



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



24 January 2014

Circular: Housing 5 / 2014

To each Director of Service (Housing)

Capital Assistance Scheme (CAS) Programme, 2014 - 2016.

Dear Director,

The purpose of this Circular is to (i) advise you that the 2014 allocation under the Capital Assistance Scheme (CAS) which will be notified to you under separate cover, is intended to fund only commitments on approved projects currently underway and (ii) to request your authority to issue a 'Call for Proposals' to Approved Housing Bodies operating in your area to submit proposals for new CAS construction and/or acquisition proposals.

Some €41 million is being provided for projects assisted under CAS in 2014. Local Authorities identified commitments under CAS of around €31 million, of which some €26.2 million is expected to fall payable this year. Funding is now being allocated in respect of approved projects and **may only be used to deal with existing commitments on projects outlined in the Allocations Table which will follow this Circular.** Local authorities will be advised of funding approval in respect of new CAS construction or acquisition proposals once the prioritised list of projects received in response to the "call" are appraised. Funding under the demand-led Capital Advance Leasing Facility (CALF) will be allocated on a case by case basis accordingly as projects are progressed.

Call for Proposals

While the level of capital funding available over the 2014–2016 period for new CAS projects is constrained, the available funding will facilitate the advancement of a modest construction programme and/or the acquisition of built properties where suitable and value for money

alternatives exist. It is expected that the bulk of the investment in new projects will be expended and recouped in 2015 with some balances/final accounts to be drawn in 2016.

Action now required

The Government has a clear commitment to homeless persons, older people and people with a disability and aims to ensure access to an appropriate range of community based housing services, including any necessary supports, with particular regard to the specific needs of people with mental health and intellectual or physical/sensory disability. In order to identify the nature and extent of housing needs for people with specific categories of need within their administrative areas, local authorities are now required to issue a 'Call for Proposals' requesting Approved Housing Bodies (AHB's) to put forward cost effective and sustainable proposals to meet this need. Authorities should place appropriate notices on their web page and in local newspapers in this regard. The Irish Council for Social Housing (ICSH) and the National Building Co-operatives (NABCo) will alert affiliated AHB's to the intended call for proposals.

Proposals should in all cases reflect actual housing need as identified in the latest Housing Needs Assessment (HNA). In issuing a call for proposals, your authority should broadly identify the category and location of need within your area. AHB's should be requested to identify suitable properties/sites and complete a preliminary appraisal with sufficient information to enable the Local Authority to assess the project. Having regard to the level of funding available and the spectrum of need across all local authorities, priority consideration will be given to smaller projects of up to 10 units. Rather than create unrealistic expectations it would be prudent to make this clear to AHBs when advertising the 'call'. Priority will also be afforded to small infill type developments and to projects which will be ready to commence in 2014.

Priority of proposals.

Authorities are asked to submit a short list of prioritised proposals (no more than 5) on the attached template (Appendix 1) to the Department for consideration for funding. The criteria to be used in assessing the proposals should include:

- (1) The extent to which the proposals address the housing need as identified in the HNA.
- (2) Value for Money – Proposals should be cost effective and fit-for-purpose and be in compliance with Public Spending Code and Capital Works Management Framework.
- (3) Prioritised projects should be in a position to progress without delay following funding approval, with some recoupable expenditure to be incurred in 2014.

(4) Part V agreements – proposals may relate to cases where a binding commitment is in place under Part V.

Registration with Health, Information & Quality Authority (HIQA) as a Designated Centre

As set out in Memorandum 2/02 on the voluntary and co-operative funding schemes, the CAS is not intended for the provision of residential care or nursing home type accommodation. Where 100% funding is provided, all tenants must be drawn from the local authority housing waiting list. Therefore, registration with HIQA in the case of schemes put forward under this call would not appear to require registration as a Designated Centre. AHB's should be asked to clarify the position as HIQA designation may require additional compliance with certain design, layout and specification requirements.

Compliance with Voluntary Regulatory Code (VRC) for AHB's.

While approved housing bodies (AHBs) have a solid track record of housing provision and management over the last 20 years or so, more is now being asked of the sector. The Department, therefore, in consultation with the AHB sector, is developing an enabling regulatory framework for the sector that will provide support and assurance both to the sector itself and to its external partners as it takes on the expanded role envisaged for it.

In July, 2013 the Minister for Housing and Planning launched a Voluntary Regulation Code (VRC) for the sector. This is the first step in a regulatory process which will provide a framework within which statutory regulation of the AHB sector will be developed and it is expected to have statutory regulation of the sector in place by 2016. The VRC will assist AHBs to improve their governance, management and financial capabilities in anticipation of statutory regulation and will facilitate better interim oversight of the sector.

AHBs have been urged to sign up to the VRC and may contact their representative and advisory bodies (ICSH or NABCo) for any guidance required in relation to the Code. **It is anticipated that AHB's in receipt of state funding will have signed up to the Code.**

Ethical Framework and Disclosure of Interest

In all cases where a local authority official or an employee of an AHB, or connected persons, have any involvement with or is in any way connected with the purchase/disposal of property or the procurement/awarding of works or services contracts relating to a project to be funded under CAS, such persons must comply with the National Code of Conduct for Local Authority Employees as set out in the Local Government Act, 2001 and Part 8 of Memorandum: VHU2/02.

The Code of Conduct sets out the principles and standards of conduct and integrity for local authority employees in executing their functions. This places a statutory duty on all employees to maintain proper standards of integrity, conduct and concern for the public interest. Employees must be cognisant of the fact that it is primarily their responsibility to ensure their actions whether covered, specifically or otherwise, by the Code of Conduct are governed by the ethical considerations of the Code. Particular attention is drawn to Sections 171 and 179 of the Local Government Act with regard to annual declaration and disclosure by employees in cases where pecuniary or other beneficial interest may apply.

Local authorities may require AHB's to submit a declaration relating to any pecuniary or other beneficial interest by an employee or person connected in the case of any property being acquired or contract undertaken with funding provided under CAS.

The Local Government Audit Service will have due regard to requirements of the Local Government Act 2001 in auditing the accounts of local authorities.

Timeframe

The Department intends to announce details of the projects to be funded under this call for proposals early in Quarter 2, 2014. This timeframe will allow AHB's to progress the planning, design and procurement of contracts with a view to commencing construction work later in 2014. Local Authorities are, therefore, required to complete their assessment/appraisal of the proposals received and to submit a prioritised list of proposals on Appendix 1 to the Department for consideration, no later than 28 March, 2014. To this end, authorities should advertise the 'call for proposals' as soon as possible and establish a firm timeframe for the receipt of proposals from the AHB's in response to this 'call'.

Deadline for receipt of Completed templates

Please complete the attached Template at Appendix 1 (word version of Template will issue with allocations for your convenience). Priority No.1 should be afforded to the project most suitable for inclusion in the 2014-2016 CAS programme, based on the criteria set out above. In no case should two or more projects be given the same priority rating.

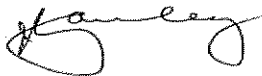
Please return completed template electronically to vshousing@environ.ie by: **28 MARCH 2014.**

Enquiries

Please direct any queries relating to the **2014 CAS Allocation** to the contact on the attached list of contacts (Appendix 2).

Any queries in relation to the **'Call for Proposals'** should be directed to Teresa Cawley at teresa.cawley@environ.ie (096 24364) or Patrick Leonard at patrick.leonard@environ.ie (096 24406).

Yours sincerely,



Jim Ganley
Principal Officer
Social Housing Investment Programme (Operational)
Tel. 096 24418

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Prioritise proposals which will best address local housing need as identified in HNA.