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meath county council

# **Public Spending Code**

## **Quality Assurance Report for 2019**

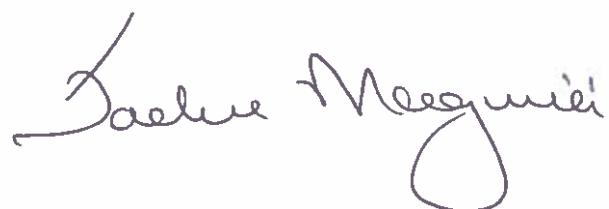
### **Meath County Council**

**To be submitted to the National Oversight and Audit  
Commission in compliance with the Public Spending Code**

## **Certification**

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

**Signature of Chief Executive Officer**

A handwritten signature in black ink, appearing to read "Saileen Meegumié".

**15<sup>th</sup> May 2020**

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## **1. Introduction**

Meath County Council has completed this Quality Assurance Report as part of its on-going compliance with the Public Spending Code. The Quality Assurance procedure aims to gauge the extent to which Meath County Council and its associated agencies are meeting the obligations set out in the Public Spending Code<sup>1</sup>. The Public Spending Code ensures that the state achieves value for money in the use of all public funds.

The Quality Assurance Process contains five steps:

- 1. Compiling inventories of all projects/programmes at different stages of the Project Life Cycle (appraisal, planning/design, implementation, post implementation).** Expenditure is examined under three headings, namely expenditure being considered, expenditure being incurred and expenditure that has recently ended and the inventory includes all projects/programmes above €0.5m.
- 2. Publish summary information on the Council's website of all procurements in excess of €10m, whether new, in progress or completed.**
- 3. Checklists to be completed in respect of the different stages.** These checklists allow the Council and its agencies to self-assess their compliance with the Code in respect of the checklists which are provided in 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 the total value of the capital inventory and at least 1% of the total value of the revenue inventory) are selected for closer examination.
- 5. Complete a short report for the National Oversight and Audit Commission which includes an inventory of all projects, the website reference for the publication of procurements above €10m, the completed checklists, the completed in-depth check templates, 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 inadequacies found during the QA process.**

This report fulfils the fifth requirement of the QA process for Meath County Council. 2019 is the sixth year in which the QA process has applied to local authorities. Projects and programmes which predate Circular 13/13<sup>2</sup> were subject to prevailing guidance covering public expenditure, namely the *Department of Finance Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector 2005*.

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<sup>1</sup>Public Spending Code, DPER, <http://publicspendingcode.per.gov.ie/>

<sup>2</sup>Circular 13/13: The Public Spending Code: Expenditure Planning, Appraisal and Evaluation in the Irish Public Services – Standard Rules and Procedures.

## **2. Expenditure Analysis**

### **2.1 Inventory of Projects/Programmes**

This section details the inventory compiled by Meath County Council in accordance with the guidance on the Quality Assurance process. The inventory lists all of the Council's projects and programmes at various stages of the project life cycle which amount to more than €0.5m. This inventory is divided between capital and revenue projects and between three stages, expenditure being considered, expenditure being incurred, and expenditure recently ended.

An inventory of projects and programmes was first compiled in 2015 (for the 2014 QA Report) and the 2019 inventory continues to build on this original baseline. It can be found in Appendix 1 of this report and appears in the required format issued by NOAC.

All consideration of current (revenue) expenditure is carried out as part of the statutory Budget process as set out in the Local Government Act 2001 (as amended). In accordance with the Public Spending Code Guidance Document for local authorities, budget increases of €0.5m or more from one year to the next are to be included as expenditure under consideration. Five revenue service categories increased by more than €0.5m between budget 2019 and budget 2020. The value of the increase appears against "expanded" service categories A7, B3, B4, D6 and H3. The total increase amounts to almost €11 million.

For expenditure being incurred, revenue services have been included where expenditure at service division level in 2019 was greater than €0.5 million. Revenue expenditure being incurred amounting to €127 million is included in the inventory for 2019.

It has been agreed with the Department of Public Expenditure and Reform that the Capital Grant Scheme element of the project inventory will only be used in exceptional circumstances where a local authority commences its own grant scheme or primarily funds such a scheme. All other grant schemes relate to schemes commenced at Departmental level and are accounted for in the capital programme column of the QA inventory. There were no Council funded capital grant schemes in 2019.

In respect of capital projects there are sixty-four under consideration, thirty-two incurring expenditure and twenty-seven which have recently ended. The value of all capital projects at all stages of the project life cycle in 2019 is €608 million. Total revenue programmes included in the 2019 inventory amount is €138 million. The total value of the 2019 inventory, both capital and revenue funded, for Meath County Council is €746 million.

## **2.2 Published Summary of Procurements**

As part of the QA process the Council is obliged to publish summary information on our website for all procurements in excess of €10m. There were no procurements in 2019 which exceeded this threshold. A note to this effect has been added to <https://www.meath.ie/council/your-council/finance-and-procurement/public-spending-code-quality-assurance-reports>

## **3. Assessment of Compliance**

### **3.1 Checklist Completion: Approach Taken and Results**

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

**Checklist 1: General Obligations not specific to individual projects/programmes**

**Checklist 2: Capital Expenditure 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**

The checklists are informed by the Project Inventory. The following table outlines the approach taken for the completion of the checklists.

<b>Checklist Completion aligned with Project Inventory</b>	
<b>Expenditure Type</b>	<b>Checklist to be completed</b>
General Obligations	General Obligations – Checklist 1
A. Expenditure being considered	Capital Projects/Programmes – Checklist 2 Current Expenditure – Checklist 3
B. Expenditure being incurred	Capital Projects/Programmes – Checklist 4 Current Expenditure – Checklist 5
C. Expenditure that has recently ended	Capital Projects/Programmes – Checklist 6 Current Expenditure – Checklist 7

A full set of checklists 1-7 was completed by Meath County Council, copies of which can be found in Appendix 2 of this report. Each question in the checklist is judged by a 3 point scale as follows:

1. Scope for significant improvements
2. Compliant but with some improvement necessary
3. Broadly compliant

In addition to the self-assessed scoring the answers are accompanied by explanatory comments.

### **3.2 Main Issues arising from Checklist Assessment**

The completed checklists show the extent to which the Council and its agencies believe they comply with the Public Spending Code. Overall, the checklists show a satisfactory level of compliance with the Code.

The latest guidance document (Version 3) was produced by the Finance Committee of the County and City Management Association in February 2017 to assist local authorities in meeting their obligations under the Code. This guidance document highlights the basic principles applicable under the PSC and offers a definition of these principles from a local government perspective. The Council, in implementing the Public Spending Code and in producing this report, have been guided largely by this document.

Checklist 1 provides an overview of awareness and compliance with the Public Spending Code and its requirements across the Council. It demonstrates good overall levels of compliance.

Capital expenditure within the Council is project-based and largely funded through capital grants, development levies, provisions from the Revenue Account and borrowing. The checklist for capital expenditure under consideration (checklist 2) suggests satisfactory levels of compliance with the Public Spending Code in regard to the area of appraisal and evaluation.

Current expenditure can be defined as Revenue expenditure which is formally adopted by Council Members each year as part of the statutory budget process. The Public Spending Code confirms that the appraisal requirements do not apply to routine administrative budgets already in place and that the focus of the Code is on new or extending programme expenditure (checklist 3). Only new or extended revenue expenditure to the value of €0.5m or greater is subject to the application of the Code.

For Capital expenditure being incurred (checklist 4) satisfactory levels of compliance are evident in the checklist responses. There is a good level of compliance with internal controls and reporting as well as appropriate liaison with Sanctioning Authorities.

Checklist 5 details responses in relation to current expenditure during 2019. Revenue expenditure is determined by the annual budget process. National Key Performance Indicators are in place for the Local Government sector and they supplement the internal management and monitoring framework already in place.

Checklist 6 deals with capital projects completed during the year under review. Twenty-seven capital projects were completed in 2019 with an outturn cost of €68.8 million. The Housing Authority has undertaken post-project reviews as required as part of the Public Spending Code, however, further consideration will be given to undertaking post-project reviews for Turnkey and Part V Acquisitions that deliver incrementally in a number of phases.

Checklist 7 relates to current expenditure programmes that reached the end of their planned timeframe during the year or were discontinued. No current expenditure programmes fell into this category in 2019.

Overall the checklists reveal good levels of adherence to the principals and processes of the Public Spending Code. Responses indicating compliance levels of 2 and under will be followed up and monitored as part of the Quality Assurance process in future years.

### 3.3 In-Depth Checks

The following section details the in-depth checks which were carried out by the Council as part of the Public Spending Code. The value of the projects selected for in depth review must follow the criteria set out below:

- Capital Projects: Projects selected must represent a minimum of 5% of the total value of all capital projects on the project inventory.
- Revenue Projects: Projects selected must represent a minimum of 1% of the total value of all revenue projects on the project inventory.

The minimum sample requirements can be achieved over a three year period. The following table summarises the capital and revenue sample averages achieved over the period 2017 – 2019.

	Capital	Revenue
Inventory 2017	385,376,105	111,656,546
Inventory 2018	532,875,289	129,614,500
Inventory 2019	608,328,496	138,118,065
Total value of Inventory 2017 - 2019	1,526,579,890	379,389,111 5

Value of projects audited 2017 -2019	112,079,694	9,942,738
% achieved over period 2017 -2019	7.34%	2.6%

In selecting projects for audit each year an attempt is made to ensure that the sample is reflective of the broad range of activities that the Council carries out. Projects are selected for sample in such a way as to ensure that all of the biggest spending service divisions are represented over a three to five year period. This approach to sampling is in keeping with the requirements of the Public Spending Code.

The in-depth check methodology used in this report is based on the principals and guidance in the Public Spending Code and best practice evaluation tools. As part of this methodology an outline template must be completed by the evaluator when carrying out an in-depth check as part of the Quality Assurance Process. The templates once completed are the in-depth check and are attached as an appendix to the Quality Assurance Report. The three projects which were selected for in-depth check this year were as follows:

- Acquisition of Social Units at Cois Glaisin, Navan, Co. Meath
- N51 Dunmoe Phase 2 Realignment Scheme
- Payment and Availability Agreements with Approved Housing Bodies

The in-depth checks were carried out by the Internal Audit Section of the Council in March and April 2020. Full copies of these in-depth checks can be found in Appendix 3.

### **3.3.1 Acquisition of Social Units at Cois Glaisin, Navan, Co. Meath**

The acquisition of social units at Cois Glaisin is shown on the 2019 inventory as a capital project that has recently ended.

Meath County Council currently has 2024 applicants approved for social housing support (April 2020). This figure does not include those currently in receipt of HAP or on the transfer list. Accordingly, as part of the Rebuilding Ireland Action Plan for Housing and Homelessness, Meath County Council, in conjunction with Approved Housing Bodies has been asked to provide 1190 new social units through construction, acquisition (including Part V agreements) and leasing in the period 2018-2021. In an effort to meet this target Meath County Council pursued turnkey opportunities which resulted in the purchase of 36 new units, in addition to the Part V acquisition of 26 new dwellings at Cois Glaisin, Navan, Co. Meath. These agreements were made in 6 phases.

A capital appraisal document was prepared for each phase of the Turnkey and Part V acquisitions. Each appraisal considered the housing need in the Navan area including the number and types of accommodation that were required. The appraisal also highlighted the ongoing difficulties in identifying alternative means to meet the housing need and while a small number of properties had been identified for purchase and had been availed of, this would not be considered adequate on an ongoing basis. It further notes that there are no unfinished estates within a 10km radius of the development. Project management arrangements and value for money are also considered.

