



Public Spending Code
Quality Assurance Report for 2022
Longford County Council

To be submitted to
National Oversight and Audit Commission (NOAC)

May 2023

Certificate

This Annual Quality Assurance Report sets out Longford County Council's approach to completing the Quality Assurance requirements as set out in 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 Accounting Officer:



Paddy Mahon
Chief Executive
Longford County Council

Date:

30 May 2023

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Introduction

Longford County Council has completed the Quality Assurance (QA) requirements as set out in the Public Spending Code and the purpose of this report is to present the results of each of the 5 Steps in the QA exercise and to report on compliance with the requirements of the Public Spending Code as established during this exercise.

Requirements of the Quality Assurance Aspect of the Public Spending Code

The Quality Assurance obligation involves a **5 step** process as follows:

- **Step 1** - Drawing up inventories of projects/programmes at the different stages of the Project Life Cycle that have a total Project Life Cost of €500k or more.
- **Step 2** - Publishing summary information on the organisation's website of all procurements in excess of €10m, related to projects in progress or completed in the year under review. (The PSC originally required projects in excess of €2m to be published under this requirement but this has now been changed to €10m) A new project may become a "project in progress" during the year under review if the procurement process is completed and a contract is signed.
- **Step 3** - Completing the 7 checklists contained in the PSC. Only one of each checklist per Local Authority is required. Checklists are not required for each project/programme.
- **Step 4** - Carrying out a more in-depth check on a small number of selected projects/programmes based on criteria established within the Public Spending Code.
- **Step 5** - Completing a short summary report for the National Oversight and Audit Commission (NOAC). The report, which will be generated as a matter of course through compliance with steps 1-4 set out above.

STEP 1 – Project Inventory

This section presents the project inventories of Longford County Council which amount to an excess of €500,000. The inventory is presented in three stages as set out in the attached table which also outlines the Expenditure Category/Band relevant for inclusion in each stage:

Project/Programme Stage		Category/Band
1	Expenditure being considered	Capital Projects between €0.5m - €5m
		Capital Projects between €5m - €20m
		Capital Projects over €20m
		Current Expenditure programme - Increases over €0.5m
2	Expenditure being incurred	Capital Grant Schemes greater than €0.5m
		Capital Projects greater than €0.5m
		Current Expenditure greater than €0.5m
		Capital Grant Schemes greater than €0.5m
3	Expenditure that has recently ended	Capital Projects greater than €0.5m
		Current Expenditure greater than €0.5m
		Capital Grant Schemes greater than €0.5m
		Capital Grant Schemes greater than €0.5m

The Project inventory, set out in the format described above, is included in Appendix A. [Appendix A – Inventory of Projects and Programmes Over €0.5m - 2022](#)

The Inventory contains 79 Projects under the three stages and comprises a total value of €183.13M. The following table provides an overview of the number of projects under each Project/Programme stage and under each of the categories/bands in each of these stages. It also provides an overview of the Project Costs under each category.

Project Numbers	Revenue Expenditure			Capital Expenditure			Totals
	€0.5m - €5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m	
Expenditure Being considered	1			12	2		15
Expenditure Being Incurred	29	1		18	3		51
Expenditure recently ended				12	1		13
Totals	30	1	0	42	6	0	79

Project Total Values	Revenue Expenditure			Capital Expenditure			Totals
	€0.5m - €5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m	
	€M	€M	€M	€M	€M	€M	€M
Expenditure Being considered	0.89			21.30	25.04		47.23
Expenditure Being Incurred	47.93	8.86		36.11	19.28		112.18
Expenditure recently ended				18.07	5.65		23.72
Totals	48.82	8.86	0	75.48	49.97		183.13

STEP 2 - Summary of Procurements in excess of €10m

For 2022 Longford County Council have reported no projects in this category.

The Quality Assurance Report for 2022 can also be found at this link:

<http://www.longfordcoco.ie/Services/Finance/Finance-Documents/Compliance/>

STEP 3 – Checklists

Step three of the Quality Assurance procedure for the Public Spending Code involves the compilation of a number of checklists. There are 7 checklists in all. Checklists 2, 4 and 6 are capital related checklists while checklists 3, 5 and 7 are Revenue/Current Expenditure related.

The Checklists are informed by the Project Inventory and the following table outlines the approach taken for the completion of the Checklists

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

All checklists as outlined below have been completed and can be found in [Appendix B](#) of this document.

1. General Obligations Not Specific to Individual Projects/Programmes.
2. Capital Expenditure Being Considered – Appraisal and Approval.
3. Current Expenditure Being Considered – Appraisal and Approval
4. Incurring Capital Expenditure
5. Incurring Current Expenditure
6. Capital Expenditure Recently Completed
7. Current Expenditure that (i) reached the end of its planned timeframe or (ii) was discontinued

Findings on Completion of Checklists

While the responses included in the Checklist indicates a satisfactory level of compliance there are indications that some additional controls were required in some instances to ensure compliance with the Public Spending Code.

STEP 4 - In-Depth review of a sample project

Step 4 of the Quality Assurance Process involved examining two projects included on the Project Inventory to test the standard of practices in use and compliance with the Public Spending Code within the organisation.

Internal Audit In-Depth Checks

The Internal Audit Unit of Longford County Council was assigned the task of completing the In-depth checks. The approach taken was to select one capital project and one revenue programme from the inventory.

The In-depth checks have been completed and the projects selected were 14 Housing units at St. Michael's Court, Longford (*see Appendix C*) and the Revenue Expenditure – B01 NP Roads – Maintenance and Improvement – N4 Garryandrew Pavement Rehabilitation Scheme (*see Appendix D*). In general, there is satisfactory compliance with the Public Spending Code. In some instances, there is scope for improvement and the in-depth checks are an opportunity to promote best practice and recommendations have been made. Listed below are the summaries from these in-depth checks.

Summary of Acquisition of 14 Housing units at St. Michael's Court, Longford In-Depth Check

It is the opinion of Internal Audit that there is satisfactory compliance with the Public Spending Code in respect of this project acquiring fourteen units for social housing as part of the Housing for All Plan 2022. The main objective of this project was the acquisition of social housing units in a cost-effective manner, to contribute to the targets set out and to reduce the number of approved applicants on the Council's housing list. In parallel to this, the Council also has achieved the regeneration of a derelict industrial site containing contaminated soil, located on an entry point to Longford town. There was no scope to develop the site without incurring the unavoidable costs outlined by Ciaran Leech, Chartered QS in his report in December 2020.

The developer's hyper inflation cost claim was unavoidable and having regard to the need to safeguard public projects under construction and to mitigate the risks of significant losses being sustained by contractors, the Minister for Public Expenditure and Reform and the Office of Government Procurement introduced measures for dealing with inflation/supply chain delays in 2022.

The project at St. Michael's Court commenced in April 2021. Considerable works had to be completed on-site before the construction phase could begin. The development was completed in November 2022 and the houses were available for immediate occupancy. Fourteen families (nineteen adults and five children) were appointed tenants and there is an additional €706 rental income per week for the Council. Fourteen families have been removed from the Council's housing list and they now live in homes that are energy efficient with a A2 BER, that are cheaper to heat and emit up to 70% less carbon dioxide. The delivery of this housing scheme has also had the additional benefit of urban regeneration, improving the environs for the community already residing there and enhancing the gateway location to the town.

Summary of the Revenue Expenditure – B01NP Roads Maintenance and Improvement – N4 Garryandrew Pavement Rehabilitation Scheme In-Depth Check

The need for the scheme was established in 2018 by the TII in the PAMS annual survey. Completing this project meets local objectives in the Council's Corporate Plan 2019-2024 of improving connectivity and accessibility, both infrastructural and digital, to attract and support business community and our people. The project also satisfies national objectives as outlined in TII's Statement of Strategy 2019-2023.

The project was delivered on time.

The in-depth check involved reviewing the electronic project records held by the Roads Department for the N4 Garryandrew Pavement Rehabilitation Scheme. Meetings took place with Engineering and Administrative staff regarding the project. Expenditure on the Council's financial management system Agresso, was examined for payments charged to the job code. The recoupment of monies through the PRS was also confirmed. It is the opinion of Internal Audit that there is substantial compliance with the Public Spending Code in respect of this project.

Conclusion

This report has set out all the requirements of the Quality Assurance aspect of the Public Spending Code.

- An inventory of projects and programmes has been prepared outlining the various projects/programmes – capital and revenue that were being considered, being incurred or recently completed by Longford County Council within the 2020 financial year.
- The relevant publication in relation to procurements over €10m will be placed on Longford County Council's website if applicable.
- The 7 checklists required to be completed under the terms of the Public Spending Code Quality Assurance requirement have been completed and provide reasonable assurance that there is satisfactory compliance with the Public Spending Code.
- An in-depth review of one capital projects and one revenue programme contained in the Project inventory has been completed and further confirmed that there is, in general, satisfactory compliance with the requirements of the Public Spending Code.
- The final step of the QA exercise, as required under the Public Spending Code, is the compilation and publication of a summary report outlining the Quality Assurance Exercise undertaken by Longford Co Council. The contents of this report provide an overview on the QA exercise completed which has been certified by the Accounting Officer, Chief Executive.

Overall the QA exercise has provided satisfactory assurance to the management of Longford Co Council that the requirements of the Public Spending Code are being met.

