declared. Grant support in respect of payments to State bodies are excluded: State bodies cannot be beneficiaries of grant aid.

### Eligibility Criteria for All Grants

The enterprise:

- must not employ more than ten people (including the promoter);
- must be established, registered, and operate within the geographic location of the LEO;
- must operate commercially;
- must demonstrate a market for the product/service;

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<sup>6</sup>Procedures Manual – Local Enterprise Office

<sup>7</sup> Department of Jobs Enterprise and Innovation

- must have potential for growth in domestic and/or export markets and also potential for new job creation;
- can be a manufacturing or internationally-traded services business;
- can be a domestically-traded business with the potential to trade internationally; and
- must be a business which, on growth, may or may not fit the Enterprise Ireland portfolio.

The eligibility criteria listed above are subject to certain priorities and restrictions:

- Priority must be given to enterprises in the manufacturing or internationally-traded services sectors which, over time, can develop into strong export entities and graduate to the Enterprise Ireland portfolio.
- Salary support may be offered to unique tourism services projects that are focused predominantly on generating revenues from overseas visitors and which do not give rise to deadweight and/or displacement in the local economy

## **MEASURE 2**

As outlined above Measure 2 supports are provided through mentoring, training, support, event attendance. The LEO must have regard to and comply with National Eligibility Rules and National Procurement Guidelines when determining proposed Measure 2 activities. The Head of Enterprise, together with relevant LEO executives, is required to draw up a proposal for Measure 2 Programmes for the coming year, including estimated expenditure proposed. There are a number of criteria and procedures set out in LEO procedures manuals for the implementation of Measure 2 activities.

## **Programme Oversight**

### **Evaluation and Approvals Committee (EVAC)**

This 7 person committee meets a number of times each year to evaluate applications for financial support from people with a business idea, to start up businesses and for businesses that are growing, based in Waterford, that meet certain criteria. (The committee met 6 times in 2019). Minutes reviewed by Internal Audit and found to be comprehensive. An EVAC is established in each LEO area. Members of this committee include:

- a Chair (either the City or County Chief Executive Officer (CEO) or another senior LA official not from the LEO, delegated by the City or County CEO);
- an EI representative (Regional Manager or his/her nominee); and
- five individuals with specific areas of business expertise (i.e. proven entrepreneurship, accountancy experience, knowledge of markets/sectors/technology, and banking/financial expertise).



## **Approval Process/EVAC**

All projects being considered for financial support are evaluated by the EVAC.

- All projects under €40,000 are approved by this Committee in line with enterprise policy.
- All projects over €40,000 are evaluated, and if endorsed by the EVAC, recommended to EI for final approval.
- Projects seeking approval in excess of a cumulative €80,000 over a three-year period will also be approved by EI in the same manner.
  
- EVAC and the Head of Enterprise (HOE) must review and approve any change in Refundable Aid repayment schedule - (Refundable Aid – There is a 30% Refundable element to the Measure 1 grants. An agreed repayment schedule is in place with each of the clients. Since Covid 19 the refundable aid element is no longer in place for new applicants.

## **Quarterly Reporting/Returns**

A Grant Management Information System (GMIS) is the national system used for recording of grant and programme information by LEO. This provides information on all aspects from the initial application right through to the payment. The data held on the GMIS must be reconciled to the LA's own Financial Management System – Agresso in LEO Waterford's case. The CCAS reporting tool is used in Waterford for reporting purposes. The Ascendas package is used as a debt reporting tool to manage the collection of the Refundable Aid element of the Measure 1 grants (30% repayable by client). This reporting structure allows data from the FMS to be reconciled against the GMIS to inform the quarterly reports/returns required to be submitted to Enterprise Ireland. Enterprise Ireland have access to GMIS. LEO's must (as per 4.3.10 of the Local Authority Enterprise Ireland Service Level Agreement), provide a year-end financial and GMIS report to Enterprise Ireland (prescribed format and template provided by EI). This was in place for 2019.

## **Procedure Manuals**

During the course of this review procedure manuals (national and local version) were made available.

## Legislation<sup>8</sup>

The operation of the LEOs and the agreement between the LEO and the relevant stakeholders are governed by the following pieces of legislation and the programme is subject to EU Audit.

- The Industrial Development Act, 1986 - 2014
- Framework Service Level Agreement (between EI and LA)
- The Code of Practice for the Governance of Local Authorities
- Relevant Company Law Provisions
- The Ethics in Public Office Act, 1995
- De Minimis Aid Regulation (EC) 1407 / 2013
- The State Aid Rules of the EU
- The requirements of the managing authority for the relevant EU co-funded Operational Programme
- Freedom of Information Acts, 1997 - 2014
- Data Protection Act, 1988, as amended by Data Protection (Amendment Act), 2003
- Official Languages Act, 2003
- DJEI and EI Circulars currently in operation and any future circulars

## Audit Opinion

From review of the programme documentation and through communication with those involved in the programme Internal Audit is satisfied that the programme objectives are clearly defined. All relevant documentation in relation to this programme was available and filed as appropriate for audit trail purposes. There is continuous monitoring and assessment of the programme – both financial and non financial. There is an independent skilled evaluation and approvals committee in place. Quarterly reporting to Enterprise Ireland including reconciliation to the LA FMS occurs. A comprehensive set of procedure manuals are in place.

Based on Internal Audits review of this programme it appears that this programme complies with the principles of the Public Spending Code

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<sup>8</sup> Procedures Manual - LEO



## Section B - Step 1: Logic Model Mapping – LEO Measure 1 and Measure 2 Expenditure (2019)

Objectives	Inputs	Activities	Outputs	Outcomes
<ul style="list-style-type: none"> <li>• Creating and raising local enterprise awareness and developing an enterprise culture and community-based enterprise activity;</li> <li>• Providing a single/first point of contact service to the business community - providing business advice, direction and signposting, business counselling and mentoring;</li> <li>• Providing support to private sector and community initiatives to secure the establishment and/or expansion of commercially viable micro-enterprise projects;</li> <li>• Providing comprehensive pre-and post-start-up supports to new and expanding micro-enterprises;</li> <li>• Influencing the allocation of resources for micro-enterprise from EU, private and public funding sources</li> <li>• Promoting the general economic development of their areas</li> </ul>	<ul style="list-style-type: none"> <li>• Funding from Enterprise Ireland/DJEI.</li> <li>• Ongoing communication with Enterprise Ireland.</li> <li>• Staff knowledge and expertise – WCCC’s staff resources (LEO) – team of 7 staff.</li> </ul>	<ul style="list-style-type: none"> <li>• Appraisal of proposal for grant funding under Measure 1 and Measure 2</li> <li>• Evaluation of applications and decisions (liaising with EVAC)</li> <li>• Awareness of supports that are available to business</li> <li>• Mentoring/support/training and networking events</li> <li>• Payment of grants/recoupment process</li> <li>• Updating of data to GMIS/reconciliation to Agresso FMS</li> <li>• Monthly reports to WCCC Plenary</li> </ul>	<ul style="list-style-type: none"> <li>• 31 clients secured</li> <li>Measure 1 support to the value of €703,315 in 2019</li> <li>• 2,144 clients received</li> <li>Measure 2 support to the value of €567,861 in 2019</li> <li>• 105 net new jobs in 2019</li> </ul>	<ul style="list-style-type: none"> <li>• Assist new business and existing business in real meaningful way through financial supports and non financial supports.</li> <li>• Increase job creation.</li> <li>• Promote and encourage an entrepreneurial culture in Waterford</li> </ul>

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## Description of Programme Logic Model - LEO Measure 1 and Measure 2 Expenditure (2019)

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### **Objectives:**

To provide a first stop shop providing strategic, administrative, technical and financial support and services to start, grow and develop micro and small business in each local area.  
To support enterprise opportunities.