The purchase of the units was approved by the Senior Executive Officer by Approved Officers Order and the Administrative Officer in the Housing Section had full oversight of the project until its completion in December 2019. Payments are approved by the Director of Services of Housing which provides a further oversight of the Scheme. The units were delivered in stages over 6 phases and were conveyed through the Local Authority's appointed legal representatives. Registration of title has been undertaken as required under Section 23 of the Registration of Title Act 1964. A boundary issue arose on one property which resulted in a smaller back garden to the rear of the property, the issue was identified prior to the closing of the sale and a reduced purchase price was agreed with the developer. The expenditure in the sum of €14,279,694 has been fully recouped from DHPLG.

All of the dwellings have been included on the Local Authority's Fixed Asset Register and have been allocated to meet the housing need of families approved for social housing support in accordance with Meath County Council's Allocation Scheme.

Post project reviews are only mandatory for projects with lifetime costs that exceed €20m, therefore, a post project review was not required for this project. The prices were fixed, sanctioned by the DHPLG and delivered on budget. The purchases were made incrementally so a post project review may appear immaterial. However, there are merits to undertaking a post project review and the Housing Office should consider reviewing their procedures to include post project reviews of significant capital expenditure projects.

#### **Does the delivery of the project comply with the standards set out in the Public Spending Code?**

**Audit Opinion:** This opinion was formed by a review of records held on file by the Council's Housing Section and by discussions held with staff that managed this project. It is considered that the decision to proceed with the project was soundly based and that the project was well managed. The project provides Satisfactory Assurance (see Appendix 4) that there is compliance with the Public Spending Code.

### **3.3.2 N51 Dunmoe Phase 2 Realignment Scheme**

The N51 Dunmoe Phase 2 Realignment Scheme is shown on the 2019 inventory as a capital project under consideration. The project is currently at Phase 5 enabling and procurement. Preparation for the procurement process for construction is on-going, as is land acquisition. The project appraisal process determined a budget of €16.8 million.

The N51 is significant with its connection to other national primary and secondary routes. It connects with the M1 at Drogheda and N2 at Slane, with M3 to Dublin at Navan. This project involves a 4.2 km realignment of a section of the N51 between including 5 new at grade junctions and a number of local access points. The location of this scheme is approximately 2.5 km northeast of Navan and 3.5 km southwest of Slane in County Meath.

A route selection report (June 2015) considered a number of viable options and identified a preferred route. The project proceeded through the Part 8 planning process, which included appropriate assessments and public consultation. Conditional Planning approval was received in January 2017. The design report (May 2017) further developed the preferred route and identified an accurate assessment of the lands which would need to be acquired.

The Project Appraisal Report was finalised in June 2017 and includes an economic assessment of the project which was undertaken using the TII Simple Appraisal Tool. Traffic Modelling was also undertaken as well as a full multi criteria analysis, which considered the total impact of the project under five main headings. The results demonstrate that the scheme is economically viable and concludes by stating that the proposed N51 upgrade scheme have a beneficial effect on road safety. Following this, a submission was made to TII for permission to publish a compulsory purchase order. The CPO process has progressed, and TII has also approved permission to proceed with Notice to Treat.

All projects seeking capital funding from Transport Infrastructure Ireland (TII) must follow a number of guidance documents including the TII Project Management Guidelines and the TII Project Appraisal Guidelines. These guidelines are appropriately aligned and consistent with the requirements of the Public Spending Code and EU and National Procurement Rules.

**Audit Opinion:** This opinion was formed by a review of records held on file by the Council's Transportation section and by discussions held with staff managing this project. It is considered that the initial decision to go ahead with the project was soundly based and that the project has been well managed to date. The project provides Satisfactory Assurance (see Appendix 4) that there is compliance with the Public Spending Code.

### **3.3.3 Payment and Availability Agreements with Approved Housing Bodies**

The Payment and Availability Programme is shown on the 2019 inventory as revenue spend that is being incurred.

Meath County Council currently has 2024 applicants approved for social housing support (April 2020). This figure does not include those currently in receipt of HAP or on the transfer list. Accordingly, as part of the Rebuilding Ireland Action Plan for Housing and Homelessness, Meath County Council, in conjunction with Approved Housing Bodies has been asked to provide 1190 new social units through construction, acquisition (including Part V agreements) and leasing in the period 2018-2021.

The Capital Advance Leasing Facility (CALF) - Payment and Availability (P&A) Programme is one of the main funding mechanisms for the supply of social housing by AHBs. The process was reviewed in 2019 and updated guidance on the future operation of CALF was provided by the Dept. Housing, Planning and Local Government (DHPLG) in July 2019. In 2019, Meath County Council entered into P&A Agreements with several AHBs, resulting in 147 additional dwellings being made available for social housing. Since the CALF Programme commenced Meath County Council has entered into P&A Agreements for circa 463 dwellings throughout the County. The total revenue expenditure incurred for all P&A Agreements in 2019 was €5,610,456.

As part of this in-depth review, Internal Audit reviewed a sample of files where P&A Agreements were commenced in 2019. In the sample reviewed, funding applications were made by AHBs to the DHPLG which included Forms LN008b as completed by AHBs and the Housing Authority. P&A Agreements and P&A Continuation Agreements have been finalised in accordance with the DHPLG funding correspondence and guidelines. P&A payments have been made to the AHBs and have been recouped to the Local Authority by the DHPLG.

Monitoring of compliance with the P&A Agreements is ongoing and the AHBs have provided details of occupancies of dwellings to the Housing Authority. Review of the availability payments is being undertaken in accordance with the provisions of the Payment Review Schedule. It is noted that some units have been subject to an on-site inspection to ensure properties remain in a lettable condition in accordance with the Housing (Standards for Rented Houses) Regulations 2008 (as amended). However, it is recommended that a more robust procedure should be put in place and perhaps these dwellings should form part of the Housing Authority's Rent Inspection Programme.

**Does the delivery of the project comply with the standards set out in the Public Spending Code?**

**Audit Opinion:** This opinion was formed by a review of records held on file by the Council's Housing Section and by discussions held with staff that managed this programme. The

Payment and Availability Programme provides Satisfactory Assurance (see Appendix 4) that there is compliance with the Public Spending Code.

## 4. Next Steps: Addressing Quality Assurance Issues

The compilation of both the inventory and checklists for the sixth year of this Quality Assurance process involved liaison with all sections and directorates within the Council. The in-depth checks carried out over the past six years were useful in setting out the controls which are in place to ensure compliance with the Public Spending Code and the in-depth checks which form part of the quality assurance process are part of the Internal Audit annual work programme. The Public Spending Code requires that the in-depth checks take a broader evaluation review of projects and programmes assessing such things as project management, project appraisal and post project reviews.

The in-depth reviews undertaken by Internal Audit this year cover the required sample percentages under Section 4 of the Quality Assurance Process. Although the results of the reviews this year indicate satisfactory compliance with the Public Spending Code in respect of both projects/programmes sampled this may or may not accurately reflect compliance across the entire organisation. An overview of general compliance levels is provided in the checklists completed under section 3.

A constant review of processes and procedures is carried out across all spending departments to ensure high compliance with the Public Spending Code on an ongoing basis. Capital project spending codes are only created in the Council's financial management system where it can be demonstrated by project owners that the requirements of the Public Spending Code will be met in full. Management will continue to ensure that Directorates comply fully with the requirements of the Public Spending Code.

## 5. Conclusion

The inventory outlined in this report clearly lists the capital and revenue expenditure that is being considered, being incurred and that which has recently ended. There were no procurements in excess of €10m in the year under review. The checklists completed by the Council show a satisfactory level of compliance with the Public Spending Code. The in-depth checks carried out on a small selection of projects/programmes showed a satisfactory level of compliance with the Public Spending Code overall. A constant review of processes and procedures is carried out across all spending departments in order to ensure high compliance with the Public Spending Code on an ongoing basis.



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## **Appendix 1**

### **Inventory of Projects and Programmes**

**above €0.5m**

MEATH COUNTY COUNCIL	Expenditure being considered				Remaining balance available		Notes
	Current > €0.5m (Update from AFS)	Capital Grant Schemes > €0.5m	Capital Projects		Current Expenditure (Update from AFS)	Capital Projects & Capital Grant Schemes > €0.5m plus	
Housing & Building			€0.5 - €5m	€5 - €20m	€20m plus		
Housing Development 80 Units at Fargantown						20,000,000	
Housing Development 9 Units Churchview, Rathmolyon			1,750,000				
Housing Development 6 Units Nangle Court Navan			1,122,400				
Housing Development Carrick Street, Kells				10,500,000			
Housing Development 2 Units Blackhill Crescent Donacarney			750,000				
Housing Development 20 Units at Archdeaconary Kells			3,900,000				
Housing Development 70 Units at Ashbourne				19,000,000			
CALF 11 Units Frederick Manor Ashbourne					1,195,525		
AHB 58 Units Commons Road Navan					1,331,400		
Housing Development 34 units Lagore Dunshaughlin				7,900,000			
CALF 28 units Ledwidge Hall, Slane			2,376,451				
CALF 53 Units Millteig Athboy Road Navan			5,956,880				
Part V 6 units Frasspark 2nd & Effernock Trim			1,526,762				
Part V 8 units Donancarney wood mornington			2,074,088				
Part V 7 units Knightswood Drogheda			1,392,545				
Housing Development at Riverside, Kells - 40 units					8,555,683		
Redevelopment of St Francis Park, Navan					3,500,000		
Housing Development at Donore - 20 Houses					3,745,000		
Housing Development at Dunshaughlin - 25 Houses					5,423,582		
Housing Development at Carlstown - 18 Houses					3,657,000		
Housing Development at Nobber - 19 Houses					4,500,000		
Housing Development at Bettystown Phase 2 - 12 Houses						2,601,000	
Remedial Works Alverno Laytown						2,719,237	
Part V 18 Units The Willows Dunshaughlin							
CALF 18 Units Churchfields Ashbourne						4,546,875	
CALF 44 Units Fitzherbert Woods Slane Road Navan							
CAS Project 17 Units Blackcastle Navan							
AHB 12 Units Ashwood Ashbourne							
CALF 20 units Maudlins Duleek						802,620	
Part V 5 Units Berford Station Road Duleek							
Rapid Build Housing Development at Oldcastle - 29 Houses							
Development at The Belfry Trim 3 Units (Creche)							
Part V 15 Units Willerstown Kilcock							
CALF 16 units Athboy Road Trim							
Acquisition 22 units Dun Elmear Bettystown							
Acquisition 2 units Cais na Mara, Bettystown							
Acquisition Programme 2019							
CAS (4 units Beachcourt Apls, Bettystown)							
CALF 13 units Moydervy Manor Longwood							
10 units Affordable Broadmeadow Vale Ratoath							
						2,788,925	
						856,293	





MEATH COUNTY COUNCIL	Expenditure being considered						Expenditure being deferred -> €0.5m	Expenditure being deferred -> €0.5m	Expenditure being deferred -> €1m	Expenditure being deferred -> €2m	Expenditure being deferred -> €5m	Notes	
	Current > €0.5m (new & S)	Capital Grant Schemes > €0.5m	Capital Projects			Current Expenditure (Update from A55)							
Meath County Council													
D09 Economic Development & Promotion													
D11 Heritage and Conservation Services													
Burial Ground, Stamullen							1,200,000						
Burial Ground, Dunboyne							1,600,000						
Burial Ground, Trim & Environs							1,100,000						
Burial Ground, Kells & Environs							800,000						
Burial Ground, Laytown, Bettystown, Donecarney							800,000						
Burial Ground, Navan							900,000						
Illegal Landfill - Tullypole Moynalty							4,000,000						
Illegal Landfill - Julianstown							2,000,000						
Remediation of Illegal Landfill - Ballinakill Rathcore							4,000,000						
Flood Relief Ashbourne								2,500,000					
Basketstown MBBR								500,000					
Flood Relief Bettystown								2,600,000					
E02 Operation and Maintenance of Recovery & Recycling Facilities									554,139				
E05 Litter Management									660,131				
E06 Street Cleaning									1,705,236				
E07 Waste Regs, Monitoring and Enforcement									3,959,297				
E09 Maintenance and Upkeep of Burial Grounds									1,226,004				
E10 Safety of Structures & Places									1,267,557				
E11 Operation of Fire Services									4,631,028				
E13 Water Quality, Air and Noise Pollution									649,196				
Recreation and Amenity										1,450,000			
Johnstown Community Facility										500,000			
Blackwater Park Facilities										8,000,000			
Boyne Valley to Lakelands County Greenway (Navan - Kingscourt)										719,000			
Porchifield, Trim Public Realm										1,266,906			
Linear Walkway, Roodie Road										7,500,000			
Flowerhill Regeneration Project										603,500			
Kells Convent Chapel and Convent Residential Artists studios										900,000			
Kells Printworks and Centre for Typography										1,000,000			
Enfield Park & Ride										3,775,000			
Purchase of Derelict Site and remediation works (Navan)										1,000,000			
Site Remediation Works at Taitteam										1,450,000			
Laytown/Bettystown Community Facility/Library/Beach Infrastructure										4,500,000			
Ashbourne Park										1,400,000			
Trim Library & Cultural Centre										4,500,000			
Solsice Arts Centre										800,000			
Ashbourne Linear Park											1,342,516		