Appendix A – Inventory of Projects and Programmes Over €0.5m – 2022

Expenditure being Considered - Greater than €0.5m (Capital and Current)

Project/Scheme/Programme Name	Short Description	Current Expenditure Amount in Reference Year	Capital Expenditure Amount in Reference Year (Non Grant)	Capital Expenditure Amount in Reference Year (Grant)	Project / Programme Anticipated Timeline	Projected Lifetime Expenditure	Explanatory Notes
Housing and Building							
Housing Void Programme 2023			€0	€0	Dec-23	€800,000	
Essential Repair Grants 2023			€0	€0	Dec-23	€1,780,000	20% LA Contribution
Energy Efficiency Retrofit Programme 2023			€0	€0	Dec-23	€560,000	
4 Houses Clough Dillons, Kenagh N14/2/161	LP 450		€0	€0		€1,063,835	Stage 1 approved, legal delays
4 Houses Farrells, Ballinalee N14/2/168	LP 473		€0	€0	Sep-24	€950,690	Approval in principle July 2022
23 Houses Richmond Street, Longford N14/2/153	LP 474		€0	€0	Jun-24	€7,640,704	Approval in principle August 2022
14 Houses Longford Road Ballinalee N14/2/172	LP 482		€0	€0	Dec-23	€4,303,998	Approval in principle November 2022
16 Houses Cuan Ri, Ballymahon N14/2/174	LP 490		€0	€0	Jun-24	€4,584,220	
4 Houses Abhainn Glas, Edgeworthstown N14/2/175	LP 493		€0	€0	Jun-24	€1,160,220	
A06 Support to Housing Capital Programme		€890,247					
Road Transportation and Safety							
Active Travel						€2,400,000	
Development Management							
Camlin Quarter Regeneration Project						€17,401,569	Preliminary business case with Department for Review. Awaiting response.
RRDF 2021 – Granard Destination Town						€1,394,250	Tender Process for consultants planned for Q3 2023
Environmental Services							
Ballymahon Fire Station						€1,700,000	Planned for 2025
New Fire Engine						€500,000	
Totals		€890,247	€0	€0		€46,339,486	

Expenditure being Incurred - Greater than €0.5m (Capital and Current)

Project/Scheme/Programme Name	Short Description	Current Expenditure Amount in Reference Year	Capital Expenditure Amount in Reference Year (Non Grant)	Capital Expenditure Amount in Reference Year (Grant)	Project /Programme Anticipated Timeline	Cumulative Expenditure to-date	Projected Lifetime Expenditure (Capital Only)	Explanatory Notes
Housing and Building								
A01 Maintenance Improvement of LA Housing		€3,352,691						
A02 Housing Assessment, Allocation and Transfer		€723,268						
A03 Housing Rent and Tenant Purchase Administration		€1,006,863						
A05 Administration of Homeless Service		€702,105						
A06 Support to Housing Capital and Affordable Programme		€1,133,984						
A07 RAS and SHL Programme		€2,671,768						
2022 Voids Programme			€664,949	€265,350		€930,299	€930,299	Voids programme annual scheme
Midland Energy Retrofit Programme				€698,207		€2,294,018	€3,300,000	Project commenced in 2020 and expect an allocation over a number of years
22 Houses Smithfield, Legan	LP 286			€113,127		€6,711,402	€6,712,857	
3 Houses Cranleymore Abbeylara	LP 290			€2,643		€104,147	€630,000	JAPANESE KNOTWEED DELAYING DEVELOPMENT
14 Houses St Rita's Park Road, Longford N14/2/142	LP 298			€4,660		€170,080	€2,265,938	
24 & 25 Congress Terrace N14/2/164	LP 495			€8,124		€117,251	€840,968	
22 Houses Radharc na Muilleann, Lanesboro N14/2/162	LP 376			€38,807		€178,380	€4,185,779	
4 units at 2 Legion Terrace, Longford	LP 405			€16,820		€148,586	€1,162,421	

Development Management										
D01 Forward Planning								€596,923		
D02 Development Management								€989,654		
D06 Community & Enterprise Function								€1,921,394		
D09 Economic Development & Promotion								€2,981,536		
D12 Agency & Recoupable Services								€3,143,380		
Creative & Innovative Centre LIADH Longford Town							€143,850			
RRDF 2018 Granard Motte Heritage Project	Granard Motte Heritage Project		€43,496	Three years				€789,879	€3,500,000	Tender for design consultants advertised on etenders on 21/11/22. Tender closing date was 16/12/2022. One tender received, over budget. LCC are exploring options
URDF 2018 Longford Connected	Public Realm, Longford town		€940,300	2023			€940,782	€2,786,139	€4,983,251	Programme of Works Market Square 90% of paving works to be complete by end of year 24/01/23 Tesco Carpark/Rue Noyale 21/12/22 Grafton court 9/12/22 Mainstreet 14/02/23 Library 13/02/23
RRDF 2019 Abbeysrue Project	Rural Working Hub & Enterprise Space		€841,974					€953,491	€1,346,109	Project completion 14/03/23 (subject to specialist products) Construction work has completed with snagging to be finalised in Jan/Feb 2023 & official opening to take place in March 2023
RRDF 2020 Lanesborough Enhancement	Enhancement of the Attractiveness of Lanesborough as a Tourism Destination. Visitors						€28,925		€625,000	Grant Funding of €468,750 plus match funding of €156,250. 3 stages to project - Amphitheatre, Roads & Visitor Centre. Drafts of the environmental and ecological assessment reports have been reviewed and an NIS prepared. It is expected that the project will be ready for submission for statutory consent Q2 2023.

Projects/Programmes Completed or discontinued in the reference year - Greater than €0.5m (Capital and Current)

Project/Scheme/Programme Name	Short Description	Current Expenditure Amount in Reference Year	Capital Expenditure Amount in Reference Year (Non Grant)	Capital Expenditure Amount in Reference Year (Grant)	Project /Programme Completion Date	Final Outturn Expenditure	Explanatory Notes
Housing and Building							
Essential Repair Grants 2022			€181,861	€894,669	Dec-22	€1,076,530	20% LA Contribution
2021 Voids Programme			€405,039	€110,000	2022	€515,039	
2021 Energy Efficiency Retrofit Programme			€124,185	€611,370	2022	€865,441	
21 Houses Campbells Lane N14/2/155	LP 411			€8,564	Oct-22	€4,704,883	
23 Houses Alder Field, Farnagh N14/2/157	LP 433				Feb-22	€5,654,426	
1 single unit Alder Field, Farnagh N14/2/157	LP 468			€257,110	Oct-22	€257,110	
14 Houses St. Michael's Court N14/2/156	LP 430			€2,208,803	Nov-22	€4,080,381	
34-41 St. Patrick's Court, Ballinamuck N14/2/160	LP 440			€1,822,532	Dec-22	€2,065,779	
9 & 10 Caislean Breac, Newtownforbes N14/2/166	LP 472			€571,200	Sep-22	€575,200	
Development Management							
RRDF 2018 Edgeworthstown Public Realm			€31,728			€2,030,981	
DTAS Mid Shannon Wilderness Park Greenway				€387,631		€1,235,542	
Longford Greyhound Track			€555,379			€555,379	
Recreation and Amenity							
The Royal Canal Spur Gateway Project				€39,733	Not proceeding	€110,639	The detailed design for the project has been completed by Consulting Engineers and

			€1,298,192	€6,911,612		<p>tenders were received for its construction. Notwithstanding the significant value engineering exercise that was undertaken on the design which was put out to tender in December 2021 due to construction material cost inflation the price of the MEAT significantly exceeded the budget for the project. An unsuccessful approach was made to the funding agency for additional funding for the project. Significant work was also undertaken on re-examining the scope of the project using the MEAT tender rates to bring it with the budget. However it was deemed the extent of the change in scope required would necessitate a re-tender of the project to comply with procurement rules. Funding condition that project must be completed by Sept 2023 - no funding available if deadline isn't met.</p>	€23,727,330
Totals							

Appendix B – Checklists of Compliance

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	Email sent to all staff.
1.2 Has training on the Public Spending Code been provided to relevant staff within the authority?	3	Training has been provided to relevant staff.
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	Guidance is available.
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?	2	Local Authority does not have a significant role in this regard yet.
1.5 Have recommendations from previous QA reports (incl. spot checks) been disseminated, where appropriate, within the local authority and to agencies?	2	Yes
1.6 Have recommendations from previous QA reports been acted upon?	3	The Audit Findings Tracker is used to follow up on 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
1.8 Was the required sample of projects/programmes subjected to in-depth checking as per step 4 of the QAP?	3	Yes
1.9 Is there a process in place to plan for ex post evaluations/Post Project Reviews? Ex-post evaluation is conducted after a certain period has passed since the completion of a target project with emphasis on the effectiveness and sustainability of the project.	1	There is room for improvement in relation to post project reviews generally.
1.10 How many formal Post Project Review evaluations have been completed in the year under review? Have they been issued promptly to the relevant stakeholders / published in a timely manner?	1	A limited number of post project reviews were completed for significant capital projects that were completed in 2022.
1.11 Is there a process to follow up on the recommendations of previous evaluations/Post project reviews?	1	There is room for improvement in relation to post project reviews.
1.12 How have the recommendations of previous evaluations / post project reviews informed resource allocation decisions?	2	Improvement actions have been implemented following post project reviews in the past.

