

Quality Assurance – In Depth Check

Section A: Introduction

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

Programme or Project Information	
Name	Construction of 33 Units, Donaguile, Castlecomer
Detail	Capital Investment Project to construct 33 Social Housing Units at Donaguile, Castlecomer
Responsible Body	Kilkenny County Council
Current Status	Expenditure being incurred
Start Date	First proposed in 2015
End Date	Construction of units complete – awaiting final account claim to be submitted to the Department
Overall Cost	€7.78 million

Project Description

The project involves the construction of 33 residential units in Donaguile, Castlecomer, Co Kilkenny. The current budget approved amount for the project is €7,783,884.

Kilkenny County Council purchased 1.33 acres of land in Donaguile, Castlecomer in 2008. Following consultations at pre-planning stage for this project an adjacent site of 0.5 acres was purchased in 2017.

In November 2014, the Government launched the 'Social Housing Strategy 2015 – 2020: Support, Supply and Reform'. The stated vision of the Strategy is that every household will have access to secure, good quality housing suitable to their needs, at an affordable price in a sustainable community. This Strategy was further supplemented by 'Rebuilding Ireland – Action Plan for Housing and Homelessness'. This project is an action by Kilkenny County Council under Pillar 2 of this Action Plan – 'accelerate social housing'.

As part of the above National Strategies Kilkenny County Council prepared a local strategy for the years 2015-2017, identifying a number of key sites for the delivery of social housing units. This site is one of those key sites. It is close to Castlecomer town centre and all services and amenities.

Funding for 26 units was originally approved by the Department of Housing, Planning and Local Government in October 2017 in the amount of €6.27 million. Revised approval of €7.6 million was received in November 2018 due to a redesign of the project, which increased the number of units from 24 to 33.

A Part 8 Planning Application was approved by Kilkenny County Council on 20th November 2017.

An Architect led Design Team was appointed in June 2016 after a Restricted Tender Procedure was carried out.

A Contractor was appointed in February 2019. Kilkenny County Council took possession of the completed units in June 2021. Due to the Covid19 Pandemic there was some disruption to construction. All of the units are now allocated. At the time of writing this report the return of the final account claim to the Department is pending.

Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, Kilkenny County Council's Internal Audit Unit have completed a Programme Logic Model (PLM) for the Housing Project at Donaguile, Castlecomer. A PLM is a standard evaluation tool and further information on their nature is available in the [Public Spending Code](#).

Objectives	Inputs	Activities	Outputs	Outcomes
To provide good quality houses for approved housing applicants on the housing waiting list	A budget of €7.8 million	Kilkenny County Council acted as Project Manager for the duration of the project Procuring an Architect led Design Team and a Contractor for the project Prepare and submit detailed design of the project to the Department for approval	Provision of 33 mixed residential units, comprising of apartments and houses to meet the housing needs of applicants on the housing waiting list	Providing good quality social houses for people of Kilkenny who are not in a position to provide their own accommodation
To ensure value for money is achieved	Preparing funding applications to the Department for approval at the different lifecycle stages	Monitoring the project spend and ensure budget adherence Explore all opportunities for cost reduction Ongoing monitoring of the payment of invoices and recoupment from the Department	Ensures that the project is within budget	The project to provide 33 housing units is executed satisfactorily, within budget, to the required standard and on time
To provide accommodation for a variety of housing applicants/existing tenants with a range of needs at all stages of life	Assessment of the specific housing need in Castlecomer	Ensure that the housing need in Castlecomer is met by the detailed design of the project	The Scheme is compatible with the current Kilkenny County Council Development Plan and Castlecomer Local Area Plan	Construction of 33 housing units in a sustainable inclusive community

Description of Programme Logic Model

Objectives:

The objectives of the construction of 33 social housing units at Donaguile, Castlecomer are to provide affordable dwellings of good quality, suited to the housing applicant's needs in a good environment.

Inputs:

The primary input to the programme was the capital funding of €7.8 million which was provided for by the Department of Housing, Planning and Local Government.

Activities:

There were a number of key activities carried out throughout the project. These included funding requests, design of the project, pre-planning and planning stages, procurement of Architect led Design Team & Contractor, monitoring the contract and the budget spend for compliance. The Housing Section liaised with the Department of Housing, Local Government and Heritage at the key stages during the project lifecycle.