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## **Appendix 2**

### **Self-Assessment Checklists**

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

General Obligations not specific to individual projects/programmes	Self-Assessed Compliance Rating: 1 - 3	Discussion/Action Required
1.1 Does the local authority ensure, on an on-going basis, that appropriate people within the authority and its agencies are aware of the requirements of the Public Spending Code (incl. through training)?	3	Yes
1.2 Has training on the Public Spending Code been provided to relevant staff within the authority?	3	Yes
1.3 Has the Public Spending Code been adapted for the type of project/programme that your local authority is responsible for? i.e., have adapted sectoral guidelines been developed?	3	A revised document was issued by the CCMA Finance Committee in February 2017.
1.4 Has the local authority in its role as Sanctioning Authority satisfied itself that agencies that it funds comply with the Public Spending Code?	N/A	No projects or programmes relevant to the PSC.
1.5 Have recommendations from previous QA reports (incl. spot checks) been disseminated, where appropriate, within the local authority and to agencies?	3	Yes. The recommendations from previous reports have been submitted to the relevant sections.
1.6 Have recommendations from previous QA reports been acted upon?	2	Follow up audits are required to verify compliance with previous recommendations.
1.7 Has an annual Public Spending Code QA report been certified by the local authority's Chief Executive, submitted to NOAC and published on the authority's website?	3	Yes, full report submitted within time period specified.
1.8 Was the required sample of projects/programmes subjected to in-depth checking as per step 4 of the QAP?	3	Yes, the total sample selected over the period 2017 – 2019 was in excess of PSC requirements.
1.9 Is there a process in place to plan for ex post evaluations/Post Project Reviews?  Ex-post evaluation is conducted after a certain period has passed since the completion of a target project with emphasis on the effectiveness and sustainability of the project.	2	PSC requirements are followed for all projects with lifetime costs exceeding €20m.
1.10 How many formal Post Project Review evaluations have been completed in the year under review? Have they been issued		Post project reviews are only mandatory for projects with

promptly to the relevant stakeholders / published in a timely manner?	2	lifetime costs exceeding €20m. There were no projects completed in 2019 in this category.
1.11 Is there a process to follow up on the recommendations of previous evaluations/Post project reviews?	2	No formal follow up process in place.
1.12 How have the recommendations of previous evaluations / post project reviews informed resource allocation decisions?	2	Where cost variances occurred lessons learned have been factored into similar type projects going forward.

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

Capital Expenditure being Considered – Appraisal and Approval	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
2.1 Was a preliminary appraisal undertaken for all projects > €5m?	3	Yes
2.2 Was an appropriate appraisal method used in respect of capital projects or capital programmes/grant schemes?	3	Yes, in conjunction with the relevant government body/agency
2.3 Was a CBA/CEA completed for all projects exceeding €20m?	N/A	The five projects in this category for 2019 are at an early stage. A CBA will be carried out for these projects in due course.
2.4 Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision)	3	Yes. In conjunction with the relevant government body/agency.
2.5 Was an Approval in Principle granted by the Sanctioning Authority for all projects before they entered the planning and design phase (e.g. procurement)?	3	Yes. Required to secure funding.
2.6 If a CBA/CEA was required was it submitted to the relevant Department for their views?	N/A	Yes. All appraisals and feasibility reports are submitted to the relevant sanctioning authority.
2.7 Were the NDFA consulted for projects costing more than €20m?	N/A	Carried out by Sanctioning Authorities who provide funding to MCC.
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	Tenders were in line with approvals.
2.9 Was approval granted to proceed to tender?	3	Yes
2.10 Were procurement rules complied with?	3	Yes

2.11 Were State Aid rules checked for all supports?	N/A	Not applicable to Local Government.
2.12 Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?	3	Yes.
2.13 Were performance indicators specified for each project/programme that will allow for a robust evaluation at a later date?	2	As part of the capital appraisal process most capital projects include measurable targets/objectives so that outputs and outcomes can be evaluated.
2.14 Have steps been put in place to gather performance indicator data?	2	See comment above.

**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	Yes. Objectives of increased revenue expenditure are included in department service delivery plans which are outlined to the Council Members as part of the annual budget process.
3.2 Are objectives measurable in quantitative terms?	2	In general yes but depends on service categories being examined.
3.3 Was a business case, incorporating financial and economic appraisal, prepared for new current expenditure?	2	Some new current expenditure under consideration represents a budgeted increase in an existing service as a result of increased activity which is justified at national level based on empirical evidence of likely demand.  Other new current expenditure under consideration represents an increased funding allocation from the Sanctioning Authority. Individual projects within programmes are assessed on their own basis and on their contribution to the overall programme.
3.4 Was an appropriate appraisal method used?	2	See comments above.
3.5 Was an economic appraisal completed for all projects	N/A	No expenditure in this

exceeding €20m or an annual spend of €5m over 4 years?		category.
3.6 Did the business case include a section on piloting?	N/A	See comments above.
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	No expenditure in this category.
3.8 Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?	N/A	See comments above.
3.9 Was the pilot formally evaluated and submitted for approval to the relevant Department?	N/A	See comments above
3.10 Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence?	2	See comments above
3.11 Was the required approval granted?	3	Approved by Council Members as part of annual budget process.
3.12 Has a sunset clause (as defined in section B06, 4.2 of the Public Spending Code) been set?	N/A	
3.13 If outsourcing was involved were procurement rules complied with?	3	Yes
3.14 Were performance indicators specified for each new current expenditure proposal or expansion of existing current expenditure programme which will allow for a robust evaluation at a later date?	3	Expenditure will form part of the national KPIs.
3.15 Have steps been put in place to gather performance indicator data?	3	Expenditure will form part of the national KPIs.

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

Incurring Capital Expenditure	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
4.1 Was a contract signed and was it in line with the Approval in Principle?	3	Yes where appropriate.
4.2 Did management boards/steering committees meet regularly as agreed?	3	Yes where appropriate.
4.3 Were programme co-ordinators appointed to co-ordinate implementation?	3	All capital programmes are managed by programme co-ordinators at a suitably senior level in the organisation.
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	All capital projects were assigned a project manager at an appropriate level in the organisation.
4.5 Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	Project reports were prepared in most cases.
4.6 Did projects/programmes/grant schemes keep within their financial budget and time schedule?	2	Where budget over-runs occur fully documented explanations are available in progress reports and Final Reports.
4.7 Did budgets have to be adjusted?	3	Yes.
4.8 Were decisions on changes to budgets / time schedules made promptly?	3	Yes.
4.9 Did circumstances ever warrant questioning the viability of the project/programme/grant scheme and the business case incl. CBA/CEA? (exceeding budget, lack of progress, changes in the environment, new evidence, etc.)	N/A	No.
4.10 If circumstances did warrant questioning the viability of a project/programme/grant scheme, was the project subjected to adequate examination?	N/A	N/A. See comment above.
4.11 If costs increased was approval received from the Sanctioning Authority?	3	Yes. This is a requirement of funding approval.

<b>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?</b>	N/A	No
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**Checklist 5 – To be completed in respect of current expenditure programmes incurring expenditure in the year under review**

Incurring Current Expenditure	Self-Assessed Compliance Rating: 1-3	Comment/Action Required
5.1 Are there clear objectives for all areas of current expenditure?	3	Yes. The spending programme objectives are set out as part of the annual budget process. They are also included in the Corporate Plan and Service Delivery Plans.
5.2 Are outputs well defined?	3	Annual Service Delivery Plans define outputs for each revenue expenditure programme. National KPIs are in place for the Local Government sector.
5.3 Are outputs quantified on a regular basis?	3	Service Delivery Plans are reviewed on a yearly basis. KPIs for specific services are kept under review nationally on a continuous basis.
5.4 Is there a method for monitoring efficiency on an on-going basis?	3	Yes. Budget performance and ongoing monitoring is in place. Internal and external auditing is also in place.
5.5 Are outcomes well defined?	3	Outcomes are defined in policy documents and programmes of work adopted by the council.
5.6 Are outcomes quantified on a regular basis?	3	Ongoing monitoring is undertaken by revenue programme co-ordinators and forms part of the Local

		Authority's Annual Report
5.7 Are unit costings compiled for performance monitoring?	3	Some unit costings are included as part of the National KPIs in place for the Local Government sector.
5.8 Are other data compiled to monitor performance?	2	Some other data is compiled and is service dependent.
5.9 Is there a method for monitoring effectiveness on an on-going basis?	2	Combination of all of the above.
5.10 Has the organisation engaged in any other 'evaluation proofing' <sup>1</sup> of programmes/projects?	2	KPI data on revenue programmes is readily available using the management reporting framework already in place and is monitored on a regular basis.

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

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

Capital Expenditure Recently Completed	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
6.1 How many post project reviews were completed in the year under review?	2	Post project reviews are only mandatory for projects with lifetime costs exceeding €20m. No projects completed in 2019 in this category.
6.2 Was a post project review completed for all projects/programmes exceeding €20m?	N/A	No recent projects at this level.
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	No recent projects at this level.
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?	2	Post-project reviews of Turnkey and Part V Acquisitions that deliver incrementally will be considered once all phases are completed
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?	N/A	No recent projects at this level.
6.6 Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority? (Or other relevant bodies)	3	Yes.
6.7 Were changes made to practices in light of lessons learned from post-project reviews?	3	Lessons learned have been used to inform the design and project management of similar schemes.
6.8 Were project reviews carried out by staffing resources independent of project implementation?	2	No but all project reviews are forwarded to the Sanctioning

		Authority and Internal Audit.
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**Checklist 7 – To be completed in respect of current expenditure programmes that reached the end of their planned timeframe during the year or were discontinued**

Current Expenditure that (i) reached the end of its planned timeframe or (ii) was discontinued	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
7.1 Were reviews carried out of current expenditure programmes that matured during the year or were discontinued?	N/A	No programmes relevant to the PSC in 2019.
7.2 Did those reviews reach conclusions on whether the programmes were efficient?	N/A	No programmes relevant to the PSC in 2019.
7.3 Did those reviews reach conclusions on whether the programmes were effective?	N/A	No programmes relevant to the PSC in 2019.
7.4 Have the conclusions reached been taken into account in related areas of expenditure?	N/A	No programmes relevant to the PSC in 2019.
7.5 Were any programmes discontinued following a review of a current expenditure programme?	N/A	No programmes relevant to the PSC in 2019.
7.6 Were reviews carried out by staffing resources independent of project implementation?	N/A	No programmes relevant to the PSC in 2019.
7.7 Were changes made to the organisation's practices in light of lessons learned from reviews?	N/A	No programmes relevant to the PSC in 2019.