Checklist 2 – To be completed in respect of capital projects/programmes & capital grant schemes that were under consideration in the past year **23 units at Richmond Street, Longford**

	Capital Expenditure being Considered – Appraisal and Approval	Self-Assessed Compliance Rating:	Comment/Action Required
Q 2.1	Was a Strategic Assessment Report (SAR) completed for all capital projects and programmes over €10m?	N/A	Dept approval received and contract signed, contractors on site in Q2 2023
Q 2.2	Were performance indicators specified for each project/programme which will allow for a robust evaluation at a later date? Have steps been put in place to gather performance indicator data?	3	
Q 2.3	Was a Preliminary and Final Business Case, including appropriate financial and economic appraisal, completed for all capital projects and programmes?	N/A	
Q 2.4	Were the proposal objectives SMART and aligned with Government policy including National Planning Framework, Climate Mitigation Plan etc?	3	
Q 2.5	Was an appropriate appraisal method and parameters used in respect of capital projects or capital programmes/grant schemes?	3	
Q 2.6	Was a financial appraisal carried out on all proposals and was there appropriate consideration of affordability?	3	
Q 2.7	Was the appraisal process commenced at an early enough stage to inform decision making?	3	
Q 2.8	Were sufficient options analysed in the business case for each capital proposal?	3	
Q 2.9	Was the evidence base for the estimated cost set out in each business case? Was an appropriate methodology used to estimate the cost? Were appropriate budget contingencies put in place?	3	
Q 2.10	Was risk considered and a risk mitigation strategy commenced? Was appropriate consideration given to governance and deliverability?	2	
Q 2.11	Were the Strategic Assessment Report, Preliminary and Final Business Case submitted to DPER for technical review for projects estimated to cost over €100m?	n/a	
Q 2.12	Was a detailed project brief including design brief and procurement strategy prepared for all investment projects?	3	
Q 2.13	Were procurement rules (both National and EU) complied with?	3	
Q 2.14	Was the Capital Works Management Framework (CWMF) properly implemented?	N/A	Contract just commenced
Q 2.15	Were State Aid rules checked for all support?	N/A	
Q 2.16	Was approval sought from the Approving Authority at all decision gates?	N/A	
Q 2.17	Was Value for Money assessed and confirmed at each decision gate by Sponsoring Agency and Approving Authority?	n/a	
Q 2.18	Was approval sought from Government through a Memorandum for Government at the appropriate decision gates for projects estimated to cost over €100m?	n/a	

See Note 2 in the opening guidelines in relation to the interpretation of Capital Grant Schemes in the context of Local Government

Checklist 3 – To be completed in respect of new current expenditure under consideration in the past year **A06 SUPPORT TO THE HOUSING CAPITAL PROGRAMME**

Current Expenditure being Considered – Appraisal and Approval	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
3.1 Were objectives clearly set out?	3	Funding provided from March 2022 for the appointment of 7 staff to deliver on the social housing capital programme
3.2 Are objectives measurable in quantitative terms?	3	Deliver the targets set out in the Housing for All programme
3.3 Was a business case, incorporating financial and economic appraisal, prepared for new current expenditure?	n/a	
3.4 Was an appropriate appraisal method used?	n/a	
3.5 Was an economic appraisal completed for all projects exceeding €20m or an annual spend of €5m over 4 years?	n/a	
3.6 Did the business case include a section on piloting?	n/a	
3.7 Were pilots undertaken for new current spending proposals involving total expenditure of at least €20m over the proposed duration of the programme and a minimum annual expenditure of €5m?	n/a	
3.8 Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?	n/a	
3.9 Was the pilot formally evaluated and submitted for approval to the relevant Department?	n/a	
3.10 Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence?	n/a	
3.11 Was the required approval granted?	n/a	
3.12 Has a sunset clause (as defined in section B06, 4.2 of the Public Spending Code) been set?	n/a	
3.13 If outsourcing was involved were procurement rules complied with?	n/a	
3.14 Were performance indicators specified for each new current expenditure proposal or expansion of existing current expenditure programme which will allow for a robust evaluation at a later date?	n/a	
3.15 Have steps been put in place to gather performance indicator data?	n/a	

Checklist 4 – To be completed in respect of capital projects/programmes & capital grants schemes incurring expenditure in the year under review **MIDLAND ENERGY RETROFIT PROGRAMME 2023**

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	
4.2 Did management boards/steering committees meet regularly as agreed?	3	
4.3 Were programme co-ordinators appointed to co-ordinate implementation?	3	
4.4 Were project managers, responsible for delivery, appointed and were the project managers at a suitably senior level for the scale of the project?	3	
4.5 Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	
4.6 Did projects/programmes/grant schemes keep within their financial budget and time schedule?	2	Dept allocation did not meet the costs of the retrofitting works
4.7 Did budgets have to be adjusted?	3	
4.8 Were decisions on changes to budgets / time schedules made promptly?	3	
4.9 Did circumstances ever warrant questioning the viability of the project/programme/grant scheme and the business case incl. CBA/CEA? (exceeding budget, lack of progress, changes in the environment, new evidence, etc.)	3	Yes submission made to the Dept to justify extra costs of retrofitting of houses
4.10 If circumstances did warrant questioning the viability of a project/programme/grant scheme, was the project subjected to adequate examination?	3	
4.11 If costs increased was approval received from the Sanctioning Authority?	3	Discussion held with the Dept on cost shortfall no increase in funding approved
4.12 Were any projects/programmes/grant schemes terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?	N/A	

See Note 2 in the opening guidelines in relation to the interpretation of Capital Grant Schemes in the context of Local Government

Checklist 5 – To be completed in respect of current expenditure programmes incurring expenditure in the year under review **Environment**

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 Corporate Plan sets out the key corporate objectives. Annual Budgets set spending targets and the operations are outlined in ASDP, and managed through the TDP, and IPP.
5.2 Are outputs well defined?	3	Yes, each budget is linked to clear objectives and targets, including performance related targets
5.3 Are outputs quantified on a regular basis?	3	Yes, monthly team meetings and budget controls. Follow up on monthly, quarterly, annual targets and report on same. The litter pollution system and RMCEI returns quantity outputs.
5.4 Is there a method for monitoring efficiency on an on-going basis?	3	Yes per 5.3 above, plus Monthly Management updates and quarterly and annual national return
5.5 Are outcomes well defined?	3	Yes, in some cases through service indicators and other through delivery of a robust programme of work
5.6 Are outcomes quantified on a regular basis?	3	Yes per 5.3 above, plus through monitoring, capturing, and reporting on litter, waste and noise. National campaigns such as tidy towns, and IBAL report provide independent scrutiny of our performance in comparison to other LAs
5.7 Are unit costings compiled for performance monitoring?	N/A	N/A
5.8 Are other data compiled to monitor performance?	3	In addition to the litter database there is a separate database for legal proceedings. Data is also collated on the NIECE System for comparative and analytical purposes.
5.9 Is there a method for monitoring effectiveness on an on-going basis?	3	Yes, people through PMDS. Monitoring effectiveness through regular team meetings and quarterly and annual reports Processes and systems are monitored and managed through on line systems.
5.10 Has the organisation engaged in any other 'evaluation proofing' ¹ of programmes/projects?	3	Stats are available for checking.

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

Checklist 6 – To be completed in respect of capital projects/programmes & capital grant schemes discontinued and/or evaluated during the year under review **ESSENTIAL REPAIR GRANTS 2022**

Capital Expenditure Recently Completed	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
6.1 How many post project reviews were completed in the year under review?	3	Claim submission made to the Dept with supporting documentation per approved projects funding
6.2 Was a post project review completed for all projects/programmes exceeding €20m?	N/A	
6.3 Was a post project review completed for all capital grant schemes where the scheme both (1) had an annual value in excess of €30m and (2) where scheme duration was five years or more?	N/A	
6.4 Aside from projects over €20m and grant schemes over €30m, was the requirement to review 5% (Value) of all other projects adhered to?	N/A	
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	
6.6 Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority? (Or other relevant bodies)	N/A	
6.7 Were changes made to practices in light of lessons learned from post-project reviews?	N/A	
6.8 Were project reviews carried out by staffing resources independent of project implementation?	N/A	

See Note 2 in the opening guidelines in relation to the interpretation of Capital Grant Schemes in the context of Local Government

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	Not reported in PSC 2022
7.2 Did those reviews reach conclusions on whether the programmes were efficient?	N/A	Not reported in PSC 2022
7.3 Did those reviews reach conclusions on whether the programmes were effective?	N/A	Not reported in PSC 2022
Have the conclusions reached been taken into account in related areas of expenditure?	N/A	Not reported in PSC 2022
7.3 Were any programmes discontinued following a review of a current expenditure programme?	N/A	Not reported in PSC 2022
7.4 Were reviews carried out by staffing resources independent of project implementation?	N/A	Not reported in PSC 2022
7.5 Were changes made to the organisation's practices in light of lessons learned from reviews?	N/A	Not reported in PSC 2022

Notes:

- (a) The scoring mechanism for the above checklists is as follows:
 - o Scope for significant improvements = a score of 1
 - o Compliant but with some improvement necessary = a score of 2
 - o Broadly compliant = a score of 3
- (b) For some questions, the scoring mechanism is not always strictly relevant. In these cases, it is appropriate to mark as N/A and provide the required information in the commentary box as appropriate.
- (c) 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.

Appendix C – In Depth Check – Capital Expenditure 2022 – 14 Housing Units St. Michael’s Court, Longford

Quality Assurance – In Depth Check

Section A: Introduction

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

Programme or Project Information	
Name	Housing Capital Programme.
Detail	Acquire a development of fourteen housing units at St. Michaels Court, Longford.
Responsible Body	Longford County Council
Current Status	Capital Expenditure Recently Completed
Start Date	April 2021
End Date	November 2022
Overall Cost	€4,080,381

Project Description

The project involved the development of properties for social housing as part of the social housing delivery targets set out under Housing for All – a New Housing Plan for Ireland which is the Government’s housing policy to 2030. Targets are developed for Longford County Council (the Council) based on the social housing waiting list and data obtained from the Housing Needs Demand Assessment which profiles future demand for social housing. A target of seventy-five new build social homes was set for 2022 for the Council.

In May 2019, the Council placed an advertisement on etenders, in the local paper and on its website seeking expressions of interest for turnkey developments, housing schemes and land for the provision of Social and Affordable housing. Donnelly Developments submitted details of a proposed development of fourteen units on a 0.206-hectare brownfield site. The proposed development was situated on a corner site on St. Michael’s Road and Connaught Road, located on the western end of Longford town. The site contained a number of derelict buildings that needed to be demolished. Half of the site was previously a mechanics yard that had led to contaminated of soil on-site.

Following an appraisal of all projects submitted, based on site layout and house design, site suitability, zoning, existing planning permission, housing need, timescale for delivery and value for money, the development of fourteen houses numbered 1-14 Michaels Court, Longford, was selected for an all-in purchase price of €3,598,000 in September 2020.

Due consideration was also given to the brownfield site, the gateway location, the contaminated soil, the need to demolish existing structures on the site and the benefit of town regeneration in the area.

The development consists of four, three bed units and ten, two bed units. The construction was separated into two blocks – Block A accommodating ten, two bed units and Block B accommodating four, three bed units. Works commenced in April 2021 under a building agreement. Phased payments were made to the developer as works progressed.