Outputs:

Having carried out the identified activities using the inputs, the outputs of the project are for the provision of 33 housing units of good quality for the people of Kilkenny who are unable to provide for their own housing need.

Outcomes:

The envisaged outcomes of the project were to provide 33 new housing units for applicants on the housing waiting list in Castlecomer.

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

The following section tracks the construction of 33 housing units at Donaguile, Castlecomer, Co Kilkenny from inception to conclusion in terms of major project/programme milestones



2008	Purchase of 1.33 acres of land at Donaguile, Castlecomer, Co Kilkenny
April 2015	SHIP01 Form submitted to the Department for approval
May 2015	Stage 1 Approval in Principle received from Department of Environment, Community & Local Government to proceed to deliver 18 housing units at Donaguile, Castlecomer
June 2016	Appointment of Architect led Design following 'Restricted Tender Procedure'
Oct 2016	Stage 2 Application submitted for 24 Units to the Department
2017	Undertook Planning Application Process including formal pre-planning submission prior to lodging the application
May 2017	Purchase of additional site circa 0.5 acres adjacent to the proposed project, which allowed for an increase in the number of units from 24 to 33
Sept 2017	Revised Stage 2 Application to the Department for funding to allow for redesign of scheme and the increase in the number of units from 24 to 33
Oct 2017	Stage 2 Approval received from the Department for 33 units with a target budget of €6.2 million
Nov 2017	Part 8 Planning Permission granted for 33 units on 20 th November, 2017
May 2018	Stage 3 Approval received from the Department with a budget of €7.2 million
Nov. 2018	Stage 4 Approval received from the Department with a budget of €7.6 million
Feb 2019	Appointment of Contractor for the construction of 33 Units at Donaguile, following eTenders advertisement on 30 th July 2018
April 2020	Approval received following submission for funding for increased Utilities costs in the amount of €113,305
Nov 2020	Approval received following submission for increase in Architects fees due to redesign of site etc., in the amount of €68,654
June 2021	Kilkenny County Council took possession of the 33 housing units

Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the construction of 33 Housing Units at Donaguile, Castlecomer, Co Kilkenny.

Project/Programme Key Documents	
Title	Details
Rebuilding Ireland – Action Plan for Housing and Homelessness	National target to provide 47,000 new Social Housing units by 2021
Stage 1 Approval Letter	Approval in Principle
CE Order appointing Architect led Design Team	Tender Assessment Report and order from CE appointing successful tenderer
Stage 2 Approval Letter	Approval for 33 units with a budget of €6.2 million
Stage 3 Approval Letter	Approval of 33 units with a budget of €7.2 million
Stage 4 Approval Letter	Approval of 33 units with a budget of €7.6 million
CE Order appointing Contractor	CE Order appointing Contractor based on the tender assessment report prepared
Approval Letters for funding increases	Request for funding increases due to increased Utilities costs and increased Architects fees
Revised Insurance Policy	Confirmation that the new units have been added to Kilkenny County Council’s Insurance Policy
Asset Acquisition Form	The Fixed Assets Register was updated with details of the 33 Units

Key Document 1: Rebuilding Ireland – Action Plan for Housing and Homelessness

‘Rebuilding Ireland – Action Plan for Housing and Homelessness’ was published by the Department of Housing, Planning, Community and Local Government in 2016. One of the pillars of the Plan is to provide 47,000 new social housing units by 2021 to meet the social housing supply requirements.

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

Approval was received from the Department originally for 18 housing units at Donaguile, Castlecomer at an estimated cost of €3.5 million. The Approval Letter outlined the four critical stages for evaluation and approval:

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

Key Document 3: CE Order appointing Architect led Design Team (June 2016)

In July 2015, a Contract Notice was published on the European Journal inviting Architect led Design Teams to submit Suitability Assessment Questionnaires for the design of a 15-25 unit housing scheme in Donaguile, Castlecomer. The appointment covers all stages of the project from preliminary design and planning to tendering, supervision of the building contract and final account/handover. On the 5th October 2015 an Assessment Board appointed by Kilkenny County Council examined the SAQ's received and 9 candidates were invited to proceed to Stage 2 of the competition. In November 2015, Stage 2 tender documents were circulated to the final candidates via e-Tenders. Following an assessment of the tenders received, the contract was awarded to the most economically advantageous tender.