Notes:

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





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**Public Spending Code**  
**Quality Assurance Report for 2019**

## **Appendix 3**

### **In-Depth Checks**



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## Internal Audit

### Public Spending Code for 2019

#### In-Depth Checks

Acquisition of Social Units at Cois Glaisin, Navan, Co. Meath

May 2020

## Quality Assurance – In-Depth Check

### Section A: Introduction

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

Project Information	
<b>Name</b>	Acquisition of social units at Cois Glaisin, Navan, Co. Meath
<b>Detail</b>	Turnkey Acquisition and Part V social units at Cois Glaisin, Navan, Co. Meath to provide housing for those in need of social housing support in compliance with Meath County Council's Allocation Scheme.
<b>Responsible Body</b>	Meath County Council
<b>Current Status</b>	Capital Expenditure Recently Ended
<b>Start Date</b>	March 2018
<b>End Date</b>	Completed 2019
<b>Overall Cost</b>	€14,279,694

## **Project Description**

In July 2016 the then Minister for Housing, Planning, Community and Local Government, Simon Coveney launched the Rebuilding Ireland Action Plan for Housing and Homelessness. Its mission is to ensure that everyone can access a home, either on their own or with State support and it comprises of five pillars; addressing homelessness, accelerating social housing, building more homes, improving the rental sector and utilising existing housing.

Local Authorities, in conjunction with Approved Housing Bodies (AHBs) and supported by the Dept of Housing, Planning and Local Government (DHPLG), play a key role in delivering the Rebuilding Ireland Action Plan. This can be achieved through a number of measures including construction, acquisition, Part V agreements and leasing arrangements. Part V of the Planning and Development Act 2000 is a mechanism which dictates that local authorities can obtain up to 10% of land zoned for housing development at 'existing use value' rather than at 'development value'. When submitting a planning application for a development of more than 9 houses, or on a site which exceeds 0.1 hectares, developers must undertake Part V obligations.

Under the Rebuilding Ireland Programme, the DHPLG has set social housing delivery targets for each local authority for the period 2018-2021. Meath County Council has a target to deliver 1190 social units through construction, leasing and acquisition, including Part V agreements and agreements with Approved Housing Bodies. In March 2018 there were 1341 applicants approved for social housing support in the Navan area. This figure excludes HAP households and those on the transfer list. There were 61 applicants for 4-bed dwellings, 332 for 3-bed dwellings, 473 for 2-bed dwellings and 418 for one-bed dwellings.

In an effort to meet this need, Meath County Council agreed to purchase new homes at Cois Glaisin, Navan, 26 of which were purchased to satisfy the Part V planning condition and 36 of which were purchased as turnkey acquisitions on foot of publication of an Expressions of Interest advertisement. The acquired social units can be broken down as follows; 35 no. 2-bed dwellings, 26 no. 3-bed dwellings and one no. 4-bed dwelling.

The developer constructed the site over a number of phases. Part V agreements and Turnkey Acquisition agreements were made in accordance with these phases. Each turnkey phase has its own capital appraisal and independent valuations and each Part V phase has detailed costings to ensure that the Net Monetary Value is achieved.



## Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, Internal Audit, Meath County Council completed a Programme Logic Model (PLM) for the Purchase of new dwellings at Cois Glaisin, Navan. 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
<ul style="list-style-type: none"> <li>Provide quality homes to those in need and approved for social housing support.</li> <li>Ensure compliance with Part V of the Planning and Development Act 2000</li> <li>Deliver on social housing targets as set out by DHPG.</li> <li>Promote sustainable communities</li> </ul>	<ul style="list-style-type: none"> <li>Overall spend for the scheme was €14,279,694</li> <li>On-site inspections by Planning Enforcement Teams</li> <li>Ongoing communications with the Developer</li> <li>Ongoing communications with the DHPG</li> <li>Local Authority and DHPG associated staff costs.</li> </ul>	<ul style="list-style-type: none"> <li>Identification of housing need.</li> <li>Publish Expression of Interest and engagement with Developer</li> <li>Valuations and costings.</li> <li>Preparation of capital appraisal.</li> <li>Legal services.</li> </ul>	<ul style="list-style-type: none"> <li>New dwellings available for social housing</li> </ul>	<ul style="list-style-type: none"> <li>The Local Authority has met the housing need for 62 families</li> <li>Good tenure mix and sustainable community</li> <li>Compliance with Part V Planning Condition</li> </ul>

		accordance with Meath County Council's Allocation Scheme	
		<ul style="list-style-type: none"> <li>• Recoupment from DHPLG</li> </ul>	

### Description of Programme Logic Model

**Objectives:** The main objective of this project is to provide quality homes to meet the housing needs of families who are approved for social housing support. Other objectives include ensuring compliance with Part V planning condition and achieving targets as set out by the DHPLG.

**Inputs:** The overall spend on this project was €14,279,694 of which was recouped from DHPLG. Throughout the lifetime of the project there were numerous on-site inspections by the Planning Enforcement Team to ensure the units were delivered in compliance with the planning permission and building regulations. A building condition survey was completed on each property prior to the sales closing. Other costs included associated staff costs of Meath County Council and the DHPLG.

**Activities:** There were a number of key activities carried out throughout the project. Firstly, the specific needs for the area were identified including the numbers and type of accommodation required. These requirements were then reflected in the requirements of Expressions of Interest for Turnkey Acquisitions and in Part V negotiations with developers. The capital appraisal for each phase was submitted to the DHPLG for

approval and the completion of sales was managed. Upon completion of the sale a claim for recoupment of vouched expenditure was submitted to the DHPLG.

**Outputs:** Having carried out the identified activities using the inputs, outputs consist of the acquisition of good quality homes that are available for social housing.

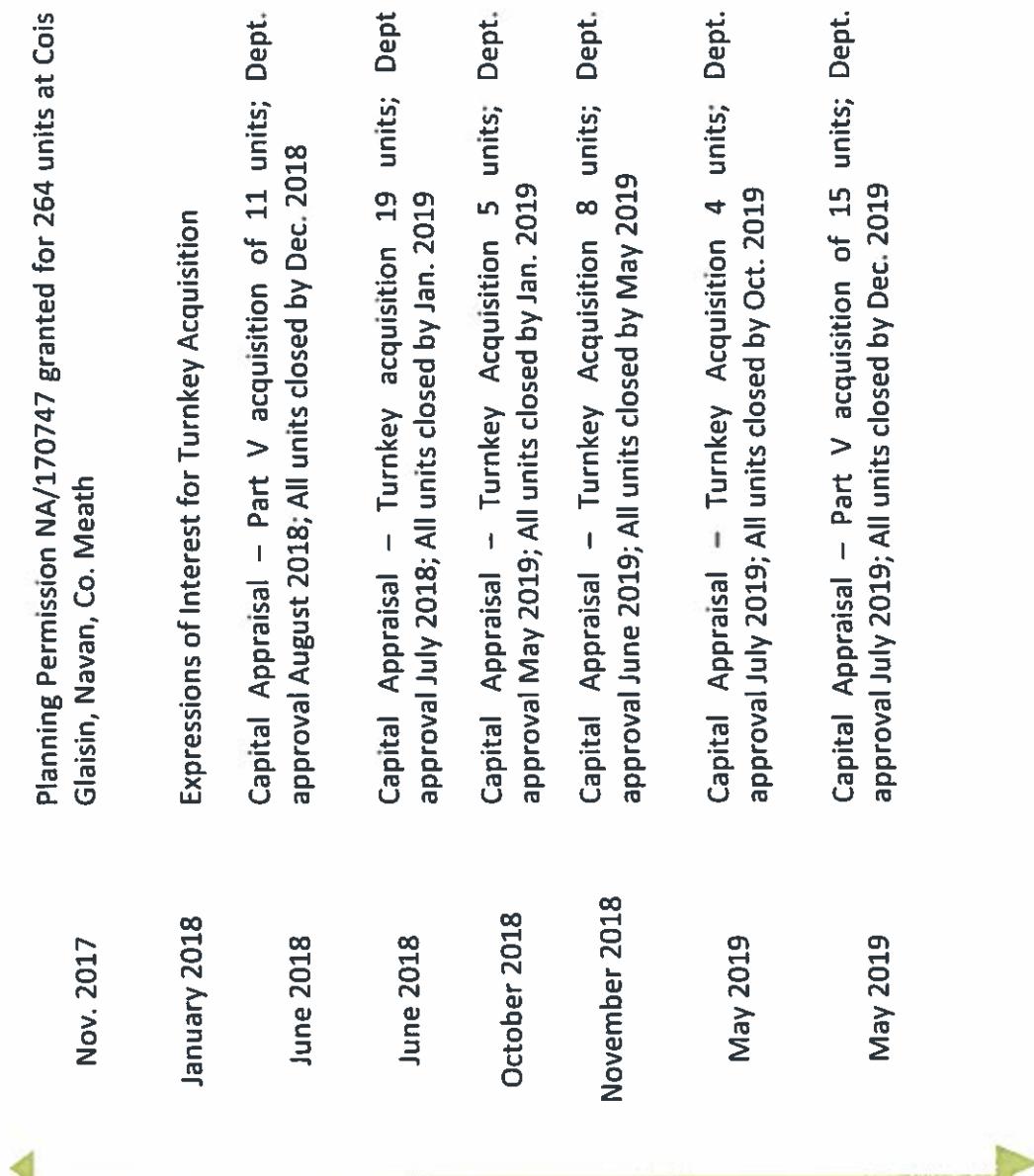
**Outcomes:** The main outcome is that 62 families have had their housing needs met. The acquisition of these units also provides a good tenure mix between social and private units within the development. Compliance with statutory planning conditions has been achieved.

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## **Section B - Step 2: Summary Timeline of Project**

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The following section tracks progress on the acquisition of social units at Cois Glaisin, Navan, Co. Meath.



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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 for the purchase of social units at Cois Glaisin, Navan, Co. Meath.

<b>Key Project Documents</b>	
<b>Title</b>	<b>Details</b>
Grant of Planning Permission	Permission from the Planning Authority to carry out development, subject to conditions
Circular: Housing 15/2019	Guidelines on the Social Housing Investment Programme Acquisition of Properties for Social Use
Expression of Interest Advertisement	Seeks expressions of interest to purchase schemes of houses and/or land for social housing purposes
Capital Appraisal	Appraisal documents

**Key Document 1: Grant of Planning Permission**

Planning permission ref. no. NA/170747 was granted by the Planning Authority in November 2017 for the construction of 264 new two-storey dwellings, subject to 34 conditions. Condition no. 9 of the Planning Permission requires the developer to enter into an agreement with the Local Authority in relation to the provision of social and affordable housing. This is required to comply with the requirements of Part V of the Planning and Development Act 2000 as amended. As the development was being constructed over a number of phases, Part V compliance was negotiated at each phase of development.

**Key Document 2: Circular Housing 15/2019**

The circular sets out the guidelines for the Local Authority for the acquisition of social housing. It details the necessity for value for money and achieving sustainable communities. It also sets out the Acquisition Cost Guidelines and the requirements for independent valuations and registration of title.

**Key Document 3: Expression of Interest Advertisement**

In January 2018 Meath County Council advertised that it was seeking to purchase schemes of houses and/or land for social housing purposes. This document sets out the localities and areas that would be considered suitable for social housing. It also sets out the type of accommodation required and the numbers of units that would be considered in accordance with the population of the town/village where the proposed units are located.

#### **Key Document 4: Capital Appraisal Documentation**

A capital appraisal document was prepared for each phase of the Turnkey and Part V acquisitions and considered the following:

- Analysis of housing need
- Alternative means to meet need
- Sustainable communities
- Project management arrangements
- Cost and value for money

The capital appraisal was submitted to the DHPLG for approval. Prior to approval being issued, the DHPLG considered the value for the money of the proposed project, including the independent valuations and the unit ceiling costs of acquisitions. A proposal will only be sanctioned by the DHPLG if the guidance, as contained in Housing Circular 15/2019 is complied with.

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

The following section details the data audit that was carried out for the acquisition of new social dwellings at Cois Glaisin, Navan. It evaluates whether appropriate data is available for the future evaluation of the project.