In June 2022, the developer made a claim for hyper inflation costs. The cost increase was supported by a report from a Chartered QS and published data from the Society of Chartered Surveyors Ireland (SCSI). The Council sought a review of the claim by an independent Chartered QS who confirmed all revised inflation figures presented were accurate and competitive. A revised increased budget of €4,080,381 was sought from the Department of Housing, Local Government and Heritage (DHLGH) in August 2022 and subsequently approved. The development was completed in November 2022 and all fourteen units were handed over to the local authority.

The project was funded under the Social Housing Capital Programme and was delivered under the Housing for All Plan.

Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, Longford County Council have completed a Programme Logic Model (PLM) for the development of fourteen housing units at St. Michael's Court, Longford. 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"> Acquire social housing units to meet the social housing need in County Longford in a reasonable timeframe. 	<ul style="list-style-type: none"> Corporate Plan 2019-2024. Capital funding of €4,080,381 plus associated costs approved by the DHLGH to build the houses. 	<ul style="list-style-type: none"> Place an advertisement on etenders, in the local paper and on the Councils website seeking expressions of interest for turnkey developments, housing schemes and land for the provision of Social and Affordable housing. Project appraisal of proposals received and selection of preferred proposal. Obtain independent valuation report. Submission of project proposal and capital appraisal to the DHLGH for approval. Correspond with the DHLGH on queries regarding Unit Cost Ceilings (UCC). Funding approval received from DHLGH. Engage with legal advisors re contract preparation, building agreement, and completion. Ongoing inspection of site works by the Council technical staff. Certification of completed works by the consulting engineer and payments certified by the Council's engineer. Process phased payments through Agresso, the Financial Management System. Submit completed and certified forms to the Department for recoupment of project payments. Developer submits claim for hyper inflation costs. The council submit revised increased budget request and supporting documentation to the DHLGH. Revised funding approval received form DHLGH. 	<ul style="list-style-type: none"> Ten new two bed house including living/dining, bathroom, and hall. Four new three bed house including living/dining, bathroom, and hall. All units are built to A2 BER. 	<ul style="list-style-type: none"> Fourteen families (nineteen adults and five children) provided with social housing. Fourteen families were removed from the housing list. Additional income for Longford County Council from rent. The housing units are 70% more energy efficient, cheaper to heat and have improved air quality. Increased resilience to impacts of climate change. Delivery of a 50% improvement in energy efficiency by 2030. Progress towards a near zero carbon investment strategy. Remediation of the contaminated soil on the site.
<ul style="list-style-type: none"> Reduce the number of approved applicants on the Council's housing list. 	<ul style="list-style-type: none"> Circulars for the provision of Social Housing. Letter from DHLGH outlining Social Housing Delivery Targets for 2022 under the Housing for all - a New Housing Plan for Ireland. The Council had a target of seventy-five new build houses and this development 			

	<p>accounted for fourteen of those.</p> <ul style="list-style-type: none"> • Technical and administrative staff support. 	<ul style="list-style-type: none"> • Development is completed and all units handed over to the Council. • Transfer ownership of the development to Longford County Council. 	<ul style="list-style-type: none"> • Regeneration of a derelict site, enhancing the gateway location to the town.
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Description of Programme Logic Model

Objectives: The main objectives of the project were to acquire properties for social housing in a cost-effective manner, in order to house applicants on Longford County Council’s housing list and reduce the number of approved applicants on the Council’s housing list and to do this in a manner that helped the Council achieve objectives in the Corporate Plan 2019-2024.

Inputs:

1. The Corporate Plan 2019-2024.
2. The primary input to the programme was the capital funding of €4,080,381 including associated costs (legal, survey and valuation fees) which was provided by the sanctioning authority, the DHLGH.
3. The Council are guided by Housing Circulars for the provision of Social Housing.
4. Letter from the DHLGH outlining the Social Housing Delivery Targets for 2022 under the Housing for All Plan.
5. Administrative and technical support from the housing staff was also required throughout the project.

Activities:

Key activities performed throughout the project included:

1. Publishing an advertisement on etenders, in the local paper and on the Councils website seeking expressions of interest for turnkey developments, housing schemes and land for the provision of Social and Affordable housing.
2. Assessing the proposals received and proceeding with preferred proposal.
3. Obtaining an independent valuation report.
4. Submit the project proposal and Capital Appraisal for the project to the DHLGH for approval.
5. Correspond with the DHLGH on queries regarding the UCC’s.
6. On receipt of DHLGH approval, liaise with the Council’s legal advisors regarding the contract preparation, building agreement, and completion.
7. Ongoing inspection of site works by the Council technical staff.

8. Certificate of Compliance with Planning Permission and Building Regulations completed by the consulting engineer and payments certified by the Council's engineer.
9. Phased payments were made to the developer as work progressed. These payments were raised through Agresso and paid to the developer in compliance with the building agreement.
10. Completion of HCA3 and HCA4 forms and submit to the DHLGH for recoupment of funds.
11. The developer submits a claim for hyper inflation costs.
12. The council submit revised increased budget request and supporting documentation to DHLGH.
13. The DHLGH approve the increased funding request.
14. Development is completed and all units are handed over to the Council.
15. Transfer ownership of the development to the Council.

Outputs:

1. Longford County Council acquired fourteen new social housing units with an A2 BER.

Outcomes: There were a number of outcomes from the project including:

1. Provision of fourteen social housing units for fourteen families on the housing list in a relatively short time frame.
2. The number of approved applicants on the Council's housing list was reduced.
3. Additional rental income of €706 per week (€36,712 per annum) is received by the Council.
4. The housing units have a A2 BER making them 70% more energy efficient, cheaper to heat and have improved air quality.
5. The Council is increasing the County's resilience to the impacts of climate change and achieving Greener County strategic objectives in our Corporate Plan.
6. Remediation of the contaminated soil on the site.
7. Regeneration of a derelict site, enhancing the gateway location to Longford town.

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

The following section tracks the acquisition of fourteen housing units at St. Michael's Court, Longford from inception to conclusion in terms of major project/programme milestones

- May 2019
 - Advertisement published on etenders, in the local paper and on the Councils website seeking expressions of interest for turnkey developments, housing schemes and land for the provision of Social and Affordable housing.
- July 2020
 - Minister O'Brien launches a "Call for Housing 2020" – a new national call for property owners and developers with vacant properties to make them available for use as social housing.
- October 2020
 - Planning permission granted for all associated works to develop fourteen housing units at St. Michael's Court, Longford – PL19/276.
 - Independent valuation of proposed development of fourteen housing units at St. Michael's Court, Longford received from DNG Frank Regan for €3,525,000 (incl. VAT).
 - Capital appraisal on the proposed housing development at St. Michael's Court submitted to the DHLGH along with HCA3 form for the sum of €3,525,732 (incl. VAT) plus associated costs.
 - DHLGH query cost of development as UCC's are exceeded.
- December 2020
 - Letter to DHLGH with attached independent QS report on the costs submitted by Donnelly Developments for the proposed development at St. Michael's Court, Longford.
 - Approval received for the proposed housing development for the sum of €3,598,000 (incl. VAT) subject to the conditions set out by the DHLGH.
- April 2021
 - Building Agreement and Chief Executive Order No. H23531 are signed for the acquisition of site and fourteen units at St. Michael's Court, Longford.
 - Payment of €532,000, made to E.C. Gearty Solicitor for the acquisition of the site.
 - Payment of €300,000, made to E.C. Gearty Solicitor in accordance with the building agreement.
- May 2021
 - Appointment of Project Supervisor Construction Stage (PSCS) – Donnelly Developments.
 - Appointment of Project Supervisor Design Process (PSDP) – Will Design Associates.

- July 2021 • Payment of €502,668 made to Donnelly Developments in respect of works completed on the contract.
- September 2021 • Launch of Housing for All – a new Housing Plan for Ireland.
- Letter received from the DHLGH setting out the Social Housing Delivery Targets under the Housing for All Plan. The Council's targets for 2022 were seventy-five new build houses.
- October 2021 • Payment of €443,864 made to Donnelly Developments in respect of works completed on the contract.
- December 2021 • HCA3 & HCA4 forms for fourteen units at St. Michael's Court, Longford for €1,778,533 sent to DHLGH.
- Remittance of €1,778,533 received from DHLGH in respect of the development at St. Michael's Court, Longford.
- February 2022 • Payment of €515,483 made to Donnelly Developments in respect of works completed on the contract.
- April 2022 • Payment of €271,763 made to Donnelly Developments in respect of works completed on the contract.
- July 2022 • Payment of €549,068 made to Donnelly Developments in respect of works completed on the contract.
- Correspondence from the Council to the DHLGH requesting revised increased budget based on the developer submitting a hyper inflation costs claim. Supporting documentation forwarded to the DHLGH included two Chartered QS reviews of the Hyper Inflation costs claim and published data from the SCSL.
- August 2022 • Approval received for the revised increased budget for the sum of €4,080,381 (incl. VAT) subject to the conditions set out by the DHLGH.
- November 2022 • Payment of €867,531 made to Donnelly Developments in respect of works completed on the contract.
- HCA3 & HCA4 forms for fourteen units at St. Michael's Court, Longford, for €2,211,418 sent to DHLGH.
- Claim for administration fees of €28,000 for the development at St. Michael's Court, Longford (€2,000 per unit).
- December 2022 • Remittance of €2,305,713 received from DHLGH in respect of development at St. Michael's Court, Longford (€2,211,418), staff recoupment €66,295 and administration fees €28,000.
- May 2023 • Application for Land Registry Folio 19748F to be transferred into the ownership of the Council lodged in the PRA.

Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis, and evaluation for the development of fourteen housing units at St. Michael's Court, Longford.

Project/Programme Key Documents	
Title	Details
1. Housing for All - a New Housing Plan for Ireland	Housing for All - a New Housing Plan for Ireland' is the government's housing plan to 2030.
2. Means to meet need	Place an advertisement on etenders, in the local paper and on its website seeking expressions of interest for turnkey developments, housing schemes and land for the provision of Social and Affordable housing.
3. Project Appraisal Scoring Summary	An appraisal of the expressions of interest received against predetermined pass/fail criteria and selection of preferred proposal based on scoring mechanism.
4. Housing Need Analysis	Examined the housing need in the area for mixed size accommodation.
5. Planning Permission PL 19/276	Planning Permission for development of fourteen housing units at St. Michael's Court, Longford including the schedule of conditions 1-18 attached to the grant of planning permission.
6. Independent Valuation Report	An independent valuation report was obtained for the fourteen units at St. Michael's Court, Longford.

