



Comhshaol, Pobal agus Rialtas Áitiúil
Environment, Community and Local Government



19 March 2015

Circular: Housing 15 of 2015

To each Director of Service (Housing)

Capital Assistance Scheme 'Call for Proposals'

Dear Director,

Budget 2015 marked a significant change in the trajectory of social housing funding, with provision increased in 2015 by some €210m to €800m and a commitment to multi-annual funding envelopes for social housing with clear capital commitment over the period to 2017.

The Social Housing Strategy 2020 builds on the provisions contained in Budget 2015 and sets out clear, measureable actions and targets to increase the supply of social housing, reform delivery arrangements and meet the housing needs of all households on the housing list.

Pillar 1 of the Strategy targets the delivery of 35,000 new social housing units over the period to 2020. The cost to the exchequer of building, acquiring or leasing these 35,000 units is estimated over the period to 2020 to be €3.8bn. Significant Exchequer funding is being allocated to ensure that the early phases of the Strategy will be delivered.

CAS Call for Proposals

Given the Government's commitment to homeless persons, older people and people with a disability, its promotion of access to community-based housing in the vicinity of any necessary supports, with particular regard to the specific needs of people with mental health and intellectual or physical/sensory disability, and the targets set for delivery of social housing units in the Social Housing Strategy alongside the increased capital funding, local authorities are now required to issue a new 'Call for Proposals' to Approved Housing Bodies (AHBs) operating in their area to submit proposals for new Capital Assistance Scheme (CAS) construction and/or acquisition proposals.

The available funding will facilitate the advancement of a significant construction programme and/or the acquisition of built properties where suitable and value for money alternatives exist. It is expected that

some recoupable expenditure will be incurred in 2015, however it is foreseen with larger build projects that the bulk of the investment will be expended and recouped in 2016 and 2017.

The work completed recently by your local authority on the targets for delivery under the Social Housing Strategy up to the end of 2017 which included a consideration of proposals for the CAS, should inform your local authority on the scale of the proposals now required from you in relation to this Call.

Action now required

Local authorities should place appropriate notices on their websites and in local newspapers as soon as possible in relation to this Call for Proposals. The Irish Council for Social Housing (ICSH) and the National Building Co-operatives (NABCo) will alert affiliated AHBs to the call for proposals.

Proposals should in all cases reflect actual housing need as identified in the latest Housing Needs Assessment, and should be cost effective and sustainable. In issuing a call for proposals, local authorities should broadly identify the accommodation requirements and location of need within their area. AHBs should be requested to identify suitable properties/sites and complete a preliminary appraisal with sufficient information to enable the Local Authority to assess the project.

In working to identify the nature and extent of housing needs for people with specific accommodation requirements within their administrative areas, local authorities should consult appropriately with local inter-agency/co-ordinating groups that deal with issues straddling housing and special need, such as the Housing and Disability Steering Groups and should have regard to policies such as the National Housing Strategy for People with a Disability 2011-2016.

Priority of proposals

Authorities are asked to submit a list of **prioritised** proposals (no more than 10) on the attached template (Appendix 1) to the Department for consideration for funding. Having regard both for the necessity to promote sustainable communities and to foster mixed tenure developments, and for ease of delivery, priority will be given to more modest developments of 10 - 16 dwellings, except in larger urban areas, where slightly larger developments may be appropriate.

The criteria to be used by local authorities in assessing the proposals should include:

1. All applications must comply with the terms and conditions of the Capital Assistance Scheme as set out in Memorandum VCU: 2/02 and Circular VHU: 2/08;
2. The extent to which the proposals address the housing need as identified in the HNA;
3. Deliverability within the timescales envisaged, i.e. substantially completed and funding drawn down by November 2017 at the latest;
4. Projects should be in a position to progress without delay following funding approval, with some recoupable expenditure to be incurred in 2015;
5. Value for Money – Proposals must be cost effective and fit-for-purpose¹ and will be required to demonstrate sound Capital Appraisal and proper Financial Management and Procurement in

¹ Design guidance is available in the Department's publication "Quality Housing for Sustainable Communities"

compliance with Department of Public Expenditure and Reform's Public Spending Code (see <http://publicspendingcode.per.gov.ie/wp-content/uploads/2012/09/The-VFm-Code-except-D-03-Print-Version.pdf>) and Capital Works Management Framework (see <http://constructionprocurement.gov.ie/capital-works-management-framework/>);

6. In the event that previously submitted schemes are being considered for re-submission it is imperative that their suitability is re-considered on the grounds of need, ease of delivery and value for money prior to re-submission;
7. The availability of unfinished housing developments in the vicinity to meet the housing need should be considered.