### **Inputs:**

The main input relates to the funding provided by Enterprise Ireland for Measure 1 and Measure 2 supports. In addition, a key input is the knowledge and skills of the LEO team and collaboration with Enterprise Ireland.

### **Activities:**

The following are the key activities identified in the process:

- Ensuring awareness of the measures available to new and existing business
- Application for grant funding for M1/M2 measures from Enterprise Ireland
- Assessing applications for grants
- Grant payment/recoupment process
- Providing mentoring/support to enterprises
- Updating the GMIS – reconciliation to Agresso/Quarterly Reconciliations to EI

### **Outputs:**

The measurable outputs such as the number and value of Measure 1 and Measure 2 grants processed in the year, number of jobs created, number of training events attended and number of mentoring sessions provided.

### **Outcomes:**

Fostering an entrepreneurial culture in Waterford creating jobs, assisting in expansion of existing businesses, encouraging and assisting start-ups.

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

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The following timeline sets out the Annual Planning and Review process for **LEO Measure 1 and Measure 2 Expenditure (2019)**.



Q4 2018	Indication of 2019 Measure 1 and 2 from Enterprise Ireland
Q1 2019	Budget Confirmation – communication from Enterprise Ireland
Q1 2019	EVAC meeting to consider Measure 1 grant applications (throughout the year 6 meetings in total)
Quarterly 2019	Quarterly drawdown requests prepared and submitted to Enterprise Ireland.
Q3 2019	Review meeting with Enterprise Ireland to monitor programme progress
Q1 2020	Performance metrics submitted to Enterprise Ireland.



### Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation of **LEO Measure 1 and Measure 2 Expenditure (2019)**

Project/Programme Key Documents	
Title	
<b>One Waterford: Local Economic &amp; Community Plan (2015 – 2020) (LECP)</b>	Sets out the objectives and actions needed to promote and support the economic development and the local and community development of Waterford.
<b>Waterford Local Enterprise Development Plan 2017 - 2020</b>	Sets out key priorities for Waterford LEO for the programme period 2017-2020.
<b>LEO Waterford –Team Plan</b>	Setting out priorities and assigning responsibilities and targets.
<b>Service Level Agreement</b>	Service Level Agreement between Enterprise Ireland and Waterford City & County Council.
<b>Evaluation &amp; Approval Committee minutes</b>	Evaluation and Approval Committee – minutes.
<b>Procedures Manual (LEO)</b>	A national procedures manual (LEO) is in place and a local procedure manual has also been developed.
<b>Quarterly Drawdown Reports</b>	Submitted quarterly to Enterprise Ireland. Provides for request for funds, reconciliation and programme progress.



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- **Key Document No. 1: One Waterford: Local Economic & Community Plan (2015 – 2020)**  
The purpose of the LECP is to set out the objectives and actions needed to promote and support the economic development and the local and community development of Waterford. High-level strategic document.
  
  - **Key Document No. 2: Waterford Local Enterprise Development Plan 2017 – 2020 –**  
detailed document setting out objectives, actions and targets for the period 2017 to 2020.
  
  - **Key Document No. 3: Service Level Agreement –** a document setting out roles/responsibilities and oversight role between Enterprise Ireland and Waterford City & County Council/LEO
  
  - **Key Document No. 4: Evaluation & Approval Committee minutes –** record of the Evaluation and Approval Committee meetings/decisions made.
  
  - **Key Document No. 5: Procedure Manual (national and local)** both sets of manuals were made available at review. These outline procedures, tasks, responsibilities in line with National and EU funding requirements.
  
  - **Key Document No. 6: Quarterly Drawdown report:** This key document contains a number of relevant data items such as budget v outturn, GMIS reconciliation plus refundable aid details. Submitted to Centre of Excellence Enterprise Ireland for review, once approved this is submitted to Enterprise Ireland’s finance department who will submit the exchequer funding request to DJEI. On receipt of the funds from DJEI by EI a payment will then be made to the LA bank account.
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## Section B - Step 4: Data Audit

The following section details LEO Measure 1 & Measure 2 2019 data audit reviewed. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
Objectives of the programme (Local Enterprise Development Plan 2017 – 2020)	Evaluate if objectives were achieved.	Yes
Quarterly drawdown report	Quarterly drawdown report to Enterprise Ireland – control of grants/payments/reconciliation to GMIS <sup>9</sup> /Agresso FMS	Yes
Measure 1 and Measure 2 – Grant applications/files	Document the application process for grant/support.	Yes
Evaluation and Approval Committee – Minutes	Record decisions on grant evaluation process	Yes

### Data Availability and Proposed Next Steps:

There was sufficient data available to review Measure 1 and Measure 2 activities in 2019.

## Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for LEO Measure 1 and Measure 2 2019 expenditure 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)**

The scheme is administered nationwide by Local Enterprise Offices (LEO's) under a service level agreement with Enterprise Ireland. The Department would have undertaken appraisal of the scheme initially. The programme complies with the Public Spending Code requirements.

<sup>9</sup> GMIS – Grant Management Information System

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

All necessary data is available. The Council's systems will enable a full evaluation to be made at a later date. Programme metrics are provided to Enterprise Ireland allowing them to carry out a full evaluation.

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

Due to the restrictions and challenges presented by the Covid 19 pandemic rescheduling of review meetings with the relevant stakeholders should now be rescheduled. The LEO team had to develop new ways of delivering their services and meeting objectives throughout the restrictions. Procedure manuals should be updated to reflect the changes in work practices that have been put in place during the pandemic.

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## **Section C: In-Depth Check Summary**

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The following section presents a summary of the findings of this In-Depth Check on the LEO Measure 1 and Measure 2 2019 programme.

### **Summary of In-Depth Check**

Internal Audit carried out an in-depth check of the LEO Measure 1 and Measure 2 supports for 2019 in Waterford City & County Council. All necessary data is available. The Council's systems will enable a full evaluation to be made at a later date.

All relevant documentation in relation to this programme was available and filed as appropriate for audit trail purposes. There are clear objectives set out. There is continuous monitoring and assessment of the programme – both financial and non financial. An independent skilled evaluation and approvals committee is in operation. Quarterly reporting to Enterprise Ireland including reconciliation to the LA FMS occurs. A comprehensive set of procedure manuals are in place.

This programme complies with the principles of the Public Spending Code.