Key Document 4: Stage 2 Approval Letter (October 2017)

CWFM PR04 Form submitted to the Department detailing all in cost of €8.1 million for 33 units. Also included in the request were copies of the tender report for the appointment of the Design Team, background information for the revised Stage 2 submission and the basis of the revised budget being sought. Stage 2 Approval was received on 27th October 2017 with an approved budget of €6.2 million. The Department advised that the submitted construction costs were higher than anticipated and the approved target construction budget is set based upon the Department's anticipated levels for works of this nature.

Key Document 5: Stage 3 Approval Letter (May 2018)

CWFM PR06 Form was submitted to the Department on 24th April 2018 detailing Drawings and Pre-Tender Checklists and the Architects report on 'Abnormals'. Approval letter dated 15th May 2018 was received from the Department approving the revised budget of €7.2 million.

Key Document 6: Stage 4 Approval Letter (November 2018)

CWFM PR07 Form was submitted to the Department on 14th November 2018 with reports on Tenders and Potential Cost savings from the Design Team. Stage 4 Approval was received on 22nd November 2018 with confirmation that the scheme should proceed to construction. The revised budget amount approved was €7.6 million.

Key Document 7: CE Order accepting tender for Contractor (Feb 2019)

CE Order is signed on 1st February 2019 awarding the contract for the construction of 33 Housing Units at Donaguile, Castlecomer, Co Kilkenny based on the recommendation in the tender report.

Key Document 8: Approval for requests for Increased Funding (April & November 2020)

Approval was received from the Department in April 2020 for an increase in funding for Utilities and similarly in November 2020 an increase in Architects fees was also approved.

Key Document 9: Insurance Policy including the addition of the new units (June 2021)

IPB was requested to add the 33 units to Kilkenny County Council's Insurance Policy. The updated policy and endorsement was received on 11th June 2021.

Key Document 10: Fixed Asset Register (December 2021)

The Finance Department in Kilkenny County Council were requested to update the Fixed Asset Register to include the 33 Housing Units at Donaguile.

Section B - Step 4: Data Audit

The following section details the data audit that was carried out for the construction of 33 units at Donaguile, Castlecomer, Co Kilkenny. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
Preliminary Proposal Request including SHIP01 Form and Site Map	Request to the Department of Housing Planning and Local Government for Approval in Principle for the project	Yes
Funding Applications to the Department	Assess if funding was sanctioned	Yes
Report on tenders for Design Team	Assess procurement process	Yes
Report on tenders for the appointment of Contractor	Assess procurement process	Yes
Part 8 Planning	Confirmation of Planning Permission Granted	Yes
CE Orders	Approving the appointment of Design Team & Contractor	Yes
Details of expenditure on project	Assess budget compliance	Yes
Number of people housed	Assess if housing needs are achieved	Yes
Final account claim to the Department	Close out the financial claims for the project	The Housing Section will be submitting the final claim in the short term

Post Project Review	Assess if project objectives were met and if the project was managed successfully.	Will be prepared after the final account is complete and submitted to Department
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Data Availability and Proposed Next Steps

The necessary data is available on file to evaluate this project. The main objective of this project is to provide accommodation to people on the housing list and to develop a sustainable inclusive community. The documents and reports that were undertaken as part of the tender process for this project are available. The financial information is available from Agresso (financial management system).

I would recommend that the final account claim is submitted to the Department as soon as possible to ensure the Council's cash flow is maintained.

The Post Project Review should take place as soon as practicable after submitting the final account. This review stage is critical for identifying lessons learned and driving the process of continuous improvement for projects of a similar nature into the future. This review should be fed into sectoral and national guidance as appropriate.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for the construction of 33 Housing Units at Donaguile, Castlecomer, Co Kilkenny 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)

Overall, I find this project complies with the broad principles of the Public Spending Code. I would recommend that the Post Project Review take place as soon as possible following the submission of the final account to the Department. The Review Stage is the penultimate stage of the project lifecycle and is critical for identifying lessons learned and driving the process of continuous improvement in how public bodies evaluate, plan and manage public investment projects.