Rents

As part of the appraisal process by local authorities, CAS proposals must take cognisance of rent consideration to ensure that an economic rent is put in place and included within the project appraisal at inception. In this regard, AHBs should submit proposed rents for the dwellings to the local authority (part 9.6 Memorandum VHU 2/02) with details of the costs which make up the calculated rent. This should include provisions for management, repairs and maintenance including sinking fund, arrears, voids, insurance, and any relevant related borrowing costs, etc.

Importantly, prior to the completion of the project local authorities should ensure that agreement on the calculation of an economic rent is in place.

Promotion of independent living

As set out in Memorandum VHU2/02 (Part 4.9) on the voluntary and co-operative funding schemes, the CAS is not intended for the provision of residential care or nursing home type accommodation; henceforth the provision of accommodation in centres deemed as designated centres under HIQA or where residents cannot hold an individual tenancy agreement, will not qualify for funding under CAS.

Where the proposed specialised housing is to be provided in conjunction with a care element, approval should be contingent on a firm funding commitment from the relevant agency or body. There should be prior consultation with the relevant agency regarding provision of personal, social or community supports. In addition, AHBs should be required to confirm that if the required support funding were not available, how else the dwellings could be utilised.

Where 100% funding is provided, all tenants must be drawn from the local authority housing waiting list. Local authority nominations should be made in accordance with their allocations scheme as per the Social Housing Allocation Regulations 2011 - Circular Housing 28/2011 refers.

Compliance with Voluntary Regulatory Code

The Department, in consultation with the AHB sector, has developed an enabling regulatory framework that provides support and assurance both to the sector itself and to its external partners as it takes on an expanded role in social housing provision. The framework is based on a Voluntary Regulation Code

and a Regulation Office has been established in the Housing Agency to manage implementation of the new regulatory framework and to develop the Framework further.

Only those AHBs who have signed up to the Voluntary Regulation Code will be eligible for funding under this CAS Call for Proposals and furthermore, funding should be prioritised to AHBs that have not only signed up the Voluntary Regulation Code, but have demonstrated a commitment to good governance and sound management by being compliant with the Code in areas such as having submitted returns where required.

In order to sign up to the Code, each AHB is required to sign a Charter of Commitments and submit it to the Regulation Office in the Housing Agency. The Regulation Office provides support for anyone that has queries on signing up, or who wants to discuss the Code in more detail. The Regulation Office can be contacted by email at regulation@housing.ie or by phone at 01 6564170. The list of Approved Housing Bodies signed up to the Voluntary Regulation Code is available on the Housing Agency's website at www.housing.ie/Regulation/AHBs-Signed-Up-to-Voluntary-Regulation/A-Z-Organisation-Listing

Ethical Framework and Disclosure of Interest

Circular: Housing 5/2014 outlined detail in relation to compliance with the National Code of Conduct for Local Authority Employees, which is set out in the Local Government Act, 2001. Local Authorities are reminded to make themselves familiar with the Code and the requirement for the adherence to the Code and the contents of Part 8 of Memorandum VHU2/02.

Local authorities may require AHBs to submit a declaration relating to any pecuniary or other beneficial interest by an employee or person connected in the case of any property being acquired or contract undertaken with funding provided under CAS. The Local Government Audit Service will have due regard to requirements of the Local Government Act 2001 in auditing the accounts of local authorities.

Timeframe

Local Authorities are required to complete their assessment/appraisal of the proposals received and to submit a prioritised list of proposals, on Appendix 1 attached, to the Department for consideration, no later than **29 April 2015**. To this end, authorities should advertise the 'Call for Proposals' as soon as possible and establish a firm timeframe for the receipt of proposals from AHBs in response to this 'Call'.

Deadline for receipt of Completed templates

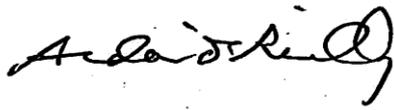
Please complete the attached Template at Appendix 1 (an electronic version of Template will issue if requested). Priority No.1 should be afforded to the project most suitable for inclusion in the CAS, based on the criteria set out above. Two or more projects should not be given the same priority rating. Please return completed template electronically to yshousing@environ.ie by **29 April 2015**.

Enquiries

Any queries in relation to this CAS 'Call for Proposals' should be directed to yshousing@environ.ie or Patrick Leonard (096) 24406 or Darragh Severs (096) 24364.

See appendix attached for completion.

Yours faithfully,



Aidan O'Reilly
Principal Officer
Social Housing Capital Investment