## Quality Assurance – In Depth Check

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### Section A: Introduction

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

<b>Programme or Project Information</b>	
<b>Name</b>	Construction of 12 no. housing units at Coolfin Woods, Portlaw, Co. Waterford
<b>Detail</b>	Capital expenditure on construction of 12 no. housing units at Coolfin Woods, Portlaw, Co. Waterford
<b>Responsible Body</b>	Waterford City & County Council
<b>Current Status</b>	Expenditure recently ended
<b>Start Date</b>	2018
<b>End Date</b>	2019
<b>Overall Cost</b>	€2,443,379



## **Project Description**

The housing construction development at Coolfin Woods, Portlaw, Co Waterford delivered 12 no. social housing units during 2019 (6 no. three bed two storey dwellings and 6 no. two bed bungalow dwellings). These properties help address some of the demand for social housing identified by Waterford City and County Council through the housing needs assessment. The Council acquired land for this development in 1982.

The scheme has been successful and provided 12 no. housing units in what was previously a green field site adjacent to an existing housing estate. All units have been allocated and are occupied.

## **Audit Opinion**

From review of the files and through communication with those involved in the project, Internal Audit is satisfied that the project objective was clearly defined and that the needs that were to be met were outlined. All relevant documentation in relation to this project was available and filed as appropriate for audit trail purposes. Based on Internal Audits review of this project it appears to be compliant with the principles of the Public Spending Code.

## Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, Internal Audit has completed a Programme Logic Model (PLM) for *Construction of 12 no. housing units at Coolfin Woods, Portlaoigh, Co. Waterford*

Objectives	Inputs	Activities	Outputs	Outcomes
<ul style="list-style-type: none"> <li>To provide safe and good quality accommodation for the people with the greatest need.</li> <li>Achieve value for money.</li> <li>Strive to prevent and eliminate homelessness.</li> <li>Dwellings satisfy the requirements of those on the waiting list.</li> </ul>	<ul style="list-style-type: none"> <li>Approved Department Funding.</li> <li>Appropriate Council staff resources.</li> <li>Appropriate Prof/Tech resources (non council).</li> </ul>	<ul style="list-style-type: none"> <li>Part 8 planning process</li> <li>Obtain Department approval.</li> <li>Carry out compliant tender procedure.</li> <li>Manage project.</li> <li>Draw down funding as appropriate.</li> <li>Prepare Post Project Review.</li> </ul>	<ul style="list-style-type: none"> <li>12 no. dwellings that meet needs of applicants and Council.</li> <li>Addition to Council's housing stock.</li> </ul>	<ul style="list-style-type: none"> <li>Provide housing in accordance with Council's housing policy.</li> <li>Reduce numbers of people on Waterford Council's housing list.</li> <li>Additional 12 no. dwellings to add to the Council's Housing Stock</li> </ul>

**Objectives:**

The objectives of this project are to provide safe, good quality, suitable dwellings for people on the Council's housing waiting list whilst ensuring value for money is achieved.

**Inputs:**

Key inputs to this project relate to the Departmental funding and staffing resources (both council and non council).

**Activities:**

The activities involved in this project relate to the planning process, obtaining Department approval, ensuring compliant tender procedures, managing project through budget management, meetings with stakeholders and allocation of units to tenants.

**Outputs:**

This project delivered 12 dwellings which will meet the needs of people on the council housing list. The units will add to the Council's housing stock.

**Outcomes:**

These units provide homes for people from the Council's housing waiting list. Housing stock has been increased.

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

The following section tracks the *Construction of 12 no. housing units at Coolfin Woods, Portlaw, Co. Waterford* from inception to conclusion in terms of major project/programme milestones

<b>January 2015</b>	Capital Appraisal Application made to Department
<b>May 2015</b>	Approval from the Department
<b>September 2015</b>	Planning Permission granted (ref: P8 09/15)
<b>April 2017</b>	Business Case Proposal – approved
<b>August 2017</b>	eTenders notice published (Tender Ref: 17/446/H)
<b>October/November 2017</b>	Tenders Received/Review process
<b>December 2017</b>	CWMF PR 07 Form (Stage 4)
<b>January 2018</b>	Stage 4 Department approval received
<b>January 2018</b>	Public Works Contract for Minor Works Document -signed
<b>January 2018</b>	Form HCA6 received from Dept approving post-tender budget
<b>January 2018</b>	Letter of Acceptance, Letter of Acknowledgement - Contractor
<b>January 2018</b>	Appointment of Project Supervisor (PSCS)
<b>February 2018</b>	BCMS Commencement notice lodged
<b>February 2018</b>	Construction commences on site





<b>May 2018</b>	Health & Safety Site Inspections
<b>January 2019</b>	Completions stage document
<b>April 2019</b>	Compliance Certificate to Housing (Standards for Rented Houses) Regulations 2017 completed
<b>April 2019</b>	Certificate of Substantial Completion
<b>December 2019</b>	Final Account & Post Project Review completed
<b>January/February 2020</b>	Allocation of Housing units
<b>February 2020</b>	Final Budget Approval (Department)
<b>March 2020</b>	Social Housing Capital Grant Claim Form HCA 4
<b>April 2020</b>	Prof & Tech Claim Form, LAH Admin Claim Form submitted to Dept.

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## Section B - Step 3: Analysis of Key Documents

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The following section reviews the key documentation relating to appraisal, analysis and evaluation of the *Construction of 12 no. housing units at Coolfin Woods, Portlaw, Co. Waterford*

Project/Programme Key Documents	
Title	Details
<b>Social Housing Strategy 2020 – Support Supply and Reform</b>	Identified need to construct 35,000 new social housing units over a 6 year period to 2020
<b>Progress Reports</b>	Progress managed by regular meetings with all stakeholders
<b>Post-Project Review</b>	To assess performance and learn for the future

### **Key Document 1: Social Housing Strategy 2020 – Support, Supply and Reform<sup>10</sup>**

The Social Housing Strategy 2020 sets out plans for the delivery of social housing and for changes in social housing assessment, delivery and financing. Over the 6 year period, the strategy aims to deliver 35,000 new housing units.

### **Key Document 2: Progress Reports**

Regular progress meetings to manage the project were held on site with the contractor. These meetings were minuted. In addition to these meetings, regular site inspections took place by technical staff of the Council.

### **Key Document 3: Post-Project Review**

Post Project review was prepared to include a Final Account and submitted to the Department. The Department notes that the Post Project Review and the Final Account should be prepared as separate documents.

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<sup>10</sup> Social Housing Strategy 2020 – Support, Supply and Reform – [www.housinggov.ie](http://www.housinggov.ie)

## Section B - Step 4: Data Audit

The following section details the data audit that was carried out for the ***Construction of 12 no. housing units at Coolfin Woods, Portlaw, Co. Waterford.*** It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
Initial approval from Dept	Assess if project was appraised	Yes
Funding applications to the Dept	Assess if funding was sanctioned	Yes
Report on tenders by Design Team	Assess procurement process	Yes
Chief Executive Order	Ensure appropriate sign off	Yes
Business Proposal Case	Internal approval procedure	Yes
Details of Expenditure on Project	Assess if project was within budget	Yes. Details available from Agresso financial management system.
Progress reports and site inspections	Assess if works are being carried out as per the design plan and on schedule	Yes. Minutes of progress meetings and inspections carried out on file.
Number of households housed	Assess if housing needs met	Yes
Final Account & Final Budget Approval	Final figures/approval of same from Dept.	Yes
Post project review	Assess if project objectives were met and if the project was properly managed throughout	Yes

## Data Availability and Proposed Next Steps

The main objective of this housing project is to provide good quality accommodation to households on the Council's housing waiting list. All relevant financial and procurement related documents are held on file. At the time of preparing this review there were outstanding design team fees and retention monies due (Final Claim HCA 4). There is sufficient data to allow a comprehensive post project review to be completed.