7. Capital Appraisal Report	Capital Appraisal report was prepared and submitted to the DHLGH outlining the rationale for choosing this development to provide fourteen social housing units at a fixed price of €3,598,000.
8. Independent QS report on the costs submitted by Donnelly Developments for the proposed development at St. Michael's Court, Longford	The DHLGH queried the cost of the development as UCC's were exceeded. The Council sought an independent QS report on the costs submitted by Donnelly Developments for the proposed development at St. Michael's Court, Longford to support their application for grant funding for the development.
9. Letter of funding approval from DHLGH	Letter of approval received from the DHLGH for the proposed projects subject to compliance with building regulations, planning permission, procurement requirements and appraisal of alternative proposals received
10. Claim for revised increased budget approval to the DHLGH due to Hyper Inflation costs claim by the developer.	Claim and supporting documentation forwarded to the DHLGH for revised increased budget approval, including an independent QS review of the Hyper Inflation costs claim.
11. Letter of revised increased budget funding approval from DHLGH	Letter of approval received from the DHLGH for the revised increased budget funding.
12. Certificates of Compliance from the consulting engineer	Certificate of Compliance with Planning Permission and Building Regulations by the consulting engineer and payments certified by the Council's engineer are received for phased payment.
13. Social Housing Delivery Targets 2022	Letter from the DHLGH setting out the Social Housing Delivery Targets under the Housing for All Plan. The Council's targets for 2022 were seventy-five new build houses.
14. HCA3 and HCA4 forms	These forms were completed and submitted to the DHLGH at intervals during the project.
15. Letters of confirmation from DHLGH regarding recoupment of monies	Letters received from DHLGH confirming recoupment of monies for payments made by Longford County Council for development of fourteen units at St. Michael's Court, Co. Longford.
16. Registration of Title	An application for Land Registry Folio 19748F to be transferred into the ownership of the Council.

Key Document 1: Housing for All – a new Housing Plan for Ireland

Housing for All - a New Housing Plan for Ireland' is the government's housing plan to 2030.

It is a multi-annual, multi-billion euro plan which will improve Ireland's housing system and deliver more homes of all types for people with different housing needs.

The government's overall objective is that every citizen in Ireland should have access to good quality homes:

- to purchase or rent at an affordable price
- built to a high standard and in the right place
- offering a high quality of life

The policy has four pathways to achieving housing for all:

- supporting home ownership and increasing affordability
- eradicating homelessness, increasing social housing delivery and supporting social inclusion
- increasing new housing supply
- addressing vacancy and efficient use of existing stock

The pathways contain actions to be taken by government departments, local authorities, State agencies and others. The pathways are supported by actions to enable a sustainable housing system.

Key Document 2: Means to meet need

In an effort to meet the high demand for social housing in particular locations and to achieve a faster turnaround by developers, an expression of interest for the provision of turnkey developments, housing schemes and land for the provision of Social and Affordable housing was advertised on the Council's website, the local paper and etenders.

Key Document 3: Project Appraisal Scoring Summary

An appraisal of expressions of interest received was completed against the predetermined pass/fail criteria and the preferred proposal was selected based on the marks awarded. The scoring mechanism considered:
Site location, number of units proposed, housing need, land zoning, utility services available or available at a reasonable cost, timescale for delivery, value for money, planning permission, location within town/village, proximity to schools/shops/services, profile of land.

Key Document 4: Housing Need Analysis

Longford Town is a location option on Longford County Council's housing need application form. Data extracted from iHouse the Housing database, showed there was a total of 623 applicants with Longford as their preferred option. The analysis of accommodation required by these applicants consisted of 15 one-bedroom units 220 two-bedroom units, 357 three-bedroom units and 31 four-bedroom units.

Key Document 5: Planning Permission PL 19/276

Planning Permission PL19/276 was granted on 2 October 2020 for the:

- demolition of existing derelict dwelling house, car garage and ancillary buildings
- construction of two no. two storey buildings to include ten no. two bedroom and four no. three bedroom apartments with independent access to each unit
- new pedestrian and vehicle access
- provision of green open space and garden areas, boundary fences/walls with internal pedestrian pathways
- connection to public services with sewer and water supply and all associated ancillary site works at St. Michael's Road and Connaught Road

Eighteen conditions were attached to the grant of planning permission. These included specific requirements for the external finishes for the proposed dwellings and the remediation of the contaminated soil.

Key Document 6: Independent Valuation Report

An independent valuation report was obtained for the development of fourteen units at St. Michael's Court, Longford. Valuation considerations on sales of similar properties in the area were unable to take place as there were none in the area at that time.

Key Document 7: Capital Appraisal Report

Capital Appraisal report was prepared and submitted to the DHLGH outlining the rationale for choosing the development to provide fourteen social housing units at a fixed price of €3,598,000. This complies with the guidelines set out in Circular 31/2019.

Key Document 8: Independent QS report on the costs submitted by Donnelly Developments for the proposed development at St. Michael's Court, Longford

The DHLGH queried the cost of the development quoted in the Capital Appraisal report as the UCC's were exceeded. The Council then sought a review of the costs by independent Chartered QS Ciaran Leech and Associates.

Based on his review, the QS identified a number of abnormal cost items including:

- off-site compound required
- high level of site security to be provided
- public realm to be provided a per planning permission
- contaminated soil treatment in adherence to condition four of the planning permission

- a high standard external finish for the proposed dwellings given the gateway location on entering Longford Town and to complement the character and finishes of the recently upgraded St. Michael's Road development by Cluid Housing in adherence to condition two of the planning permission
- the development is a brownfield site with significant disposal of wastes including end of life vehicles, asbestos roofs to garage and contaminates as a previous car dismantling facility.

Key Document 9: Letter of funding approval from DHLGH

Letter of funding approval was received from the DHLGH for the proposed project for a budget of €3,598,000 (incl. VAT) subject to compliance with building regulations, planning permission, procurement requirements and appraisal of alternative proposals received.

Key Document 10: Claim for revised increased budget approval to the DHLGH due to Hyper Inflation costs claim by the developer.

In June 2022, Chartered QS Angela Crossan submitted a hyper inflation costs claim on behalf of Donnelly Developments for €425,005 (excl. VAT). In the submission the QS outlined that the original contract sum of €3,525,732 (excl. VAT) was tendered in September 2020 and works commenced in April 2021. The QS also said that since these dates, the inflationary effects on construction costs have been unprecedented and the developer had no option but to seek increased costs on the project under hyper inflation. **Contributory factors were:**

- the increase in demand in the sector following the prolonged closure due to COVID-19
- significant increases in material prices due to shortages with Brexit supply-chain effects
- labour shortages within the sector
- Russian invasion of Ukraine

The QS also provided published data on the Tender Price Index from the SCSi.

The Council sought a review of the hyper inflation costs claim by independent Chartered QS Ciaran Leech and Associates. He confirmed all revised inflation figures presented were accurate and competitive and reflect the current market rates.

In July 2022, the Council made a claim to the DHLGH for revised increased budget due to hyper inflation costs claim by the developer and provided both QS reports and the published data from the SCSi.

Key Document 11: Letter of revised increased budget funding approval from DHLGH

In August 2022 the DHLGH approved the revised increased budget of €4,080,381 (incl. VAT) subject to compliance with building regulations, planning permission, procurement requirements and appraisal of alternative proposals received. They also advised that no further uplift request would be considered.

Key Document 12: Certificates of Compliance from the consulting engineer

Prior to raising payments for the agreed phased payments, the Council receives certificates of compliance from the consulting engineer certifying that works completed comply with relevant Planning and Building Control, Building Regulations etc. These payments are also certified by the Council's engineer.

Key Document 13: Social Housing Delivery Targets 2022

Letter received from the DHLGH setting out the Social Housing Delivery Targets under the Housing for All Plan. The Council's target for 2022 were seventy-five new build houses and eight leasing. The Council delivered twenty-seven new builds in 2022 and the fourteen housing units in St. Michaels Court, Longford were included in these figures.

Key Document 14: HCA3 and HCA4 forms

- **HCA3 form** – is completed in compliance with Circular Housing 15/2019, where an application is made for an exchequer capital grant (Form HCA4) in relation to the acquisition of a dwelling for use as a social housing unit. This was completed for each phase of funding.
- **HCA4 forms** – in compliance with Circular 15/2019 the HCA4 form was completed to draw down funding for the capital costs associated with the phased delivery of fourteen units at St. Michael's Court, Longford based on vouched expenditure.

Key Document 15: Letters of Confirmation from the DHLGH regarding recoupment of monies

Recoupments were made from the DHLGH for development costs and letters confirming payments to the Council were received from the DHLGH.

Key Document 16: Registration of Title

In January 2023, the legal advisor received legal fees for requisition on title, transfer, and registration in the PRA. However, at the time of review, the application was not lodged with the PRA. When the housing department were asked to follow up on this matter, an application for Land Registry Folio 19748F to be transferred into the ownership of the Council was lodged in the PRA in May 2023.