Data Required	Use	Availability
Project Files	Documents to support the process including appraisals, communications with DHPLG and Approved Officer's Orders	Information held on file
Contract Documents	Confirmation units have been transferred	Information held on file
Financial Reports	Expenditure and Income details	FMS Agresso System
Allocation Reports	Confirmation all dwellings have been allocated	iHouse – Housing Practitioner's Managing System

#### **Data Availability and Proposed Next Steps**

It can be seen from the table above that the data required to evaluate the project is readily available. All associated costs of the project are clearly identified and can be traced back to the Financial Management System. All of these units have been allocated to those approved for social housing support in accordance with Meath County Council's Allocation Scheme.

## **Section B - Step 5: Key Evaluation Questions**

The following section looks at the key evaluation questions for the acquisition of new social dwellings at Cois Glaism, Navan, based on the findings from the previous sections of this report.

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

Based on the in-depth review undertaken, Internal Audit can provide satisfactory assurance (see Appendix 4) that the standards set out in the Public Spending Code have been complied with. The acquisitions have been undertaken in accordance with the requirements of the DHPLG. The programme was fully appraised, and the implementation was well managed. Any issues that arose were dealt with quickly and efficiently. As the project did not exceed €20m and the purchases were made incrementally, a post project review was not required. However, there are merits to undertaking a post project review and the Housing Authority should consider reviewing their procedures to include a requirement for post project reviews for significant capital projects.

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

Yes. Comprehensive data and information is available and the data audit at Section B Step 4 above outlines the type of data that is required to evaluate the project. There is a clear audit trail from tendering, appraisal and project management.

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

In two cases, verbal approval for the project was received from the Dept. however, the written approval was not received until after the sales had closed. Housing staff should ensure that their procedures are reviewed to confirm that written approval from the DHPLG is received prior to committing Local Authority funds to the project.

The Housing Authority should consider reviewing their procedures to include a requirement for post project reviews for significant capital projects.

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**Section: In-Depth Check Summary**

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The following section presents a summary of the findings of this In-Depth Check on the acquisition of social units at Cois Glaisin, Navan, Co. Meath.

**Summary of In-Depth Check**

The acquisition of social units at Cois Glaisin is shown on the 2019 inventory as a capital project that has recently ended.

Meath County Council currently has 2024 applicants approved for social housing support (April 2020). This figure does not include those currently in receipt of HAP or on the transfer list. Accordingly, as part of the Rebuilding Ireland Action Plan for Housing and Homelessness, Meath County Council, in conjunction with Approved Housing Bodies has been asked to provide 1190 new social units through construction, acquisition (including Part V agreements) and leasing in the period 2018-2021. In an effort to meet this target Meath County Council pursued turnkey opportunities which resulted in the purchase of 36 new units, in addition to the Part V acquisition of 26 new dwellings at Cois Glaisin, Navan, Co. Meath. These agreements were made in 6 phases.

A capital appraisal document was prepared for each phase of the Turnkey and Part V acquisitions. Each appraisal considered the housing need in the Navan area including the number and types of accommodation that were required. The appraisal also highlighted the ongoing difficulties in identifying alternative means to meet the housing need and while a small number of properties had been identified for purchase and had been

availed of, this would not be considered adequate on an ongoing basis. It further notes that there are no unfinished estates within a 10km radius of the development. Project management arrangements and value for money are also considered.

The purchase of the units was approved by the Senior Executive Officer by Approved Officers Order and the Administrative Officer in the Housing Section had full oversight of the project until its completion in December 2019. Payments are approved by the Director of Services of Housing which provides a further oversight of the Scheme. The units were delivered in stages over 6 phases and were conveyed through the Local Authority's appointed legal representatives. Registration of title has been undertaken as required under Section 23 of the Registration of Title Act 1964. A boundary issue arose on one property which resulted in a smaller back garden to the rear of the property, the issue was identified prior to the closing of the sale and a reduced purchase price was agreed with the developer. The expenditure in the sum of €14,279,694 has been fully recouped from DHPLG.

All of the dwellings have been included on the Local Authority's Fixed Asset Register and have been allocated to meet the housing need of families approved for social housing support in accordance with Meath County Council's Allocation Scheme.

Post project reviews are only mandatory for projects with lifetime costs that exceed €20m, therefore, a post project review was not required for this project. The prices were fixed, sanctioned by the DHPLG and delivered on budget. The purchases were made incrementally so a post project review may appear immaterial. However, there are merits to undertaking a post project review and the Housing Office should consider reviewing their procedures to include post project reviews of significant capital expenditure projects.

#### **Does the delivery of the project comply with the standards set out in the Public Spending Code?**

**Audit Opinion:** This opinion was formed by a review of records held on file by the Council's Housing Section and by discussions held with staff that managed this project. It is considered that the decision to proceed with the project was soundly based and that the project was well managed. The project provides **Satisfactory Assurance** (see Appendix 4) that there is compliance with the Public Spending Code.





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## Internal Audit

### Public Spending Code 2019

#### In-Depth Checks

N51 Dunmoe Phase 2 Realignment Scheme

Capital Expenditure

May 2020

## Quality Assurance – In-Depth Check

### Section A: Introduction

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

Project Information	
Name	N51 Dunmoe Phase 2 Realignment Scheme
Detail	4 km standard 7m carriageway improvement to address operational and safety problems on this section of the N51, which is a key connection route
Responsible Body	Meath County Council
Current Status	Capital Expenditure Under Consideration
Start Date	August 2013
End Date	Scheduled for completion Q3 2021
Overall Cost	€16.8 million approx.

## **Project Description**

The N51 Dunmoe Phase 2 Realignment Scheme is shown on the 2019 inventory as a capital project under consideration. The project is deemed to be under consideration as the contract for construction has not yet been awarded. However, expenditure has been incurred in the design phase in the sum of €1,025,258 to end Dec. 2019. The current information suggests an outturn cost of approximately €16.8 million.

The N51 is 54.173 km long and is situated in counties Louth, Meath and Westmeath. The route is significant with its connection to other national primary and secondary routes. The route connects with the M1 at Drogheda and N2 at Slane, with M3 to Dublin at Navan.

The N52 provides connectivity from Mullingar via Kells and Ardee to Dundalk. The National Spatial Strategy has identified the N52 as a regionally important corridor. The N51 connects to this route at Delvin and thus provides connectivity between the midlands, Navan and Drogheda. Mullingar is one part of the Athlone/Mullingar/Tullamore Gateway serving the midlands under the National Spatial Strategy. The N51 is significant from a tourist perspective in that it provides access from the M1 to the Newgrange Monument and to the Boyne Valley area.

The N51, within the county of Meath has been the subject of on-going incremental improvement over recent years in line with the Meath County Development Plan 2013-2019. The geometric design of the current section of road is poor with a number of severe horizontal curves and inadequate cross section width which have contributed to numerous accidents in the past varying standards. It operates to an 80kph with little or no overtaking opportunity. This section of the N51 runs parallel and in proximity to the River Boyne. The adjacent sections of the route on either side have been upgraded in recent years. As a result, the existing N51 Dunmoe Phase 2 section may well be a potentially hazardous section of the route where driver frustration may result in inappropriate driver behaviour.



*Map showing location of the road section currently*

The proposed scheme is approximately 4.2km in length and includes 5 at grade junctions. (An at grade junction is where two or more transport axes cross at the same level (or grade). Such a junction may require a traffic-control device such as a stop sign, traffic light to manage conflicting traffic.)

The location of this scheme is approximately 2.5 km Northeast of Navan and 3.5 km Southwest of Slane in County Meath, from a tie-in point close to Craig's Cross Roads to a tie in point 1.2km northeast of Wicker's Cross Roads. A ghost island junction will be provided to connect to the new N51 to part of the existing N51 which will be retained to service properties and the local roads L-74168, L-74163 and L-74165. The L-74164 will have a simple junction with the new N51. Simple junctions will be constructed in Dunmoe and Harmonstown to provide local access for some properties along the existing N51. A new ghost island staggered junction will be provided at the existing N51 Wickers Cross junction with realigned local roads L-3411. Attenuation ponds will be provided at drainage outfall locations.

The proposed cross-section is a standard single carriageway which incorporates a 7.3m carriageway with 2.5m hard shoulders and a minimum 3m grass verge. The design speed is 100km/hr

While the project formally commenced in 2013, project initiation was undertaken in line with National Roads Authority (NRA) Project Management Guidelines 2010. Although these guidelines were mandatory for major road projects, Meath County Council opted to follow these guidelines for minor road schemes to follow best practice. The project initiation process including initial approval to progress to route selection was undertaken by the National Roads Office, based in Westmeath County Council, on behalf of Meath County Council.

As the project progressed through various phases, the most relevant and appropriate project management guidelines (NRA/TII) and project appraisal guidelines have been used in terms of deliverable and approval points. Appraisal for this project was undertaken in line with the Department of Transport and Tourism and Sport (DTTaS) Common Appraisal Framework for Transport Project and Programmes and TII Project Appraisal Guidelines (2016)

The procurement process to appoint a contractor for construction (Phase 5) is currently ongoing in line with TII project Management Guidelines 2017.

The TII project management guidelines were designed to be compatible with the NRA 2010 Guidelines, which means that at all stages, the appropriate guidelines applicable at that time were followed.

## Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, Internal Audit, Meath County Council completed a Programme Logic Model (PLM) for the N51 Dunmoe Phase 2 Realignment Scheme. A PLM is a standard evaluation tool and further information on their nature is available in the [Public Spending Code](#).

Objectives	Inputs	Activities	Outputs	Outcomes
Improve road safety along this section of the N51	Overall budget for scheme of €16.8 million	Planning, Design, Land Acquisition, Contract Administration and Road Construction.	Upgrade of 4.2 km of existing road to standard 7.3m Carriageway standard including the upgrading of 5 at grade junctions along the route.	Provide continuous opportunities for overtaking thus increasing safety for road users.

Objectives	Inputs	Activities	Outputs	Outcomes
Reduction in journey times/reliability for private and public transport with a consequent positive contribution to the economy.	Land acquired via CPO TII and Local Authority associated staff costs.	Accommodation Works. Interim diversions to existing services.	upgrading of 5 at grade junctions along the route.	Reduction in frequency and severity of collisions.

Objectives	Inputs	Activities	Outputs	Outcomes
Improvement to driving quality experience due to the provision of a consistent alignment on the N51		Installation of public lighting, signing and other works essential to a road scheme.		Improved connectivity to major tourist attractions, Dublin and the North

## Description of Programme Logic Model

**Objectives:** The objectives of the project are to enhance the road safety of the N51. This section of the N51 currently has a substandard alignment, and safety is compromised due to the extensive number of at grade junctions and private accesses along the route. At a regional and national level the upgrade of this section of the N51 will enhance connectivity between the midlands gateway hubs (Tullamore, Mullingar) and the North East (Navan, Drogheda) and Dublin (via connection to M3) and the North (via connection to M1)

**Inputs:** The primary input to the programme will be the capital funding currently estimated at approx. €16.8 million which will be provided by the Sanctioning Authority - Transport Infrastructure Ireland. This includes costs for land acquisition of circa 26 hectares.