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## Section B - Step 5: Key Evaluation Questions

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The following section looks at the key evaluation questions for the *Construction of 12 no. housing units at Coolfin Woods, Portlaw, Co. Waterford* 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)**

The requirements of the Public Spending Code were complied with in all completed stages of the project.

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

All necessary data is available. The Council's systems will enable a full evaluation to be made at a later date.

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

With regard to the post project review report Internal Audit notes that additional areas may be included which would enhance future reviews. Possible additional areas to be included are referenced in *Circular SHIP 2010/12 Appendix D* and *CWMF Pillar 4 – GN 4.1 - Project Reviews*. Lessons learned etc could be noted in the Post Project Review for the benefit of future projects.



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## Section C: In-Depth Check Summary

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### Summary of In-Depth Check

This project complies with the principles of the Public Spending Code.

The scheme has been constructed in accordance with national housing policy and addresses a housing need in the Waterford. The land was in the ownership of the Council. Once the necessary funding approval was obtained from the Dept, the appointment of the contractor was carried out in accordance with the proper tendering and procurement procedures. The design team in conjunction with the Council's technical staff managed the project effectively and efficiently.

A post project review has been completed. Tenants have been allocated and occupied the units.

## Quality Assurance – In Depth Check

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### Section A: Introduction

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

<b>Programme or Project Information</b>	
<b>Name</b>	Acquisition of 40 no. units at The Walk, Fairfield Park, Kilcohan, Waterford under the Accelerated Capital Advance Programme by Circle Voluntary Housing Association
<b>Detail</b>	Capital expenditure on Social Housing Scheme – Acquisition of 40 no. units at The Walk, Fairfield Park, Kilcohan, Waterford under the Accelerated Capital Advance Programme by Circle Voluntary Housing Association
<b>Responsible Body</b>	Waterford City & County Council (WCCC) Circle Voluntary Housing Association (CVHA) Department of Heritage, Planning and Local Government (DHPLG)
<b>Current Status</b>	Expenditure being incurred
<b>Start Date</b>	2019
<b>End Date</b>	2020
<b>Overall Cost</b>	€9,000,000

## Project Description

Capital Advance Leasing Facility or CALF is a scheme operated by housing authorities as a support to Approved Housing Bodies (AHB's) in the delivery of units to be made available for social housing purposes under the Social Housing Current Expenditure Programme (SHCEP).

The Department offers financial support to AHBs in the form of a long term loan under the Capital Advance Leasing Facility (CALF) to assist with the financing of the construction or acquisition of units that will be provided for social housing use. This loan facility can support up to **30%** of the eligible capital cost of the project, where the units will be provided under long-term lease arrangements (and funded by the SHCEP) to local authorities for social housing use.

This project relates to the acquisition (turnkey) of 40 no. units (3 bed houses) at The Walk, Fairfield Park, Kilcohan, Waterford under the capital advance programme by Circle Voluntary Housing Association (CVHA) for social housing use. Total cost of the scheme is €9,000,000.

Funding for this project is 100% by the DHPLG under the capital advance programme. A capital advance payment in the amount of €2,700,000 which represents 30% of the total CALF eligible capital outlay proposed of €9,000,000. Initial payment of €150,000 (deposit), 2nd payment of €2,280,000 and a final payment of €270,000. The project is subject to compliance with the terms of the CALF scheme set out in Circulars 18/2016, N3/2009 and Housing 31/2011. The approval is also subject to legal sign-off on the lease agreements by Waterford City and County Council. This sum is repayable by Circle Voluntary Housing Association at the end of the payment and availability period, i.e. twenty-five years, incurring interest at 2% pa.

This scheme is an accelerated CALF scheme. <sup>11</sup>“From December 2015, in recognition of the shift in investment required by AHBs towards construction and acquisition of new build units, up-front or accelerated CALF payments for expenditure incurred can be facilitated in order to encourage the delivery of social housing. AHBs can request in their funding applications drawdowns of up to 95% of the CALF” and “subject to the AHB having incurred that amount of legitimate expenditure on the project at the time of claiming. Drawdowns will be permitted as specific milestones are achieved amount approved for a specific project”.

Waterford City and County Council have 100% nomination rights to the houses for individuals and families from the Council's housing list. Tenants pay rent in accordance with the Council's Differential Rent Scheme. All properties have been allocated to Council tenants.

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<sup>11</sup> SHCEP – Guidance on CALF for AHB's & Housing Authorities April 2016

Circle Voluntary Housing Association meets the cost of management and maintenance of the units. It is expected that the income received by the Association through the differential rent scheme, paid by the tenants, will contribute to meeting these costs.

The units will be let at 92% of market rent per report submitted by Broe Auctioneers, Independent Valuer, on the 27th November 2018 detailed the open market rental value of properties in this area. These valuations are in line with the monthly rental valuations presented in the agreement.

### Analysis of Housing Need

There were 2,527<sup>12</sup> on the housing waiting list for Waterford City and County Council at the date of this application, with a demand for different house sizes. This development will assist Waterford Council in meeting the ongoing demands for housing in the area.

The units provided under this scheme consist of 40 x 3 bed houses. The development provides a good mix of dwellings in accordance with the need identified on the Council's waiting list. The Council is satisfied that there is a demand for these types of housing units and that value for money is being achieved.