Section B - Step 4: Data Audit

The following section details the data audit that was carried out for the development of the fourteen units at St. Michael's Court, Longford. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
Relevant Housing Legislation	To check compliance by the Council.	On file
Project Appraisal Scoring Summary	To ensure that all expressions of interest received have been objectively assessed based upon the predetermined appraisal criteria. This demonstrates transparency for unsuccessful parties.	On file
Housing Need Analysis	To establish there is a need in the area for housing and for what type of housing.	On file/iHouse
Independent Valuation Reports	To ensure that acquisitions do not exceed the market value for the properties.	On file
Capital Appraisal Reports	Capital Appraisal report prepared by the Council for the development of fourteen houses at St. Michael's Court, Longford and submitted to the DHLGH.	On file
Building Agreement	Documentation to support the decision to fund the development through a Building Agreement	Not on file
Correspondence from and to the DHLGH	The signed building agreement detailing the terms and conditions of the contract. <ul style="list-style-type: none"> To review correspondence from the DHLGH regarding queries on the cost levels being above the relevant UCCs. To confirm approval was sought in a timely manner. To confirm that recoupment of monies from DHLGH was completed. 	On file
Financial data from Agresso.	<ul style="list-style-type: none"> To check payments made to E.C. Gearty, the Council's solicitor. To check payments made to Donnelly Developments. To confirm recoupment monies were received by the Council at the time of review. To check the rental income charged for each of the housing units at St. Michael's Court, Longford. 	On file On file/ Agresso

Data Availability and Proposed Next Steps

The in-depth check involved reviewing the project file and records held by the Housing department in relation to this housing project. Records are maintained in hard copy file and most data is recorded electronically.

Information regarding housing applicants and tenants is available on iHouse, the housing management system and database and a check were carried out in iHouse for the number of residents living in the fourteen housing units. The housing needs analysis was available on file.

All financial records are available on Agresso, the financial management system including:

- payments made to the Council's solicitor and the developer
- rent charges
- recoupments from the DHLGH
- receipts from rent payments from the housing tenants

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for the development of fourteen housing units at St. Michael's Court, Longford based on the findings from the previous sections of this report.

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

Delivery of the project does comply with the standards set out in the Public Spending Code. The project was selected following a project appraisal of expressions of interest received and the preferred proposal was selected based on the scoring mechanism. The project involved the acquisition of fourteen units for social housing as part of the social housing delivery targets for 2022 under the Housing for All Plan.

A target of seventy-five builds was set for the Council for 2022 and the fourteen units at St. Michael's Court, Longford development were accounted for in the twenty-seven new builds delivered in 2022.

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

There is now sufficient data and information available to ensure that the project can be subject to a full evaluation at a later date. Many records had to be requested at the time of review as they were not available on the hard copy file or the electronic file.

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

The Council should endeavour to minimise the period between tender submission and award of contract to reduce the likelihood of hyper inflation cost claims from developers.

Section: In-Depth Check Summary

The following section presents a summary of the findings of this in-depth check on the development of fourteen housing units at St. Michael's Court, Longford.

Summary of In-Depth Check

It is the opinion of Internal Audit that there is satisfactory compliance with the Public Spending Code in respect of this project acquiring fourteen units for social housing as part of the Housing for All Plan 2022. The main objective of this project was the acquisition of social housing units in a cost-effective manner, to contribute to the targets set out and to reduce the number of approved applicants on the Council's housing list. In parallel to this, the Council also has achieved the regeneration of a derelict industrial site containing contaminated soil, located on an entry point to Longford town. There was no scope to develop the site without incurring the unavoidable costs outlined by Ciaran Leech, Chartered QS in his report in December 2020.

The developer's hyper inflation cost claim was unavoidable and having regard to the need to safeguard public projects under construction and to mitigate the risks of significant losses being sustained by contractors, the Minister for Public Expenditure and Reform and the Office of Government Procurement introduced measures for dealing with inflation/supply chain delays in 2022.

The project at St. Michael's Court commenced in April 2021. Considerable works had to be completed on-site before the construction phase could begin. The development was completed in November 2022 and the houses were available for immediate occupancy. Fourteen families (nineteen adults and five children) were appointed tenants and there is an additional €706 rental income per week for the Council. Fourteen families have been removed from the Council's housing list and they now live in homes that are energy efficient with a A2 BER, that are cheaper to heat and emit up to 70% less carbon dioxide. The delivery of this housing scheme has also had the additional benefit of urban regeneration, improving the environs for the community already residing there and enhancing the gateway location to the town.

Overall Assurance Level

	Satisfactory Assurance - Overall there is a satisfactory system of governance, risk management and control.
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Appendix D – In Depth Check – Revenue Expenditure 2022 – B01 NP Roads Maintenance and Improvement – N4 Garryandrew Pavement Rehabilitation Scheme

Quality Assurance – In Depth Check

Section A: Introduction

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

Programme or Project Information	
Name	National Primary Roads – Maintenance and Improvement 2022
Detail	Revenue Expenditure Code B01 NP Roads – Maintenance and Improvement Expenditure incurred relates to N4 Garryandrew Pavement Rehabilitation Scheme
Responsible Body	Infrastructure, Climate Action and Innovation Directorate, Longford County Council
Current Status	Revenue Expenditure being Incurred
Start Date	January 2022
End Date	December 2022
Overall Cost	€1,481,447

Project Description

Transport Infrastructure Ireland (TII) have responsibility for operating, maintaining and improving the National Primary and the National Secondary roads in Ireland. Their primary function under the Roads Act 1993 is to provide sustainable transport infrastructure and services, delivering a better quality of life, supporting economic growth and respecting the environment.

The National Roads Network comprises 2,649km designated as National Primary roads. The network forms vital transport infrastructure for all sectors of society. It facilitates movement of people and goods and a wide range of trip purposes including health, education, employment, tourism and access to services.

Longford County Council (the Council) is the road authority for the National Primary roads in County Longford totalling 42.8km:

N4: Edgeworthstown – Cloonart

N5: Longford – Tarmonbarry

In 2018 the Transport Infrastructure Ireland (TII) Pavement Asset Management System (PAMS) identified the need for pavement renewal works on the N4 at Garryandrew, Edgeworthstown in County Longford. This scheme commenced just east of the town of Edgeworthstown and consists of approximately 1.7km of the existing N4 National Primary Road. An additional 173m section of pavement, to the west of the scheme, was added to the Pavement Asset Repair and Renewal (PARR) to allow for a continuous section of rehabilitated pavement, back to a previous pavement rehabilitation scheme completed in 2016.

The Council were the Implementation Authority (IA) and the Project Supervisor Design Process (PSDP) responsible for the development of this PARR proposal.

TII categorised these works as a Pavement Minor Improvement (PMI) scheme.

The project was funded as a Revenue project under the National Road Pavement Improvements Scheme and was delivered under TII.

The project provided for resurfacing works, reconstruction of the pavement for sections of the scheme, minor drainage works, line markings and accommodation works.

Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, [Unit Name] have completed a Programme Logic Model (PLM) for the N4 Garryandrew Pavement Rehabilitation Scheme, National Primary (NP) Roads - Maintenance and Improvement 2022. 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"> Maintain the integrity and value of the pavement structure over the life cycle of the pavement by repairing areas of failed existing pavement. 	<ul style="list-style-type: none"> TII identify the requirement for the pavement rehabilitation scheme to be completed. 	<ul style="list-style-type: none"> Preparation of tender documents for Falling Weight Deflectometer (FWD) Testing Works and invitation to tender by the Council. 	<ul style="list-style-type: none"> Completion of pavement rehabilitation scheme on the N4 at Garryandrew, Edgeworthstown 	<ul style="list-style-type: none"> The pavement rehabilitation scheme maintains the integrity and value of the pavement structure over the life cycle of the pavement.
<ul style="list-style-type: none"> Extend the life of the existing pavement by improving the structural capacity of the pavement while providing adequate skid resistance, ride quality, load carrying and load spreading capacity. 	<ul style="list-style-type: none"> Longford County Council technical and administrative staff support. Westmeath National Roads Office (WNRO) technical staff support. 	<ul style="list-style-type: none"> WRNO assess condition of existing pavement through visual and structural surveys and using surveys completed on behalf of the Council. WRNO prepare a PARR report on behalf of the Council detailing the Road Design and Scope of Works for pavement rehabilitation works at N4 Garryandrew, including an additional 173m section of pavement. 	<ul style="list-style-type: none"> The life of the existing pavement was extended and provided adequate skid resistance, ride quality, load carrying and load spreading capacity. 	<ul style="list-style-type: none"> The life of the existing pavement was extended and provided adequate skid resistance, ride quality, load carrying and load spreading capacity.
<ul style="list-style-type: none"> Reduce the collision occurrence on this 2km approx. stretch of the N4 by 	<ul style="list-style-type: none"> TII approve Revenue funding of €1,198,391 excl. vat. The Council identify the need 	<ul style="list-style-type: none"> Appointment of the Council as PSDP. Completion of AF1 form to Health and Safety Authority (HSA). Preparation of tender documents for proposed pavement rehabilitation works and invitation to tender. Assessment and report on tenders. Completion of A5.1.1 TII Tender Award Recommendation and Chief Executive Order appointing contractor. 	<ul style="list-style-type: none"> Improved skid resistance reduces the likelihood of collisions and effectively controls the risk of accidents. 	<ul style="list-style-type: none"> Improved skid resistance reduces the likelihood of collisions and effectively controls the risk of accidents.

<p>improving the surface condition and providing adequate ride quality and grip.</p> <ul style="list-style-type: none"> Prevent possible future flooding to private property and also flooding/deterioration along the pavement edge by completing drainage and accommodation works. 	<p>for additional pavement intervention, drainage and accommodation works on the scheme.</p> <ul style="list-style-type: none"> The TII approve additional works and extra funding as set out by the Council. 	<ul style="list-style-type: none"> Approval from TII to appointment of contractor. Assessment and appointment of Lagan Asphalt Ltd. as Project Supervisor Construction Stage (PSCS). Award of contract and forward completed AF2 form to HSA. Ongoing inspection of site works by Longford County Council technical staff. Certification of completed works by the PSDP. Stage payments are paid through Agresso the Council's financial management system and recouped from TII. PSDP issues Certificate of Substantial Completion to the contractor, Lagan Asphalt Ltd. The Council technical staff prepare Form A1 and the Change Order No. 1 Justification report for the TII outlining the need for additional pavement intervention, drainage and accommodation works on the scheme and the associated costs. The TII approve the additional works set out in Form A1 and the Change Order Justification report and extra funding of €145,456 excl. vat. Additional works for the pavement rehabilitation scheme at the N4 Garryandrew are completed. The Council will submit a Close Out Report to TII when retention monies are paid in September 2023. 	<ul style="list-style-type: none"> Prevent possible future flooding at entrances to private property. Prevent flooding/deterioration along the pavement edge.
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Description of Programme Logic Model

Objectives:

The main objectives of the project were to:

1. Maintain the integrity and value of the pavement structure over the life cycle of the pavement by repairing areas of failed existing pavement.
2. Extend the life of the existing pavement by improving the structural capacity of the pavement while providing adequate skid resistance, ride quality, load carrying and load spreading capacity.
3. Reduce the collision occurrence on this 2km approx. stretch of the N4 by improving the surface condition and providing adequate ride quality and grip.
4. Prevent possible future flooding to private property and also flooding/deterioration along the pavement edge by completing drainage and accommodation works.