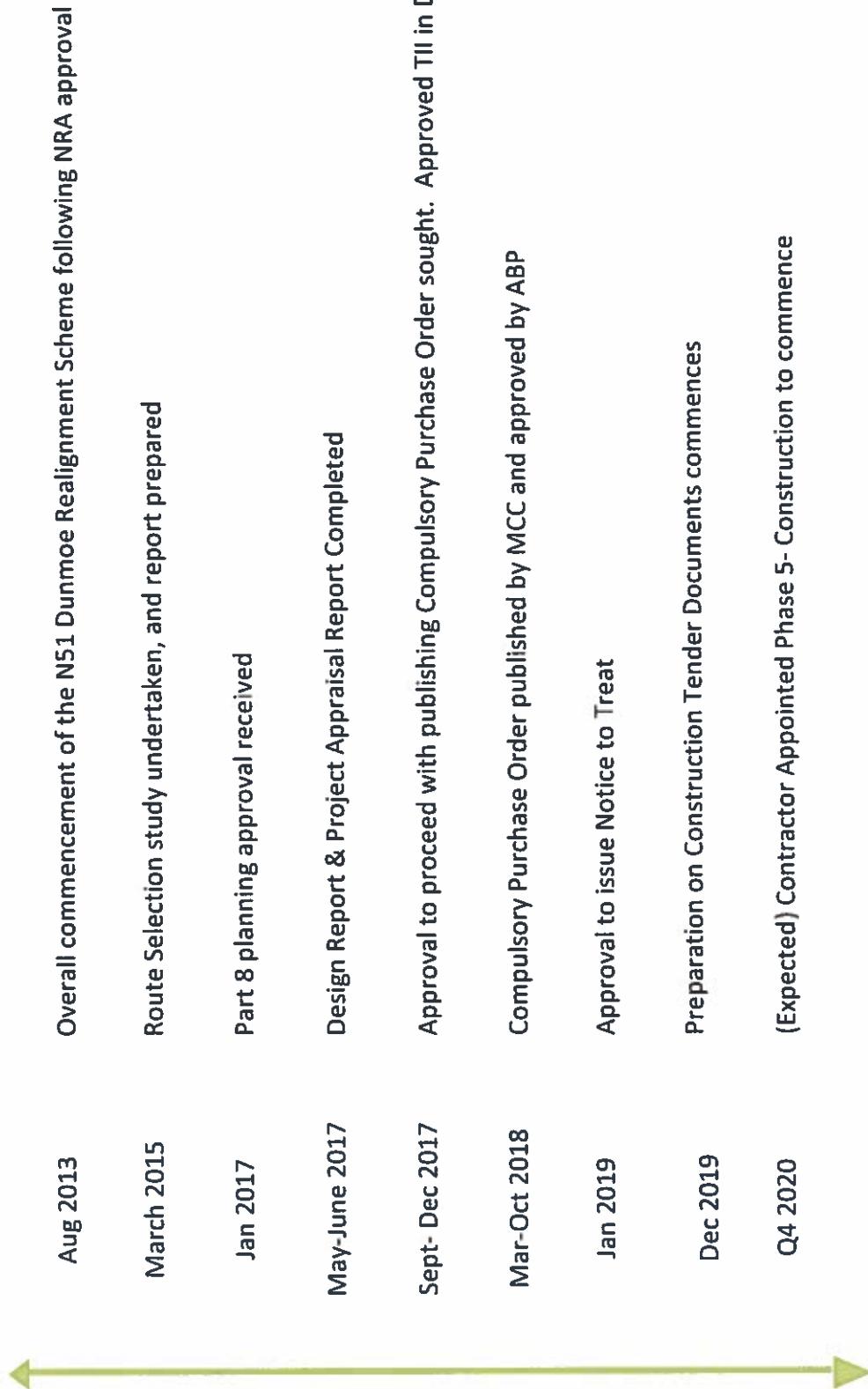
**Activities:** There are a number of key activities to be carried out throughout the project and these include planning and design of the scheme, land acquisition and road construction as well as accommodation works, interim diversions to existing services, installation of public lighting, signing and other works essential to a road scheme of this size. In addition, the contract must be project managed and administered during the construction phase.

**Outputs:** Having carried out the identified activities using the inputs, outputs will consist of the construction of a 4.2 km upgrade of the N51, which includes 5 at grade junctions.

**Outcomes:** The envisaged outcomes of the project are to reduce the number of road traffic accidents on this stretch of road and to increase safety for all road users.

## **Section B - Step 2: Summary Timeline of Project**

The following section tracks progress on the N51 Dunmoe Phase 2 Realignment Scheme to date in terms of major project milestones.



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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 for the N51 Dunmoe Phase 2 Road Improvement Scheme.

Key Project Documents	
Title	Details
Constraints and Route Selection Study Report	This route selection report was prepared by Westmeath National Roads Office to select the preferred route. 3 options were considered
Environmental Reports	Various environmental reports were prepared- Cultural, Heritage, Landscape, Noise, ecological, Environmental Impact Assessment and Appropriate Assessment Screening Report
Design Report	Detailed Analysis on the design process, prepared by Westmeath National Roads Office
Part 8 Chief Executive Report	Report from Chief Executive to the Members of MCC recommending that he project proceed, having considered the proper planning and development of the area and all submissions
Project Appraisal Report	Undertaken by RPS and final report submitted in May 2017. Includes the Project Appraisal Balance Sheet

## **Key Document 1: Constraints and Route Selection study Report**

The Route selection report was prepared in 2017 by the National Road Office (Westmeath County Council) in accordance with TII's Project Management Guidelines and Project Appraisal Guidelines applicable at the time. As part of the analysis of route options, consideration was given to the 'Do-Nothing' and 'Do-Minimum' scenarios. The Do-Nothing option consists of accepting the N51 as it is currently constituted, i.e. no further expenditure to improve the route is envisaged, save routine maintenance. The Do-Minimum option consists of local improvements to lessen the severity of the worst parts of the route, which would be carried out anyway in the absence of any capital investment in the route.

3 feasible route options were identified and assessed in a systematic way to identify the preferred option.

Each option was assessed under the following main criteria:

- Engineering Assessment;
- Environmental Assessment;
- Economy Assessment;
- Integration Assessment;
- Accessibility.

Various sub-criteria were assessed under each main criterion for each route option. A Project Appraisal Matrix was established which permitted the comparison of the performance of each Route Corridor under the various criteria. The table below summarises the outcome of the Appraisal Matrix:

Project Appraisal Matrix						
Route Options	Economy	Safety	Environment	Accessibility	Integration	Overall
A	Preferred	Preferred	Preferred	Similar	Similar	Preferred
B	Least Preferred	Preferred	Intermediate	Similar	Similar	Intermediate
C	Intermediate	Preferred	Least Preferred	Similar	Similar	Intermediate

On the basis of the Project Appraisal Matrix it was recommended and agreed that the preferred route option was Route A.

**Key Document 2: Environmental Reports:**

As part of the planning process, various environmental reports were prepared by the relevant experts to assess the impact of the project in preparation for the submission of the planning proposal. No significant environmental matters were identified in respect of air, water quality, land use, biodiversity or noise pollution. However it was noted that the realigned route would have direct impact on Tober Patrick Well , as well as a moderate change of setting the Stackallen SCA. Mitigations to his have been developed and were considered acceptable with no envisaged residual impact.

**Key Document 3: Design Report**

The design report was undertaken by the Westmeath National Roads office, on behalf of Meath County Council. The report details the work undertaken during the preliminary design process, in accordance with the TII Project Management Guidelines, which allowed for accurate land take requirements to be determined for formal acquisition It also details the development of the route selected at route option stage, to ensure it can be constructed to all relevant standards. Twenty eight "Departures from Standards" have been granted by TII for the scheme, mainly around direct access to domestic buildings and agricultural fields. Designer's justification for each, along with TII approval is included in the appendix.

Based on the finding of this report, it was recommended this project proceed to compulsory purchase order (CPO). Approval was sought from TII to publish the CPO in June 2017. Approval was received from TII on 29<sup>th</sup> December 2017.

#### **Key Document 4: Part 8 Planning- Chief Executive Report**

As required by the planning process, the Chief Executive presented a Part 8 report to the members of Meath County Council. Having given consideration to all submissions made on the proposal, all other options considered in respect of the project, as well as the proper planning and development of the area in which the proposed project is located. The Part 8 planning was approved in January 2017.

#### **Key Document 5: Project Appraisal Report**

The Project Appraisal Report was finalised in May 2017 and was produced by RPS Group, in line with TII's project appraisal guidelines 2016. Analysis tools include traffic modelling and simple appraisal (TII's 'simple appraisal tool'). A multi-criteria appraisal (MCA) was also undertaken. The MCA is based on the five standard criteria as set out in the Common Appraisal Framework – Economy, Environment, Safety, Accessibility and Integration. The proposed improvements are permitted to proceed to construction only if the project appraisal demonstrates that they offer good value for money. The economy score is based on a cost-benefit analysis which puts a monetary value on the principal benefits and costs of the scheme. The Project appraisal balance sheet presents these results alongside the non-monetised impacts including the social and environmental effects.

The report outlines the sub-standard nature of the existing road and its importance in the context of the national strategic road network. It goes on to outline the project objectives and the benefits of the proposed scheme. An economic assessment (using TII's simple appraisal tool) demonstrates a Benefit to Cost Ratio (BCR) for the Scheme Budget of 1.43 over a 30 year design horizon with residual value based on a 10 year period beyond this. The realignment of the road will reduce sinuosity and increase overtaking opportunities. Journey time reliability and levels of accessibility will also improve, as time savings from Phase 1 can be fully unlocked by completing phase 2. The economic assessment undertaken confirms that this is an economically viable scheme.

A full multi criteria analysis was also carried out and considered the total impact of the project under five main heading, namely Environment, Safety, Economy, Accessibility and Integration. The project Appraisal Balance Sheet (PABS) is included which give an overview of the appraisal (shown below). The report concludes that there is a positive case for the scheme in terms of economy, integration and safety. The appraisal identified a minor biodiversity risk, but that these can be managed as part of the proposed project.

Scheme	Description			Problems Identified		
Objective	Sub-objective	Qualitative impacts	Quantitative assessment		Monetised (€ million over 30yrs.)	Score
Environmental	Air Quality	No significant change given the online nature of the alignment.	49 properties within 50m of scheme	Air Pollution	&0.03	4.0
	Noise and vibration	No significant change in noise as online alignment.	0.5 tonnes of CO <sub>2</sub> saved p.a.	Noise	&0.05	4.0
	Landscape & Visual Quality	Short term adverse impact at construction stage but neutral in the medium to long term with associated mitigation.				3.8
	Biodiversity	With best practice design and remedial measures, residual impact of the development is considered to be Minimal to Slight Negative.				3.5
	Cultural Heritage	Significant, direct impact on Tober Patrick well and moderate change to the setting of the Stackallen ACA both mitigated. No significant residual impact.				4
	Land Use	Land take mostly along the existing road boundary with limited impact.				4
Safety	Water resources	Potential for sediment during construction but slightly positive through improved road runoff drainage and treatment.				4.5
	Collision Reduction	Benefits from improved route quality	9	Collisions saved over 30 years	Value of change	&1.42
	Security	Minimal Impact				4
Economy	Transport Efficiency and Effectiveness	Faster and more reliable journeys	85	Vehicle-hours per day in travel time savings	Estimate from Simple Appraisal Tool	&13.27
	Wider Economic Impacts	Estimated as 10% of Business benefits	92	vehicle-km per day in travel distance savings	Residual Value	&7.17
	Funding	Funded as a TII Minor Scheme			PVC	&14.28
Accessibility and Social Inclusion	Vulnerable Groups	Superseded section of N51 suitable for cycling				4.1
	Deprived Geographic Areas	None of this area of county Meath is CLAR-designated				4
Integration	Transport Integration	This section of the N51 supports a bus service				5
	Land-Use Integration	Strong support for the scheme in the County Development Plan				6
	Geographical Integration	N51 is a feeder route to M1, providing access from Navan to the TEN-T network and to Northern Ireland, and to the Port at Drogheda.				5
	Other Government Policy Integration	Current policy favours small targeted investments				5
Physical Activity	Physical Activity	Minimal impact			PvB	&22.56
					BCR	1.58

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

The following section details the data audit that was carried out for the N51 Dunmoe Phase 2 Realignment Scheme. It evaluates whether appropriate data is available for the future evaluation of the project.