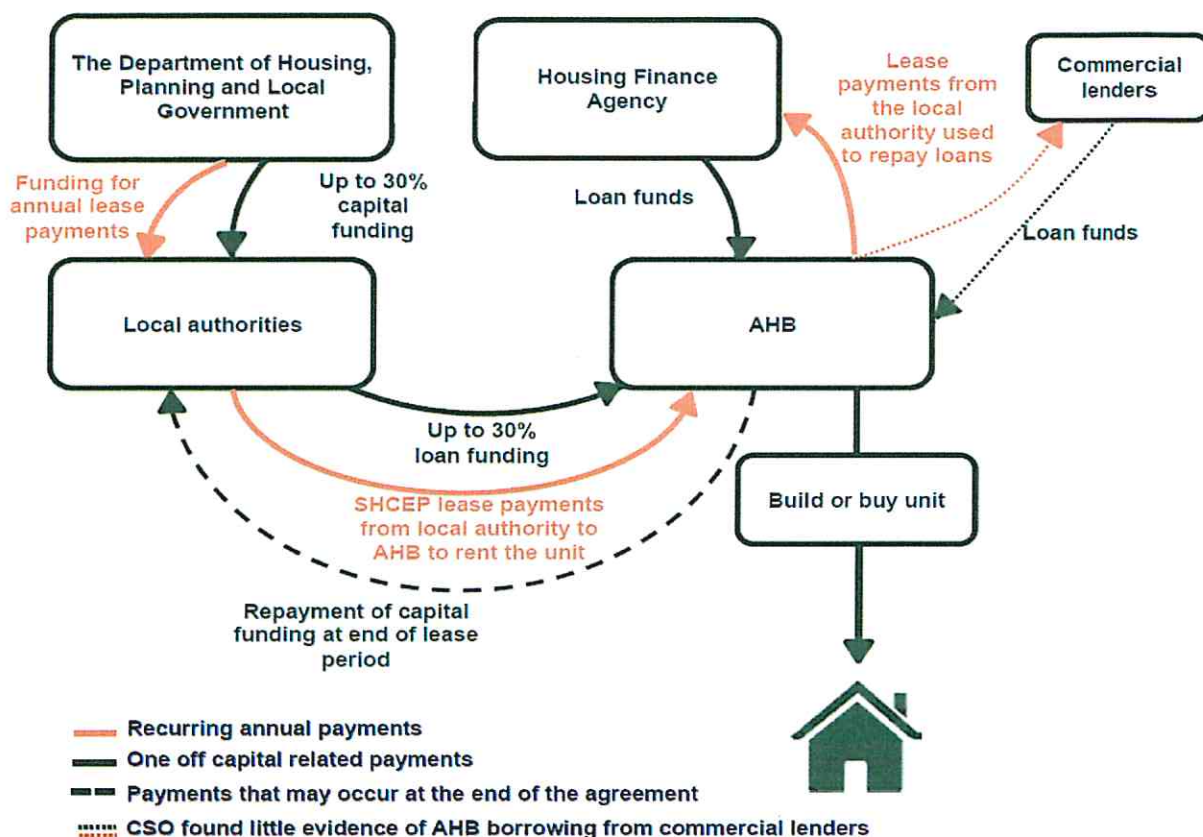
### Detailed breakdown of units

Description	Type	SQM	Number of
Three Bedroom Semi-Detached House	A	103 SQM	32
Three Bedroom End of Terrace Houses	B	87 SQM	4
Three Bedroom Mid Terrace House	B	84.6 SQM	2
Three Bedroom Bungalows	C	83.7 SQM	2
Total			40

<sup>12</sup> FORM LN005



## How does the CALF funding process work<sup>13</sup>?



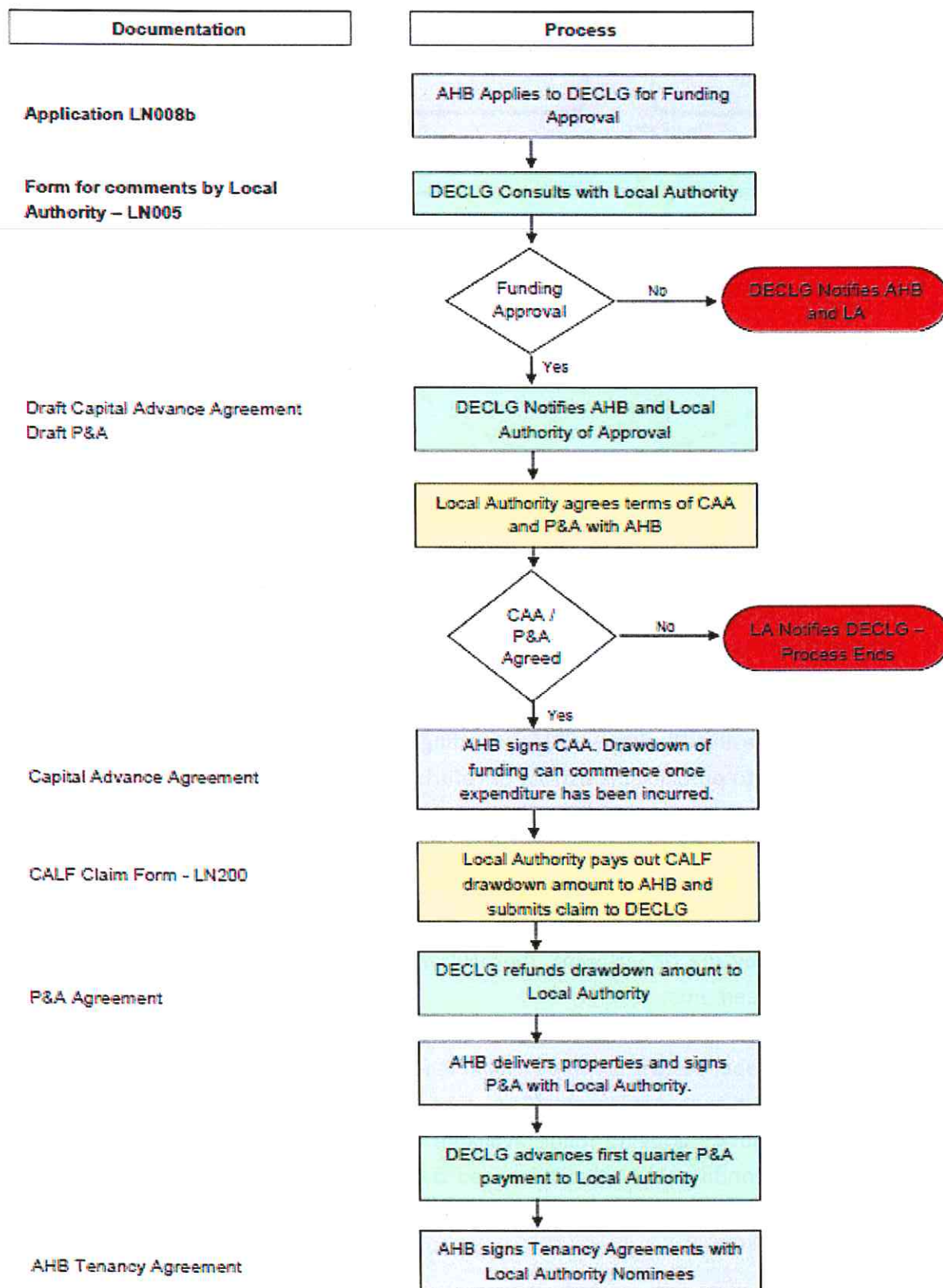
- <sup>14</sup>An AHB will submit a combined Payment and Availability (P&A) and a Capital Advance Leasing Facility (CALF) funding application (form LN008b) to the Department to purchase, construct or refurbish a number of units using private/HFA finance and receive payments available under the current expenditure programme.
- An AHB may, where it has determined that it is necessary, request a capital injection from the Department/housing authority. This should be based on a percentage of the acquisition or construction cost.
- If approved by the Department, the AHB and the housing authority will enter two separate agreements:
  - A payment and availability (P&A) agreement that will cover the conditions under which the properties will be made available for the term of the agreement.
  - A Capital Advance Agreement (CAA) that stipulates the terms and conditions on which the money is being made available from the State and also stipulates the repayment conditions. Capital advanced by the Department through the housing authority will be repayable at the end of the availability agreement plus accrued interest.

<sup>13</sup> Report on the Accounts of the Public Service 2017(CSO) (page 122)

<sup>14</sup> <sup>14</sup> SHCEP – Guidance note on CALF for AHB's and Housing Authorities – April 2016

## CALF application process

The following diagram<sup>15</sup> sets out the various stages in the application process and the required documentation



<sup>15</sup> SHCEP – Guidance note on CALF for AHB’s and Housing Authorities – April 2016

## **Audit Opinion**

From Internal Audits review of the project documentation and through communication with those involved in the project Internal Audit is satisfied that the project objective was clearly defined and that the needs that were to be met were outlined. All relevant documentation in relation to this project was available and filed as appropriate for audit trail purposes.