Inputs:

1. The TII identify the requirement for the pavement rehabilitation scheme to be completed on the N4 Garryandrew, Edgeworthstown.
2. Administrative and technical support from the Roads staff was required throughout the project.
3. Technical support staff from the WRNO was required to review the surveys and prepare the PARR report.
4. Grant funding of €1,198,391 excl. vat was provided by the sanctioning authority, the TII.
5. Technical staff from the Council request an adjustment in funding for additional regulation material and additional drainage and accommodation works.
6. The TII approve the Change Order and grant additional funding of €145,456 excl. vat. to the Council for the additional works.

Activities:

1. The Council prepare tender documents for Falling Weight Deflectometer (FWD) Testing Works and invite tenders.
2. The Council assess the three tenders received and prepare a tender assessment report.
3. Milestone Pavement Technologies are awarded the FWD Testing Works following the tender process.
4. The WRNO assess the condition of the existing pavement through visual and structural surveys and using surveys completed on behalf of the Council.
5. The WRNO prepare a PARR report on behalf of the Council detailing the Road Design and Scope of Works for pavement rehabilitation works the N4 Garryandrew, Edgeworthstown including an additional 173m section of pavement.

6. The Council are appointed as PSDP.
7. The Council complete the Approved Form (AF 1) advising the HSA that the Council are the PSDP and Health and Safety Coordinator for the project.
8. The Council prepare tender documents for the proposed pavement rehabilitation works on the N4 Garryandrew and invite tenders.
9. The Council assess the three tenders received and prepare a tender assessment report.
10. The Council complete the A5.11 TII Tender Award Recommendation seeking approval from TII to appointment of contractor Lagan Asphalt Ltd.
11. The Council prepare Chief Executive Order IES 22/37 for the acceptance of tender of €1,198,391 excl. vat and appointment of contractor Lagan Asphalt Ltd.
12. The TII approve the appointment of the contractor Lagan Asphalt Ltd.
13. The Council assess and appoint Lagan Asphalt Ltd. as Project Supervisor Construction Stage (PSCS).
14. The Council award to contract to Lagan Asphalt Ltd.
15. The Council complete the Approved Form (AF 2) for the construction stage advising the HSA of the PSCS Lagan Asphalt Ltd. and other contractors expected to work on site.
16. Ongoing inspection of site works by the Council technical staff.
17. Certification of completed works and issue of stage payment certificates by the PSDP.
18. Stage payments are paid through Agresso the Council's financial management system.
19. The Council's administrative staff set-up the Job and budget allocation on Project Reporting System (PRS) to facilitate the recoupment of monies from TII.
20. The PSDP issue Certificate of Substantial Completion to Lagan Asphalt Ltd in September 2022.
21. The Council technical staff prepare Form A1- adjustment in funding and Change Order No. 1 Justification Report for the TII outlining the need for additional pavement intervention, drainage and accommodation works on the scheme and the associated costs.
22. The TII approve the additional works set out in the Change Order and extra funding of €145,456 excl. vat.
23. Additional works for the pavement rehabilitation scheme at the N4 Garryandrew are completed.
24. The Council will submit a Close Out Report to TII when retention monies are paid in September 2023.

Outputs:

Completion of the following:

1. Resurfacing and accommodation works.
2. Minor drainage works.
3. Improvements in road signage

Outcomes:

There were a number of outcomes from the project:

1. The pavement rehabilitation scheme maintains the integrity and value of the pavement structure over the life cycle of the pavement.
2. The life of the existing pavement was extended and provided adequate skid resistance, ride quality, load carrying and load spreading capacity.
3. Improved skid resistance reduces the likelihood of collisions and effectively controls the risk of accidents.
4. Prevent possible future flooding at entrances to private property.
5. Prevent flooding/deterioration along the pavement edge

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

The following section tracks the N4 Garryandrew Pavement Rehabilitation Scheme, NP Roads – Maintenance and Improvement 2022 from inception to conclusion in terms of major project/programme milestones

November 2018	<ul style="list-style-type: none"> • TII identify 1.7km section of the N4 at Garryandrew, Edgeworthstown for a pavement rehabilitation scheme.
January 2020	<ul style="list-style-type: none"> • The Council prepare tender documents for Falling Weight Deflectometer (FWD) Testing Works and invite tenders • The Council assess the three tenders received and prepare a tender assessment report. • Milestone Pavement Technologies are awarded the FWD Testing Works following the tender process.
July 2020	<ul style="list-style-type: none"> • Milestone Pavement Technologies complete the FWD Testing Works and submit a Pavement Investigation Report on the N4 at Garryandrew.
February 2021	<ul style="list-style-type: none"> • iOGeomatics carry out a topographical survey report on the N4 at Garryandrew.
August 2021	<ul style="list-style-type: none"> • The WRNO assess the condition of the existing pavement and prepare a PARR report on behalf of the Council detailing the Road Design and Scope of Works for pavement rehabilitation works the N4 Garryandrew, Edgeworthstown including an additional 173m section of pavement.
November 2021	<ul style="list-style-type: none"> • TII 2022 Grant allocation for National Roads, Active Travel and Greenways received. • The Council prepare the Road Works Scheme for 2022.
April 2022	<ul style="list-style-type: none"> • Preliminary Safety and Health Plan prepared by the PSDP. • Approved Form AF1 completed and submitted to the HSA. • The Council prepare tender documents for the proposed pavement rehabilitation works on the N4 Garryandrew and invite tenders.
May 2022	<ul style="list-style-type: none"> • Assessment and report on the three tenders received by the PSDP.

	<ul style="list-style-type: none"> Lagan Asphalt Ltd. are awarded the contract for the proposed pavement rehabilitation works on the N4 Garryandrew following the tender process. Completion of A5.11 TII Tender Award Recommendation seeking approval from TII to appointment of contractor Lagan Asphalt Ltd. Preparation of CE Order IES22/37 for the Acceptance of Tender of €1,198,391 excl. vat and appointment of Contractor Lagan Asphalt Ltd.
June 2022	<ul style="list-style-type: none"> TII approve the appointment of contractor Lagan Asphalt Ltd. for pavement rehabilitation works at N4 Garryandrew.
August 2022	<ul style="list-style-type: none"> Assessment and appointment of Lagan Asphalt Ltd. As PSCS Award of contract to Lagan Asphalt Ltd. Approved Form AF2 completed and submitted to the HSA.
September 2022	<ul style="list-style-type: none"> Commencement of pavement rehabilitation works at N4 Garryandrew. Certification of completed works and issue of stage payments by the PSDP. Recoupment of monies from TII through the PRS by the Council. To date €1,483,850 has been recouped through the PRS for the scheme. Certificate of Substantial Completion issued by the Council to Lagan Asphalt Ltd.
November 2022	<ul style="list-style-type: none"> Technical staff in the Council complete Form A1 and Change Order No. 1 Justification Report detailing adjustment in funding request for additional works identified on the for the pavement rehabilitation scheme at the N4 Garryandrew. Form A1 and Change Order No. 1 Justification Report sent to the TII outlining the additional works and funding required for the pavement rehabilitation scheme at the N4 Garryandrew. TII approve additional works and associated costs of €145,456 excl. vat. Additional works for the pavement rehabilitation scheme at the N4 Garryandrew are completed.
Anticipated September 2023	<ul style="list-style-type: none"> The Council will submit a Close Out Report to TII when retention monies are paid to Lagan Asphalt Ltd. in September 2023.

Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the N4 Garryandrew Pavement Rehabilitation Scheme, NP Roads – Maintenance and Improvement 2022.

Project/Programme Key Documents	
Title	Details
1. TII 3 Year Look Ahead Pavement Program	Notification to the Council of Pavement renewal works identified by TII under PAMS. The Council then have time to organise pavement surveys and develop PARR proposals to submit to the TII for funding.
2. PARR report by the WRNO	WRNO prepare a PARR report on behalf of the Council detailing the Road Design and Scope of Works for pavement rehabilitation works at N4 Garryandrew, including an additional 173m section of pavement.
3. TII 2022 Grant Allocation	These are annual grant funding allocations provided by the TII having regard to improvements and maintenance. Improvements are allocated to specific projects.
4. Approved Form (AF 1) sent to the HSA.	Approved Form (AF 1) sent to the HSA advising the PSDP for the project is the Council.
5. Tender documents for the proposed pavement rehabilitation works on the N4 Garryandrew	The Council prepare tender documents for the proposed pavement rehabilitation works on the N4 Garryandrew.
6. Assessment and report on Tenders by the PDSP	The PSDP assessed the Tenders received and prepared a Report on the Tenders.
7. Completion of A5.11 TII Tender Award Recommendation	TII Project Management document awarding the project to for Lagan Asphalt Ltd.

8. Letter of approval from TII	Approval from TII as the sanctioning authority for the project, subject to compliance with appropriate insurances, bond, tax clearance, Health & Safety, etc.
9. Signed Construction Contracts	Public Works Contract for minor works signed by Longford County Council and Lagan Asphalt Ltd.
10. Approved Form (AF 2) sent to the HSA	Completion of Approved Form (AF 2) for the HSA by the PSDP for the Construction Stage advising of the PSCS Lagan Asphalt Ltd. and other contractors expected to work on site.
11. Certification of completed works and issue of stage payment certificates by PSDP	PSDP certifies that work has been completed and issues stage payment certificates.
12. Form A1 and Change Order No. 1 Justification Report	The Council technical staff prepare the Form A1 and the Change Order No. 1 Justification report for the TII outlining the need for additional pavement intervention, drainage and accommodation works on the scheme and the associated costs.
13. Certificate of Substantial Completion	The Certificate of Substantial Completion issued by the Council to Lagan Asphalt Ltd. In September 2022.
14. Close Out Report - Anticipated September 2023	The Council will submit a Close Out Report to TII when retention monies are paid to Lagan Asphalt Ltd. in September 2023.