Data Required	Use	Availability
Steering Committee Meeting Progress Reports and associated minutes	To steer the project in order to achieve its successful delivery. To monitor project progress and expenditure	Minutes available and progress updates available
Journey Time Survey/Traffic Modelling	To evaluate and compare traffic requirement pre and post scheme	Traffic Model data was prepared for project appraisal. Permanent Traffic counter on N51 at Carrickdexter. Follow on surveys will be conducted for comparisons
Road Accident Data - RSA Website and MCC's MapInfo GIS.	Allows comparison of pre and post scheme accident rates	Available from RSA and MCC
Total project outturn versus budget	Assess project appraisal and management in an overall sense as the project progresses	Yes, this is available and will continue as the scheme progresses

**Data Availability and Proposed Next Steps:** It can be seen from the table above that the data required to evaluate the project is identified and readily available. Journey Time surveys and traffic assessments were carried out for preparation of the Traffic Modelling undertaken for the project appraisal. Some data collections will be required and will consist of follow on surveys. An automatic traffic counter is located along the N51 at Carrickdexter, allowing an accurate baseline for forecasted figures.

The RSA has historical road safety statistics which can be used to measure the change in the number of collisions pre and post project. All income and expenditure on the project can be reviewed using Agresso Financial Management System reports, backed up by relevant documentation and approvals where required.

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## **Section B - Step 5: Key Evaluation Questions**

The following section looks at the key evaluation questions for the N51 Dunmoe Phase 2 Realignment Scheme based on the findings from the previous sections of this report.

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

All projects seeking capital funding from Transport Infrastructure Ireland (TII) must follow a number of guidance documents including the TII Project Management Guidelines and the TII Project Appraisal Guidelines applicable at the time. These guidelines are appropriately aligned and consistent with the requirements of the Public Spending Code and EU and National Procurement Rules.

While the project formally commenced in 2013, project initiation was undertaken in line with National Roads Authority (NRA) Project Management Guidelines 2010. Although these guidelines were mandatory for major road projects, Meath County Council opted to follow these guidelines for minor road schemes in line with best practice. The project initiation process including initial approval to route selection was undertaken by the National Roads Office, based in Westmeath County Council, on behalf of Meath County Council.

As the project progressed through various phases, the most relevant and appropriate project management guidelines (NRA/TII) and project appraisal guidelines have been used in terms of deliverable and approval points. Appraisal for this project was undertaken in line with and the Department of Transport and Tourism and Sport (DTTaS) Common Appraisal Framework for Transport Project and Programmes and TII Project Appraisal Guidelines (2016). There has been significant liaison between Meath County Council the Westmeath National Roads Office and Transport Infrastructure Ireland.

This in-depth check has demonstrated that the relevant guidelines have been adhered to at each project milestone, the project has been properly managed and is therefore in compliance with the standards as set out in the Public Spending Code.

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

Yes. There are a number of criteria by which the success or otherwise of the project can be measured. The data audit at Section B Step 4 above outlines the type of data that is required to evaluate the project at a later date. The historic data is already available through work carried out at planning stage and generation of revised data following completion of the project is readily achievable.

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

This project is being managed in accordance with the most recent and appropriate Project Management Guidelines from TII. There have been several iterations of the guidelines since this project was initiated as well as a change in project manager. All key information is retained on file, however it would be useful to have a summary document, which highlights all key milestones/deliverables, the relevant version of Project management guidelines applicable for that deliverable and the phase transition dates/TII approvals.

Following completion of the project, a post project evaluation is required under Public Spending Code rules to assess the success of the overall outputs and outcomes.

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

The following section presents a summary of the findings of this In-Depth Check on the N51 Dunmoe Phase 2 Realignment Scheme.

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

The N51 Dunmoe Phase 2 Realignment Scheme is shown on the 2019 inventory as a capital project under consideration. The project is currently at Phase 5 enabling and procurement. Preparation for the procurement process for construction is on-going, as is land acquisition. The project appraisal process determined a budget of €16.8 million.

The N51 is significant with its connection to other national primary and secondary routes. It connects with the M1 at Drogheda and N2 at Slane, with M3 to Dublin at Navan. This project involves a 4.2 km realignment of a section of the N51 between including 5 new at grade junctions and a number of local access points. The location of this scheme is approximately 2.5 km northeast of Navan and 3.5 km southwest of Slane in County Meath.

A route selection report (June 2015) considered a number of viable options and identified a preferred route. The project proceeded through the Part 8 planning process, which included appropriate assessments and public consultation. Conditional Planning approval was received in January 2017. The design report (May 2017) further developed the preferred route and identified an accurate assessment of the lands which would need to be acquired.

The Project Appraisal Report was finalised in June 2017 and includes an economic assessment of the project which was undertaken the TII Simple Appraisal Tool. Traffic Modelling was also undertaken as well as a full multi criteria analysis, which considered the total impact of the project under five main headings. The results demonstrate that the scheme is economically viable concludes by stating that the proposed N51 upgrade scheme have a beneficial effect on road safety. Following this, a submission was made to TII for permission to publish a compulsory purchase order. The CPO process has progressed, and TII has also approved permission to proceed with Notice to Treat.

All projects seeking capital funding from Transport Infrastructure Ireland (TII) must follow a number of guidance documents including the TII Project Management Guidelines and the TII Project Appraisal Guidelines. These guidelines are appropriately aligned and consistent with the requirements of the Public Spending Code and EU and National Procurement Rules.

**Does the delivery of the project comply with the standards set out in the Public Spending Code?**

**Audit Opinion:** This opinion was formed by a review of records held on file by the Council's Transportation section and by discussions held with staff managing this project. It is considered that the initial decision to go ahead with the project was soundly based and that the project has been well managed to date. The project provides Satisfactory Assurance (see Appendix 4) that there is compliance with the Public Spending Code.



comhairle chontae na mí  
*meath county council*

## Internal Audit

### Public Spending Code for 2019

#### In-Depth Checks

#### Payment and Availability

##### Housing-Revenue Expenditure

May 2020

## Quality Assurance – In-Depth Check

### Section A: Introduction

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

Project Information	
<b>Name</b>	<b>Payment and Availability</b>
<b>Detail</b>	2019 Revenue Expenditure on Payment and Availability Arrangements with Approved Housing Bodies
<b>Responsible Body</b>	Meath County Council
<b>Current Status</b>	Revenue Expenditure Being Incurred
<b>Start Date</b>	January 2019
<b>End Date</b>	December 2019
<b>Overall Cost</b>	€5,610,456

## **Project Description**

Local Authorities, in conjunction with Approved Housing Bodies (AHBs) and supported by the Dept of Housing, Planning and Local Government (DHPLG), play a key role in delivering the Rebuilding Ireland Action Plan. Under the Rebuilding Ireland Programme, the DHPLG has set social housing delivery targets for each local authority for the period 2018-2021. Meath County Council has a target to deliver 1190 social units through construction, leasing, acquisitions and agreements with Approved Housing Bodies.

The Capital Advance Leasing Facility (CALF), including Payment and Availability (P&A) agreements, is one of the main funding mechanisms for the supply of social housing by AHBs. CALF is a loan facility which is exclusively available to AHBs to assist them to finance acquisition and construction projects for social housing, up to a maximum of 30% of eligible capital costs. The CALF facility is only available as part of a project where the AHB makes these homes available under a P&A agreement to nominees of the Housing Authority for a set period of time, usually between 10 and 30 years. Repayments on the CALF loan are not required during the term of the P&A Agreement but the amount, plus interest, will remain outstanding at the end of the agreement.

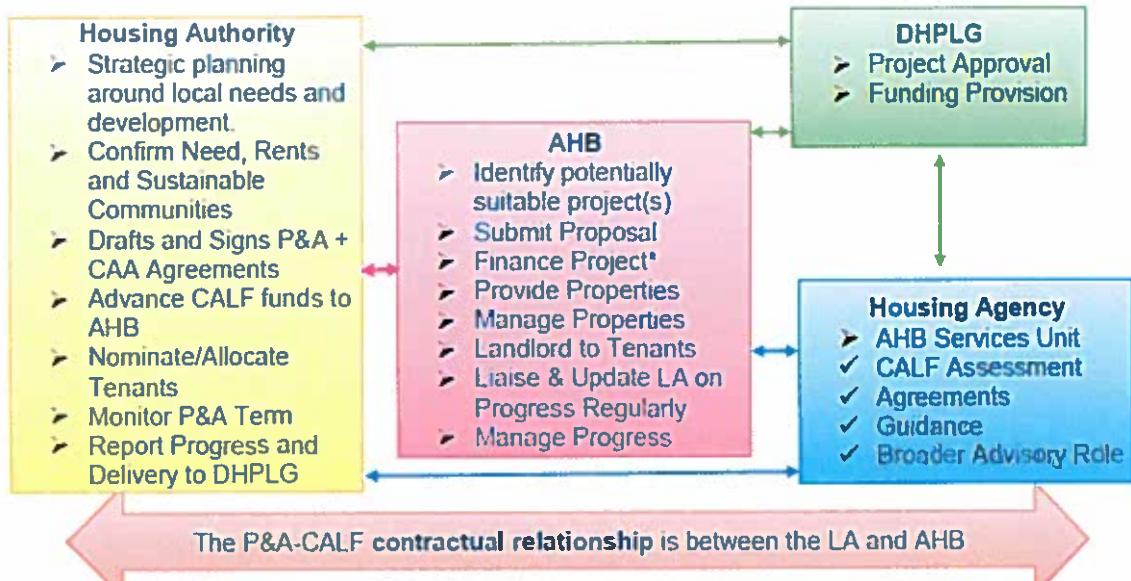
The P&A Agreement is a contract between the Local Authority and the AHB that outlines the conditions under which the properties will be made available for the term of the agreement, including the availability payment which is based on a percentage of the market rent, typically 92%.

The P&A Continuation Agreement is a tri-party agreement between the Housing Authority, the AHB and the lending institution providing the main loan finance for the project to the AHB. The agreement sets out what will happen in the event that the AHB is wound up or defaults on its loan repayments during the term of the P&A Agreement.

Applications for funding approval are made by the AHB to the DHPLG and the DHPLG sets out the conditions of funding. The contractual arrangement, however, is between the Local Authority and the AHB. The diagram below outlines the stakeholder relationships and responsibilities under the P&A-CALF funding model.<sup>1</sup>

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<sup>1</sup> Housing Agency Guidance Note on the CALF for AHBs and Housing Authorities, June 2019



\* Finance accessed by AHB from Private Lending Institution or HFA

The focus of this review is the revenue spend attached to P&A agreements. In 2019, Meath County Council entered into P&A Agreements with several AHBs, resulting in 147 additional dwellings being made available for social housing. Overall, at year end 2019, Meath County Council had P&A Agreements for circa 463 dwellings throughout the County. The total revenue expenditure incurred for all P&A units in 2019 was €5,610,456.

## Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, Internal Audit, Meath County Council completed a Programme Logic Model (PLM) for Payment and Availability Agreements 2019. 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
<ul style="list-style-type: none"> <li>Provide quality homes to those in need and approved for social housing support.</li> <li>Promote sustainable communities</li> <li>Deliver on social housing targets as set out by DHPLG.</li> </ul>	<ul style="list-style-type: none"> <li>Total availability payment, as set out in P&amp;A Agreements, in 2019 was €5,610,456</li> <li>Improved technologies to monitor compliance with P&amp;A agreements</li> <li>Local Authority and DHPLG associated staff costs to ensure delivery and monitor compliance with the P&amp;A Agreement</li> </ul>	<ul style="list-style-type: none"> <li>Engagement with AHBs</li> <li>Approval from DHPLG</li> <li>Completion of Contract Documents</li> <li>Nominate tenants to the property</li> <li>Monitor</li> <li>Compliance with P&amp;A Agreements</li> <li>Availability</li> </ul>	<ul style="list-style-type: none"> <li>147 additional units available for social housing in 2019</li> <li>Circa 463 units available for social housing up to end Dec. 2019</li> <li>Occupancy details available in all P&amp;A units across the County</li> </ul>	<ul style="list-style-type: none"> <li>The Local Authority has met the housing need for families approved for social housing</li> <li>Good tenure mix and sustainable communities</li> </ul>

## Description of Programme Logic Model

**Objectives:** The main objective of this Scheme is to provide quality homes to meet the housing needs of families who are approved for social housing support while also meeting the requirements of sustainable developments and sustainable communities. The Local Authority is also meeting its social housing delivery target as set out by the DHPLG.