Based on Internal Audits review of this project it appears that this project complies with the principles of the Public Spending Code.

## Section B - Step 1: Logic Model Mapping

*Acquisition of 40 no. units at The Walk, Fairfield Park, Kilcohan, Waterford under the Accelerated Capital Advance Programme by Circle Voluntary Housing Association*

Objectives	Inputs	Activities	Outputs	Outcomes
<ul style="list-style-type: none"> <li>• To provide good quality accommodation.</li> <li>• Achieve value for money.</li> <li>• Strive to prevent and eliminate homelessness.</li> <li>• Dwellings satisfy the requirements of those on the waiting list.</li> </ul>	<ul style="list-style-type: none"> <li>• DHPLG Approval – Scheme/Funding.</li> <li>• Capital Advance Payment at 30%</li> <li>• Agreements in place with Circle Housing Assoc, DHPLG and Waterford City &amp; County Council.</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing communication with AHB and DHPLG</li> <li>• Submission of Form LN005</li> <li>• Signing of CAA &amp; P&amp;A agreements</li> <li>• Certification/Processing of Payments/Recoupments</li> </ul>	<ul style="list-style-type: none"> <li>• Provide 40 no units that meet the needs of the Council's housing list applicants.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide housing in accordance with Council's housing policy.</li> <li>• Reduce numbers of people on Waterford Council's housing list.</li> </ul>



***Acquisition of 40 no. units at The Walk, Fairfield Park, Kilcohan, Waterford under the Accelerated Capital Advance Programme by Circle Voluntary Housing Association***

***Objectives:***

Clear targets for social housing needs set out. Decrease number of people on the council housing list. Provide good quality and safe accommodation. Achieve value for money.

***Inputs:***

Key inputs to this project relate to the DHPLG approval and Capital Advance payment of 30% to Circle Voluntary Housing Association. Agreements between Waterford Council, Circle Housing Association and the DHPLG. Council staffing resources.

***Activities:***

The activities involved in this project relate to the ongoing communication between the Council, the DHPLG and the Approved Housing body. Processing payments to Circle Voluntary Housing Association and recoupment from the DHPLG. Provision of nominations for allocation of the housing units.

***Outputs:***

Delivery of 40 no. units which will meet the needs of people on the council housing list.

***Outcomes:***

These units provide homes for people from the Council's housing waiting list in line with scheme requirements.

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

The following section tracks the *Acquisition of 40 no. units at The Walk, Fairfield Park, Kilcohan, Waterford under the Accelerated Capital Advance Programme by Circle Housing Association* from inception to conclusion in terms of major project/programme milestones

27 <sup>th</sup> November 2018	Independent Valuation Report – Broe Auctioneers.	Submitted to DHPLG/CVHA
5 <sup>th</sup> March 2019	Form LN008b	Form submitted to DHPLG by Circle Voluntary Housing Association (CVHA) for acquisition of 40 units (turnkey).
1 <sup>st</sup> April 2019	Form LN005	Submitted to DHPLG outlining WCCC's comments on proposal by CVHA. WCCC has 100% nomination rights.
3 <sup>rd</sup> April 2019	Sustainable Communities Assessment	Submitted to the DHPLG by Waterford City & County Council
26 <sup>th</sup> April 2019	CALF Funding Approval (DHPLG)	Approval issued (Ref <b>2019.7958</b> )
14 <sup>th</sup> May 2019	Development Agreement – duly executed	CVHA and Developer
19 <sup>th</sup> August 2019	Invoice from CVHA	Deposit of €150,000 to WCCC
21 <sup>st</sup> August 2019	Invoice from CVHA	Tranche 2 Inv Ref D011/19 €2,280,000
29 <sup>th</sup> August 2019	Stamp Duty Certificate	Revenue Commissioners
4 <sup>th</sup> September 2019	Business Case Proposal	Internal WCCC document – review/sign off of project internally
4 <sup>th</sup> September 2019	Capital Advance Agreement	WCCC and CVHA signed
4 <sup>th</sup> September 2019	Chief Executive Order No 2019/2296	Internal WCCC document
16 <sup>th</sup> September 2019	Continuation Agreement	Submitted to DHPLG
11 <sup>th</sup> October 2019	Nomination request/schedule	Allocation of Tenants to properties
2 <sup>nd</sup> October 2019	Internal Certification for payment (WCCC) to Circle Voluntary Housing Assoc.	Signed by SRE for payment by WCCC to CVHA (Milestone 1)
3 <sup>rd</sup> October 2019	Certificate of Practical Completion	
7 <sup>th</sup> October 2019	Form LN200 - Capital Advance – Milestone 1	Form LN200 - €150,000 Recoupment from DHPLG



17 <sup>th</sup> October 2019	Internal Certification for payment (WCCC) to Circle Voluntary Housing Assoc.	Signed by SRE for payment by WCCC to CVHA (Milestone 2) €2,280,000
21 <sup>st</sup> October 2019	Form LN200 - Capital Advance – Milestone 2	Form LN200 - €2,280,000 - Recoupment from DHPLG
11 <sup>th</sup> November 2019	Internal Certification for payment (WCCC) to Circle Voluntary Housing Assoc.	Signed by SRE for payment by WCCC to CVHA (Milestone 3/Final payment) €270,000
6 <sup>th</sup> December 2019	Payment and Availability Agreement	Signed between Circle Voluntary Housing Assoc.
6 <sup>th</sup> December 2019	Deed of Transfer	From Developer to CVHA
6 <sup>th</sup> December 2019	Form LN200 - Capital Advance – Milestone 3 (Final)	Form LN200 - €270,000 Recoupment from DHPLG
December 2019	Allocation of Units	Allocation to WCCC tenants



## Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation of the *Acquisition of 40 no. units at The Walk, Fairfield Park, Kilcohan, Waterford under the Accelerated Capital Advance Programme by Circle Voluntary Housing Association*

Project/Programme Key Documents	
Title	Details
<b>SHCEP - Guidance Notes on the Capital Advance Leasing Facility (CALF) for approved housing bodies and housing authorities (April 2016)</b>	This guidance document sets out details on how CALF operates
<b>Form LN008b</b>	CVHA submitted this CALF funding application (form LN008b) to DHPLG to acquire a number of units using private/HFA finance and receive payments available under the current expenditure programme.
<b>Form LN005</b>	WCCC's report to DHPLG – review of AHB submission/outlining the need for housing in this area
<b>Sustainable Communities Assessment</b>	Outlining the need for housing in the area, numbers on housing waiting list, transportation links, access to schools, shops etc
<b>CALF Funding Approval</b>	DHPLG approval (Ref: 2019-7958)
<b>Capital Advance Agreement</b>	Agreement setting out the terms of the capital advance
<b>Payment and Availability Agreement</b>	AHB makes units available under this agreement to nominees of Waterford City and County Council for a period of 25 years.
<b>Form LN200</b>	Form used to recoup monies from DHPLG (3 tranches)

**Key Document 1: Guidance Notes on the Capital Advance Leasing Facility (CALF) for approved housing bodies and housing authorities (April 2016)**

This key document sets out how the CALF operates. It provides guidance on all aspects of the scheme. A set of template agreements are included also.



**Key Document 2: Form LN008b**

This form is used in the submission by Circle Voluntary Housing Association to DHPLG for approval of the project.