Key Document 1: TII 3 Year Look Ahead Pavement Program

The TII Network Management (NM) analyses data in the PAMS to identify priorities for network maintenance and to select the priority areas for development into repair and renewal projects including the potential appropriate high-level interventions and treatments. The TII notifies the relevant Local Authority (LA) of sections of the national road network for priority development into repair and renewal projects either through direct contact (recorded in minutes or by e-mail) with the TII NM Senior Engineer and Regional Management (RM) Senior Engineering Inspector or through the annual allocations process and requests the development of a PARR Scheme by the LA.

The LA carries out all necessary studies and surveys and reviews all relevant information to determine the likely causes of the pavement deterioration for the sections notified and proposes appropriate repair and renewal solutions – taking account of the principles contained within TII Publication AM-PAV-06050. These proposals will be summarised in the PARR Proposal which will be submitted for approval to the TII.

Key Document 2: PARR report by the WRNO

The report details the description of the proposed works, previous work completed on the section of road, the current condition of the road, investigation works carried out, the design process, draft cost estimate and recommendations.

Key Document 3: TII 2022 Grant Allocation

These are the annual grant funding allocations provided by the TII to the Council having regard to improvements and maintenance. Details of the grant allocations are usually received in November to facilitate the development of the Road Works Scheme Book outlining the allocations received and the description of the planned schedule of works for the Roads year 1 December to 30 November of the following year.

Key Document 4: Approved Form (AF 1) sent to the HSA

Compliance with Health and Safety regulations is paramount. This fulfilment of statutory obligations advises the HSA that the PDSP is the Council and also informs the HSA the nature of the construction works to be carried out.

Key Document 5: Tender documents for the proposed pavement rehabilitation works on the N4 Garryandrew

The PSDP prepared the tender documents for the N4 Garryandrew Pavement Rehabilitation Scheme. The PSDP invited the contractors on the Westmeath, Offaly, Longford County Council Framework for Pavement and Associated Minor Works for National Roads to tender for the works.

Key Document 6: Assessment and report on Tenders by the PDSP

Contractors on the Westmeath, Offaly, Longford County Council Framework for Pavement and Associated Minor Works for National Roads were invited to tender for the project. Tender documents issued to all eight companies on the Tenderer's Framework Agreement. Due to COVID-19 restrictions, the tenders were asked to return the tender submissions by email, in a password protected zip file. Three of the tender submissions were received via email before the closing date. One of the tender submissions was received late and was deemed not qualified and was not opened. Once the closing date/time for the receipt of tenders had lapsed, the tenderers were asked to forward the password to open their respective submissions. The priced tenders were opened. The lowest price tender was checked for arithmetic errors and one error was found, however the error did not carry forward to the summary page so the contract price as per the submitted form of tender was the same as the total contract price in the Bill of Quantities. When all the tender compliance checks were completed and post tender clarifications received, a recommendation was made to appoint Lagan Asphalt Ltd. as contractor for the N4 Garryandrew Pavement Rehabilitation Scheme for the sum of €1,198,391 ex. vat.

Key Document 7: Completion of A5.11 TII Tender Award Recommendation

The Council completed the TII Project Management document detailing the N4 Garryandrew project, summarising the tenders received and recommending award to Lagan Asphalt Ltd in the sum of €1,3198,391 (ex. vat.).

Key Document 8: Letter of approval from TII

TII approved the tender award and the project to Lagan Asphalt Ltd in the sum of €1,198,391 (ex.vat.) subject to compliance with appropriate insurances, bond, tax clearance, Health & Safety etc

Key Document 9: Signed Construction Contracts

Signed Construction Contracts by the Council and the PSCS Asphalt Lagan Ltd outlines the agreed project sum, the law governing the contract, loss, damage or injury and insurance of the works, management obligations and contractor's personnel, property ownership, standards of workmanship, the site, time and completion, claims and adjustment, payment and termination, disputes and price variation.

Key Document 10: Approved Form (AF 2) sent to the HAS

Ensuring compliance with Health & Safety regulations, the PDSP forwarded the Approved Form (AF 2) to the HSA in advance of works commencing. The form states who the PSCS is, Lagan Asphalt Ltd. and also details other contractors expected to work on site.

Key Document 11: Certification of completed works and issue of stage payment certificates by PSDP

The PDSP certified completed works for payment in September, October and November 2022 and were paid through Agresso in September, October and November 2022. Consequential recoupments from the TII were made on the PRS in October, November and December 2022.

Key Document 12: Form A1 and Change Order No. 1 Justification Report

At the construction phase the Council identified additional works to be completed that were originally conceived as unnecessary at the PARR proposal stage. The Council proposed extending the scope of the contractors work to include additional pavement works and additional necessary drainage and accommodation works on the N4 Garryandrew pavement rehabilitation scheme. With the contractor on-site it was deemed the most opportune period to carry out these additional works without having to go to market to seek alternative prices separate to contract. A Change Order to the current works contract was recommended as the most appropriate and cost effective option to resolve the issue.

The PSDP completed Form A1 and the Change Order No. 1 Justification report for the TII outlining the need for additional pavement intervention, drainage and accommodation works on the scheme and the associated costs.

Key Document 13: Certificate of Substantial Completion

In accordance with Clause 9.6 of the Conditions of Contract, the Certificate of Substantial Completion was issued by the Council to Lagan Asphalt Ltd. In September 2022 certifying that the contractor has achieved substantial completion of the works.

Key Document 14: Close Out Report – Anticipated September 2023

The Council will submit a Close Out Report to TII when retention monies are paid to Lagan Asphalt Ltd. in September 2023.

Section B - Step 4: Data Audit

The following section details the data audit that was carried out for the N4 Garryandrew Pavement Rehabilitation Scheme, NP Roads – Maintenance and Improvement 2022. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
TII Annual Surveys	These documents detail the projects and schemes that TII have identified for implementation and they will form the work programme of the sponsoring agency, Longford County Council.	Electronically recorded
PARR Proposal	The report details the description of the proposed works, previous work completed on the section of road, the current condition of the road, investigation works carried out, the design process, draft cost estimate and recommendations. It is diagnostic in its detail and is beneficial to TII in assessing the project and useful to the PDSP in preparing Tender documents.	Electronically recorded
Assessment and report on Tenders by the PDSP	It is important to assess the tenders received and carry out the necessary checks to ascertain if the lowest price tender represents value for money for the sponsoring and the sanctioning authority.	Electronically recorded
Signed Construction Contracts	The contract outlines the responsibilities of all parties concerned. The contract can also measure tender price against actual expenditure.	Electronically recorded
Financial reports for expenditure analysis on the N4 Garryandrew pavement rehabilitation scheme.	To monitor expenditure to budget. To review spend. To confirm grant funding received.	Electronically recorded and available on Agresso.

Data Availability and Proposed Next Steps

Internal Audit is satisfied that the documentation outlined in the above table was provided on request from the Roads Department of Longford County Council. Assurance is provided that the N4 Garryandrew Pavement Rehabilitation Scheme was undertaken in line with the Public Spending Code guidelines. The necessary supporting documentation will be retained on file for future audit trail purposes. The

The Roads department will submit a Close Out Report to TII when retention monies are paid to Lagan Asphalt Ltd. in September 2023.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for the N4 Garryandrew Pavement Rehabilitation Scheme, NP Roads – Maintenance and Improvement 2022 based on the findings from the previous sections of this report.

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

Based on the findings of the in-depth review, the delivery of the N4 Garryandrew Pavement Rehabilitation Scheme complies with the standards set out in the Public Spending Code. Proper procedure was followed in the tender of works for the project from the Westmeath, Offaly, Longford County Council Framework for Pavement and Associated Minor Works for National Roads to tender for the works.

When the Council identified additional works to be completed that were originally conceived as unnecessary at the PARR proposal stage they examined all alternative measures to carry out the works and selected the most appropriate and cost effective option to resolve the issue in the Change Order Justification Report.

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

Yes, all the necessary data and information is available electronically, in the Council's financial management system Agresso and on the PRS should the project be subject to a full evaluation at a later date.

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

Whilst it appears there may have been a flaw in the design in the PARRS proposal by the WRNO, the issue was resolved by the technical staff in the Roads department in the most appropriate and cost effective manner. No other issue was identified in the course of the in-depth review. Strong controls and procedures are in place. Due to the volume of paperwork, all records are filed electronically which is much more sustainable to the environment and a practice that should be copied across the Council.

Section: In-Depth Check Summary

The following section presents a summary of the findings of this In-Depth Check on the N4 Garryandrew Pavement Rehabilitation Scheme, NP Roads – Maintenance and Improvement 2022.

Summary of In-Depth Check

The need for the scheme was established in 2018 by the TII in the PAMS annual survey. Completing this project meets local objectives in the Council’s Corporate Plan 2019-2024 of improving connectivity and accessibility, both infrastructural and digital, to attract and support business community and our people. The project also satisfies national objectives as outlined in TII’s Statement of Strategy 2019-2023.

The project was delivered on time.

The in-depth check involved reviewing the electronic project records held by the Roads Department for the N4 Garryandrew Pavement Rehabilitation Scheme. Meetings took place with Engineering and Administrative staff regarding the project. Expenditure on the Council’s financial management system Agresso, was examined for payments charged to the job code. The recoupment of monies through the PRS was also confirmed. It is the opinion of Internal Audit that there is substantial compliance with the Public Spending Code in respect of this project.

Overall Assurance Level

	Substantial Assurance – There is a robust system of risk management, control and governance which should ensure that objectives are fully achieved.
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