There was no formal project appraisal prepared for this development. The project appraisal should outline the need for the development. It should explore the options available and the overall objectives. Risks and constraints should also be identified along with how the development would be managed. It seems that a project appraisal was not prepared as there was an urgency to meet the targets set out in the national and local housing plans. A project appraisal is a vital element of any project and should be prepared in all cases. It should be noted Department approval was received following the request for funding for the project

from the Council. The funding request included a detailed proposal that would have been normally included in a project appraisal which included a letter, outline site map and SHIP01 Form.

The construction of 33 social housing units at Donaguile, Castlecomer is in line with National Housing Policy. It is one of the key pillars of 'Rebuilding Ireland – Action Plan for Housing and Homelessness'. As is the case nationally, the demand for Social Housing in Kilkenny is high with approximately 2744 applicants on the housing waiting list.

In this case there is a viable need for housing in this area. There are 96 approved housing applicants with a housing preference for this area. Financial sanction was sought and approval was received from the Department of Housing, Planning and Local Government. Proper procurement procedures were followed when tendering for an Architect led Design Team and a main Contractor.

At the formal pre planning stage in consultation with the Architectural Advisor and Kilkenny County Council's Area Planner concerns arose about the orientation of the houses and the perceived lack of community feel. In order to resolve this Kilkenny County Council took the view that the best option was to seek to progress the 'middle site' as soon as possible so that the full 33 units could be developed. This would result in a more efficient delivery of a higher number of units and would result in the development of a sustainable community at an earlier stage. The Design Architects were instructed to redesign the scheme based on the full site. The revised Stage 2 Approval was submitted to the Department and approval was received in October 2017.

Kilkenny County Council complied with the Social Housing Approval Process for this project and consulted with the Department at all stages of the project.

Kilkenny County Council incurred extra costs for Utilities due to unforeseen issues with water pressure on site resulting in a booster pump station and water storage tank being required. The increase in Architects fees occurred due to the redesign of the project. This request for increase in funding was approved by the Department. Savings were made on the contract price throughout the course of the build by value engineering and omissions. The final account for the project is pending submission at the time of this check.

The project was monitored on an on-going basis and progress was kept under review. Regular management reports were prepared covering all significant developments relating to the project and its costs.

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

The necessary data is on file including but not limited to the following to allow for a full

evaluation;

- Funding Applications and Department Approval Letters
- Tender file and Tender Assessment Reports
- CE orders appointing Architects and Contractor
- Planning file – Part 8
- Financial Expenditure on Agresso (financial management system)
- Claim File and relevant reports
- Revised Insurance Policy
- Asset Acquisition Document

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

Consideration should be given by Kilkenny County Council as to whether a site suitability appraisal may have been beneficial for this project considering the decision made by the Council at pre planning stage to purchase the adjoining site and therefore requiring a redesign of the project.

There was no formal project appraisal prepared for this development. The project appraisal should outline the need for the development. It should explore the options available and the objectives of the development. Risks and constraints should also be identified along with how the development should be managed.

Kilkenny County Council should ensure that adequate staffing is available in the Housing Capital Section to ensure that claims are made in a timely manner so as cashflow is maintained. Adequate staffing should also be ensured at the Technical Project Management level and resourced appropriately to ensure the smooth delivery of projects.

Section: In-Depth Check Summary

The following section presents a summary of the findings of this In-Depth Check on the construction of 33 Housing Units at Donaguile, Castlecomer, Co Kilkenny.

Summary of In-Depth Check

Overall, I find this project complies with the broad principles of the Public Spending Code. The required data in the files is in an orderly manner which will allow for evaluation at a later date if required. Kilkenny County Council took possession of the 33 housing units in June 2021.

The Sustainable A rated houses are occupied by approved housing applicants from the Council's housing waiting list.

Consideration should be given by Kilkenny County Council as to whether a site suitability Appraisal may have been beneficial for this project. There was no formal project appraisal prepared for this development. The project appraisal should outline the need for the development as detailed in Step 5 above. The Post Project Review will identify lessons learned on the project and drive the process of continuous improvement for projects of a similar nature into the future.