**Key Document 3: Form LN005**

This form is submitted by Waterford Council. It contains its observations and comments regarding the project application. It outlines the need for housing in the area, the numbers on the housing waiting list etc.

**Key Document 4: Sustainable Communities Assessment**

Outlining the need for housing in the area, transportation links, access to schools, shops etc. Waterford City & County Council will retain 100% nomination rights for the 40 units, ensuring consistency of tenancy and supply for future needs.

**Key Document 5: CALF Funding approval (ref: 2019-7958)**

This document confirms approval by the DHPLG for the scheme.

**Key Document 6: Capital Advance Agreement**

Capital Advance Agreement signed by Circle Voluntary Housing Assoc. and Waterford City & County Council sets out the terms and conditions for funding and repayments.

**Key Document 7: Payment and Availability Agreement**

This agreement signed by Circle Voluntary Housing Association and Waterford City & County Council sets out the conditions under which the properties will be made available. It also includes the details of the approved annual availability payment.

**Key Document 8: Form LN200**

This form is submitted by WCCC to recoup monies from DHPLG.

## Key Agreements<sup>16</sup>

The table below outlines the main agreements in use in the CALF scheme.

	Capital Advance Agreement	Payment & Availability Agreement
<b>Parties</b>	Local Authority and AHB	Local Authority and AHB
<b>Main terms</b>	<ul style="list-style-type: none"> <li>• Capital advance amount</li> <li>• Loan Term</li> <li>• Interest Rate</li> <li>• Repayment</li> <li>• Default Provisions</li> </ul>	<ul style="list-style-type: none"> <li>• Identify properties</li> <li>• Payment amount and frequency</li> <li>• Periodic payment reviews</li> <li>• Property standard requirements</li> <li>• Occupancy management service requirements</li> <li>• Filling vacancies</li> <li>• Reporting requirements</li> </ul>

### Payment & Availability Agreement (40 units at The Walk, Fairfield Park, Kilcohan, Waterford)

The **approved** availability payments are:

No. of units	Type	@	Market Valuation	% discount	Per unit monthly	Monthly	Annually
40	3-bed house	@	€1,000	8%	€920	€36,800	€441,600
<b>Approved annual availability payment</b>							<b>€441,600</b>

<sup>16</sup> SHCEP –Guidance note on CALF for AHBs and Housing Authorities – April 2016

## Section B - Step 4: Data Audit\*

The following section details the data audit that was carried out on the *Acquisition of 40 no. units at The Walk, Fairfield Park, Kilcohan, Waterford under the Capital Advance Programme by Circle Housing Association*. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
Valuation Report	Independent valuation	Yes
Form LN008b	Initial application by AHB to DHPLG	Yes
Form LN005	Outline of housing need, LA's observations	Yes
Approval from DHPLG	Approval of application submitted under Form LN008b by AHB	Yes
Sustainable Communities Report	Assessment of housing need in the area	Yes
Capital Advance Agreement, Payment and Availability Agreement and Continuation Agreement	Agreements, which outline the terms and conditions of the scheme, between the AHB, Local Authority and the DHPLG.	Yes
Chief Executive Order	CE No: 2019/2296	Yes
Form LN200	Recoup monies from DHPLG by WCCC	Yes
Agresso FMS extract	Review of payments/recoupments	Yes
Internal Certification of Payments	Certify/approve release of stage payments	Yes

Note: All documents outlined in the summary timeline were available for review.

### Data Availability and Proposed Next Steps

The main objective of this housing project is to provide good quality accommodation to households on the Council's housing waiting list. This objective has been achieved. All relevant documentation is available and held on file. There is sufficient data to allow a comprehensive post project review.



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## Section B - Step 5: Key Evaluation Questions

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The following section looks at the key evaluation questions for the *Acquisition of 40 no. units at The Walk, Fairfield Park, Kilcohan, Waterford under the Accelerated Capital Advance Programme by Circle Housing Association* 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)**

The CALF scheme was introduced by the Department of Housing, Planning and Local Government. They are administered nationwide by local authorities in supporting Approved Housing Bodies in the delivery of social housing. These schemes would have been appraised by the Department. The requirements of the Public Spending Code were complied with in all completed stages of the project. There is sufficient data for a post project review to be completed on this project.

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

All necessary data is available. The Council's systems will enable a full evaluation to be made at a later date.

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

This scheme is relatively new to AHB's & Housing authorities and is being increasingly used to assist in meeting the social housing needs across the country. All files and data were available for review by Internal Audit. Payments were certified and recoupments made in a timely manner. All properties have been allocated.



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## Section C: In-Depth Check Summary

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### Summary of In-Depth Check

This project complies with the principles of the Public Spending Code. The scheme is in accordance with national housing policy and addresses the housing need in Waterford. Discussions between the approved housing body and the local authority around the requirement for this type of project took place. The project application was assessed by the Department and funding approval was given. All necessary forms were submitted to the Department as required. Key data was available to review that pertains to each of the stages of this project.

A post project review should be completed. This will allow an evaluation of achieving the project objectives, if the project was managed well and if anything could be done differently or better that would benefit future similar schemes.

## Quality Assurance – In Depth Check

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### Section A: Introduction

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

<b>Programme or Project Information</b>	
<b>Name</b>	Acquisition of 55 no. housing units at Knights Grange, Lacken Road, Waterford (Turnkey)
<b>Detail</b>	Capital expenditure on Social Housing Scheme – Acquisition of 55 no. units at Knights Grange, Lacken Road, Waterford (Turnkey)  (Phase 1 and 2 – 34 no units - completed 2019) (Phase 3 - 21 no. units – completion due 2020)
<b>Responsible Body</b>	Waterford City & County Council
<b>Current Status</b>	Expenditure recently ended (Phase 1 & 2) 2019
<b>Start Date</b>	2018
<b>End Date</b>	2020
<b>Overall Cost</b>	<b>€9,959,280</b>

## Project Description

Waterford City and County Council similar to all local authorities have set targets to achieve on delivering housing units through various avenues such as acquisition, construction and through partnership with Approved Housing bodies and Housing agencies. In the Waterford context the housing development at Lacken Road, Waterford (phase 1 and 2 ) delivered 34 housing units during 2019 with a further 21 housing units due for completion in early 2020.

The acquisitions of these properties help address some of the demand for social housing identified by Waterford City and County Council through the housing needs assessment. The mix of housing types delivered by this development gives flexibility in providing accommodation to people on the council housing list. Funding for this project is 100% recoupable from the DHPLG. This project also has the added advantage of being a newly constructed turnkey development.

### Detailed breakdown of units

Quantity	Property Type	Amount
12 no.	1 bed apartments	€117,000 each
14 no.	2 bed apartments	€170,000 each
6 no.	2 bed houses	€175,000 each
5 no.	3 bed mid terrace houses	€200,000 each
13 no.	3 bed end terrace houses	€210,000 each
5 no.	4 bed houses	€240,000 each

### Audit Opinion

From Internal Audits review of the files and through communication with those involved in the project Internal Audit is satisfied that the project objective was clearly defined and that the needs that were to be met were outlined. All relevant documentation in relation to this project was available and filed as appropriate for audit trail purposes. Based on Internal Audits review of this project it appears that this project complies with the principles of the Public Spending Code.

## Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, Internal Audit has completed a Programme Logic Model (PLM) for the *Acquisition of 55 no. housing units at Knights Grange, Lacken Road, Waterford (Turnkey)*

Objectives	Inputs	Activities	Outputs	Outcomes
<ul style="list-style-type: none"> <li>● To provide safe and good quality accommodation.</li> <li>● Achieve value for money.</li> <li>● Strive to prevent and eliminate homelessness.</li> <li>● Dwellings satisfy the requirements of those on the waiting list.</li> </ul>	<ul style="list-style-type: none"> <li>● Approved Department Funding.</li> <li>● Appropriate staff resources.</li> </ul>	<ul style="list-style-type: none"> <li>● Obtain Department approval.</li> <li>● Carry out compliant tender procedure.</li> <li>● Manage project.</li> <li>● Draw down funding as appropriate.</li> <li>● Prepare post project review on completion.</li> </ul>	<ul style="list-style-type: none"> <li>● 55 no. dwellings that meet the need of applicants and Council.</li> <li>● Addition to Council's housing stock.</li> </ul>	<ul style="list-style-type: none"> <li>● Provide housing in accordance with Council's housing policy.</li> <li>● Reduce numbers of people on Waterford Council's housing list.</li> <li>● Additional 55 no. dwellings to add to the Council's Housing Stock</li> </ul>



## ***Acquisition of 55 no. housing units at Knights Grange, Lacken Road, Waterford (Turnkey)***

### ***Objectives:***

Clear targets for social housing needs set out. Decrease number of people on the council housing list. Provide good quality and safe accommodation. Achieve value for money.

### ***Inputs:***

Key inputs to this project relate to the Departmental funding and staffing resources (both council and non council).

### ***Activities:***

The activities involved in this project relate to regular communication with the Department regarding stages of approval, compliance with procurement procedures, monitoring of project through regular meetings with all stakeholders, claim and recoupment process, completion of final account and post project review.

### ***Outputs:***

Phase 1 and 2 of this project delivered 34 no. dwellings that will meet the needs of people on the council housing list. These units will be added to the Council's housing stock.

### ***Outcomes:***

These units provide homes for people from the Council's housing waiting list. Housing stock has been increased.

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

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The following section tracks the *Acquisition of 55 no. housing units at Knights Grange, Lacken Road, Waterford (Turnkey)* from inception to conclusion in terms of major project/programme milestones



**Waterford City Development Plan  
(2013 – 2019) &  
Housing Needs Assessments**

**Housing need identified**

**March 2018**

**Expressions of Interest published**

**April – June 2018**

**Tender Assessment & Tender Report**

**July 2018**

**WCCC Appraisal & Recommendation to  
DHPLG**

**August 2018**

**DHPLG Approval**

**August 2018**

**Contract for Sale**

**October 2018**

**Project commenced**

**May 2020**

**Project ongoing**

## Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation of the *Acquisition of 55 no. housing units at Knights Grange, Lacken Road, Waterford (Turnkey)*

Project/Programme Key Documents	
Title	Details
<b>Rebuilding Ireland – Action Plan for Housing &amp; Homelessness</b>	Setting out targets to achieve in the period 2018 to 2021
<b>DHPLG Approval</b>	Approval for scheme/funding from Department ( <b>Ref N31/24-2-52</b> )
<b>Capital Appraisal &amp; Recommendation</b>	Submitted to DHPLG by WCCC
<b>HCA3 and HCA4 Claim forms/Payment Notifications</b>	To facilitate the claim/recoupment process – ensuring appropriate sign off
<b>Post-Project Review</b>	This project is in two stages. Phase 1 & 2 were completed in 2019, Phase 3 is due to be completed in early 2020. Post Project review will be completed at that stage.

**Key Document 1: Rebuilding Ireland – Action Plan for Housing and Homelessness:** This document sets out delivery of a target of 50,000 social housing units in the period 2018 to 2021.

**Key Document 2: DHPLG Approval:** Confirmation of approval of funding from the Department.

**Key Document 3: Capital Appraisal & Recommendation:** This document is WCCC’s appraisal and recommendation of the project to the DHPLG.

**Key Document 4: Claim and Recoupment process:** A number of the claim forms (HCA3 and HCA4) were reviewed. All documents were available and authorised. Payment Notifications were also reviewed showing recoupment values. These indicate that claims and recoupment’s were authorised and made in a timely manner.

**Key Document 5: Post Project Review:** The project will be delivered in two stages. Phases 1 & 2 delivering 34 no. units was completed in 2019, Phase 3 delivering the remainder of the 55 no. units are due to be completed in early 2020. A post project review will be prepared at that stage.

## Section B - Step 4: Data Audit

The following section details the data audit that was carried out for the *Acquisition of 55 no. housing units at Knights Grange, Lacken Road, Waterford (Turnkey)*. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
Funding applications to the Dept	Assess if funding was sanctioned	Yes
Expressions of Interest Report & Recommendation (Ref: EOI18/161/H	Assess procurement process	Yes
Capital Appraisal & Recommendation	WCCC appraisal and recommendation of the project to DHPLG	Yes
Chief Executive Order	Ensure appropriate sign off & authorisation (2018/2,228)	Yes
Business Proposal Case	Internal WCCC document – sign off/approval of project	Yes
Details of Expenditure on Project	Monitor budgets	Yes. Details available from Agresso financial management system.
Claim Forms (HCA 3/HCA 4)	Assess that there is appropriate sign off for claim purposes	Yes
Payment Notifications	Assess that recoupment's were received	Yes
Number of households housed	Assess if housing needs met	Yes. On social housing waiting list. Phase 1 & 2 units allocated.
Post project review	Assess if project objectives were met and if the project was properly managed throughout	Post project review to be completed when Phase 3 of project will be finalised.

### Data Availability and Proposed Next Steps

The main objective of this housing project is to provide good quality accommodation to households on the Council's housing waiting list. All relevant financial and procurement related documents are held on file. Phase 3 of the scheme is currently under way and due to be completed in 2020. Once this has been finalised, a post project review of the entire project can be carried out. There is sufficient data to allow a comprehensive post project review.



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## Section B - Step 5: Key Evaluation Questions

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The following section looks at the key evaluation questions for the *Acquisition of 55 no. housing units at Knights Grange, Lacken Road, Waterford (Turnkey)* 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)**

The requirements of the Public Spending Code were complied with in all completed stages of the project. Once the final phase of the project has been completed in 2020 the post project review can be carried out.

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

All necessary data is available. The Council's systems will enable a full evaluation to be made at a later date.

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

Once the project has been finalised, a post project review of the entire project should be carried out. This will allow a review of the process and any improvements can be implemented into future similar projects.

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## Section C: In-Depth Check Summary

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### Summary of In-Depth Check

This project complies with the principles of the Public Spending Code.

The scheme is in accordance with national housing policy and addresses a housing need in Waterford. Funding approval was obtained from the Dept, the appointment of the contractor was carried out in accordance with the proper tendering and procurement procedures. The Council's technical staff managed the project effectively and efficiently.

A post project review (once the final phase is completed) should be carried out soon after the tenants have been allocated the units and have moved in. This will allow an evaluation if the project objectives have been met, if the project was managed well and if anything could be done differently or better that would benefit future housing scheme.