**Inputs:** The revenue spend on availability payments to AHBs in 2019 was €5,610,456. This was recouped from the DHPLG. The Housing Management System, iHouse, will be upgraded to allow for improved monitoring of compliance with the conditions of the P&A Agreement. Staff resources are required on an ongoing basis to ensure availability payments are made and recouped and to monitor compliance of P&A conditions, including monitoring occupancy levels and adherence to the Housing (Standards for Rented Houses) Regulations 2008 (as amended).

**Activities:** There are a number of key activities to be carried out throughout the CALF-P&A process. Firstly, Housing Authorities engage with the AHB to assess the housing need, sustainable communities and overall suitability of the proposed CALF project. The funding application is then submitted by the AHB to the DHPLG. Once the approval is received from the DHPLG, the Housing Authority is required to prepare the Capital Advance Agreement for the CALF payment and the P&A Agreements for signing and sealing by the Local Authority and the AHB. Once the properties are completed the Housing Authority nominates tenants for the dwellings in accordance with the Local Authority's Allocation Scheme. The Housing Authority is required to make availability payments to the AHB and recoup the sums from the DHPLG. The Housing Authority also monitors compliance with the conditions of the P&A Agreement, including housing inspections and occupancy levels.

**Outputs:** Having carried out the identified activities using the inputs, outputs consist of 147 additional dwellings being made available for social housing in 2019 and overall circa 463 units have been made available as part of the CALF-P&A process to end December 2019. Once the upgrades to the iHouse system are complete the Housing Authority will be better placed to monitor and review occupancy levels in P&A units.

**Outcomes:** The main outcome is that 147 families have had their housing needs met in 2019. These dwellings provide a good tenure mix between social and private dwellings in the area.

## **Section B - Step 2: Summary Timeline of Project**

While the focus of this review is the revenue spend attached to P&A agreements, it is impossible to provide a timeline of the P&A process in isolation, therefore, the following section tracks progress on the entire CALF-P&A process.

Consultation between AHBs and the Local Authority. AHB complete Application LN008b – Part A and Local Authority completes LN008b – Part B. The AHB submits the completed form to the DHPLG for approval.

DHPLG notifies AHB and Local Authority of funding approval decision

If funding is approved, the Local Authority prepares Capital Advance Agreement and P&A Agreements. These documents are signed by both the AHB and the Local Authority

Housing Authority pays out CALF drawdown amount to AHB

Housing Authority forwards tenancy nomination lists to the AHB

AHB confirms delivery of the properties and signs P&A Agreements with Housing Authority

Housing Authority recoup CALF from DHPLG. P&A payments are made to the AHBS and are recouped quarterly from DHPLG

Housing Authorities monitor compliance with P&A  
Agreements on an ongoing basis



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

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the P&A Programme in 2019 in accordance with the revised Guidelines issued by the DHPLG in July 2019.

Key Project Documents	
Title	Details
LN008b – Part A LN008b – Part B	The funding application by the AHB to the DHPLG. Part A is completed by the AHB and Part B is completed by the Housing Authority.
Funding Approval Correspondence	Formal approval from the DHPLG
Payment and Availability Agreement	Sets out the conditions of P&A for the duration of the agreement

P&A Continuation Agreement	Tri-party agreement between the Local Authority, AHB and lending institution.
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**Key Document 1: LN008b**

The LN008b forms part of the funding application by the AHB to the DHPLG. Part A of the form is completed by the AHB and sets out the following:

- Details of the Approved Housing Body including details of the current stock that is managed by the AHB
- Details of the properties that are subject of the CALF-P&A funding request including expected delivery dates
- Sources of main funding and CALF requirements
- Proposed Payment and Availability Arrangements

Part B of the form is completed by the Local Authority and sets out the following

- Details of social housing need in the area
- Consideration of sustainable communities. If the proposed project is comprised of 30 units or more, then a separate comprehensive sustainable communities report is required.
- Confirmation that the development complies with Part V of the Planning and Development Act 2000 (as amended)
- Details of Local Authority's Financial oversight and management.

The completed document, including any supporting documentation, is then submitted to the DHPLG for their consideration.

**Key Document 2: Funding Approval Correspondence**

The P&A and CALF financial assessment is currently carried out by the Housing Agency on behalf of the Dept. This assessment involves analysing the capital costs, projected income and projected expenditure against a standard set of assumptions agreed with the Dept. It is the Dept. that

issues approval letters directly to the AHB and a copy is also sent to the Housing Authority and the Housing Agency. The approval letters set out the terms and conditions of the funding provided by the Housing Authority, together with the amount of CALF approved, the term of the agreement and the amount of availability payment.

#### **Key Document 3: Payment and Availability (P&A) Agreement**

The Payment and Availability Agreement sets out the terms and conditions that apply in accordance with the funding approval correspondence issued by the DHPLG as follows:

- The term of the agreement (between 10 and 30 years)
- The availability payment based on a percentage of the market rent as agreed with the Housing Authority and approved by the Dept, typically 92% of market rent or 95% in the case of apartment complexes where a service charge is applied
- Homes must be maintained in a lettable condition in accordance with the Housing (Standards for Rented Houses) Regulations 2008 (as amended)
- The tenant can only be charged a rent determined in accordance with the Housing Authority's differential rent scheme.
- Homes are only to be made available to eligible nominees for the term of the Agreement in accordance with the Local Authority's Allocation Scheme
- AHBs are required to provide housing authorities with an annual report in relation to the occupancy and conditions of the homes
- The Housing Authority is entitled to terminate or suspend the Agreement in the case of insolvency or failure to comply with or be in serious breach of the obligations under the Agreement, that have not been rectified within a period of 7 days.

Template agreements have been provided by the DHPLG and in general terms these templates should not be amended apart from the insertion of the property details, loan amount, the agreed availability payments to the AHB and the effective date of the P&A Agreement. Any proposed alterations need to be agreed with the Housing Authority and notified to the DHPLG.

#### **Key Document 4: P&A Continuation Agreement**

The P&A Continuation agreement is a tri-party agreement between the Housing Authority, the AHB and the lending institution providing the main loan finance for the project to the AHB. The agreement sets out what will happen in the event that the AHB is wound up or defaults on its loan repayments during the term of the P&A Agreement. While the lending institution retains its right to seek vacant possession of the properties under the terms of its loan agreement with the AHB, the agreement facilitates the potential continued availability of the properties in the event that the AHB is no longer in a position to meet the terms of the P&A Agreement.

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

The following section details the data audit that was carried out for the review of the P&A process. It evaluates whether appropriate data is available for the future evaluation of the project.

Data Required	Use	Availability
Project Files	Documents to support the process including funding application, DHPLG approval correspondence and Approved Officer's Orders	Information held on file
Contract Documents	Confirmation units are subject to a P&A Agreement	Information held on file
Financial Reports	Expenditure and Income details	FMS Agresso System
Allocation Reports	Confirmation all dwellings have been allocated	iHouse – Housing Practitioner's Managing System

### **Data Availability and Proposed Next Steps**

It can be seen from the table above that the data required to evaluate the project is readily available. All associated costs of the project are clearly identified and can be traced back to the Financial Management System. Nominations have been made to the AHB in accordance with Meath County Council's Allocation Scheme and the Housing Authority will continue to monitor compliance with the P&A Agreements.

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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 P&A process, based on the findings from the previous sections of this report.

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

Initial appraisal for the entire scheme has been undertaken at national level by the DHPLG and is administered by the Local Authority. Template documents have been provided and funding will not be provided if guidelines have not been adhered to. Based on the in-depth review undertaken, Internal Audit can provide satisfactory assurance (see Appendix 4) that the standards set out in the Public Spending Code have been complied with.

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

Yes. Comprehensive data and information is available and the data audit at Section B Step 4 above outlines the type of data that is required to evaluate the project. There is a clear audit trail from tendering, appraisal and project management.

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

The Local Authority is responsible for ensuring that the terms of the P&A Agreement are complied with, including adherence to the Housing (Standards for Rented Houses) Regulations 2008 (as amended). While some inspections took place in 2019 the Housing Authority should consider including P&A units in their rental inspection programme.

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

The following section presents a summary of the findings of this In-Depth Check on the P&A process.

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

The Payment and Availability Programme is shown on the 2019 inventory as revenue spend that is being incurred.

Meath County Council currently has 2024 applicants approved for social housing support (April 2020). This figure does not include those currently in receipt of HAP or on the transfer list. Accordingly, as part of the Rebuilding Ireland Action Plan for Housing and Homelessness, Meath County Council, in conjunction with Approved Housing Bodies has been asked to provide 1190 new social units through construction, acquisition (including Part V agreements) and leasing in the period 2018-2021.

The Capital Advance Leasing Facility (CALF) - Payment and Availability (P&A) Programme is one of the main funding mechanisms for the supply of social housing by AHBs. The process was reviewed in 2019 and updated guidance on the future operation of CALF was provided by the Dept. Housing, Planning and Local Government (DHPLG) in July 2019. In 2019, Meath County Council entered into P&A Agreements with several AHBs, resulting in 147 additional dwellings being made available for social housing. Since the CALF Programme commenced Meath County Council has entered into P&A Agreements for circa 463 dwellings throughout the County. The total revenue expenditure incurred for all P&A Agreements in 2019 was €5,610,456.

As part of this in-depth review, Internal Audit reviewed a sample of files where P&A Agreements were commenced in 2019. In the sample reviewed, funding applications were made by AHBs to the DHPLG which included Forms LN008b as completed by AHBs and the Housing Authority. P&A Agreements and P&A Continuation Agreements have been finalised in accordance with the DHPLG funding correspondence and guidelines. P&A payments have been made to the AHBs and have been recouped to the Local Authority by the DHPLG.

Monitoring of compliance with the P&A Agreements is ongoing and the AHBs have provided details of occupancies of dwellings to the Housing Authority. Review of the availability payments is being undertaken in accordance with the provisions of the Payment Review Schedule. It is noted

that some units have been subject to an on-site inspection to ensure properties remain in a lettable condition in accordance with the Housing (Standards for Rented Houses) Regulations 2008 (as amended). However, it is recommended that a more robust procedure should be put in place and perhaps these dwellings should form part of the Housing Authority's Rent Inspection Programme.

**Does the delivery of the project comply with the standards set out in the Public Spending Code?**

**Audit Opinion:** This opinion was formed by a review of records held on file by the Council's Housing Section and by discussions held with staff that managed this programme. The Payment and Availability Programme provides Satisfactory Assurance (see Appendix 4) that there is compliance with the Public Spending Code.



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## **Appendix 4**

### **Audit Assurance Categories and Criteria**

ASSURANCE CATEGORY	ASSURANCE CRITERIA	
<b>SUBSTANTIAL</b>	Evaluation Opinion:	There is a robust system of risk management, control and governance which should ensure that objectives are fully achieved.
	Testing Opinion:	The controls are being consistently applied
<b>SATISFACTORY</b>	Evaluation Opinion:	There is some risk that objectives may not be fully achieved. Some improvements are required to enhance the adequacy and/or effectiveness of risk management, control and governance.
	Testing Opinion:	There is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
<b>LIMITED</b>	Evaluation Opinion:	There is considerable risk that the system will fail to meet its objectives. Prompt action is required to improve the adequacy and effectiveness of risk management, control and governance.
	Testing Opinion:	The level of non-compliance puts the system objectives at risk.
<b>UNACCEPTABLE</b>	Evaluation Opinion:	The system has failed or there is a real and substantial risk that the system will fail to meet its objectives. Urgent action is required to improve the adequacy and effectiveness of risk management, control and governance.
	Testing Opinion:	Significant non-compliance with the basic controls leaves the system open to error or abuse.