



Housing SPC Motion – 14th April 2021 Terms of Reference for External Audit.

The following two Notices of Motion were approved by the Housing Strategic Committee (SPC) on the 14th April 2021: “That Dublin City Council directs the Chief Executive to undertake an immediate external audit on exact construction costs paid by the local authority in the delivery of social housing. This external audit, should include, but not be limited to, the schemes referred in the report on Construction Costs published by Dublin City Council on 31st December 2020. This urgent requirement comes following the publication of the Society of Chartered Surveyors Ireland report on the 26th of January 2021 and news reports over the weekend that senior executives at Dublin City Council have raised concerns about the "premium price" it has been charged by private contractors for social housing. That Dublin City Council also directs the Chief Executive to undertake an evaluation of the efficiency and effectiveness of the 4 stage approval process and of the tendering protocols and practices with regard to housing project design, costs – including impact of extended timelines caused by current procedures, the timely delivery of housing, duplication of work across DCC, the Department of Housing, Local Government and Heritage and the Department of Public Expenditure and Reform, flexibility to react to/accommodate local needs and the quality of design/build. That this evaluation would make recommendation on how current processes, protocols and legislation could be changed to afford both accountability and effective efficient delivery of high quality sustainable communities”.

The following are the draft terms of reference (Second Version) for the commissioning of reports on these two Motions:

(1) Construction Costs:

- Examine the costs as contained with Dublin City Council’s report on Construction Costs dated 31st December 2020.
- *Concentrate primarily on apartment development with some comparative analysis on conventional house build costs.*
- *Examine the impact on construction costs from the switch in more recent years from the building of Houses, Low-Rise Apartments to predominantly High-Rise Apartments in Dublin City.*
- *Confine analysis mainly to Dublin City but also include the other Dublin Local Authorities if more recent construction costs details are available.*
- *Provide some ‘signposting’ on more efficient design, procurement and build methodologies with a view to achieving affordable housing delivery.*
- Examine the costs as contained within the Chartered Surveyors of Ireland report-‘The Real Cost of Apartment Delivery’ dated 26th January 2021. *Utilise any current industry and/or academic research available that is considered reputable and credible as part of the analysis.*
- *Assess the applicability of reports into new Covid / Brexit costs and material inflation.*

- Discuss issues with nominated representatives from Dublin City Council including Councillors to gather further insights as appropriate.
- Provide a comparison and relevant analysis of the costs contained within the reports mentioned above with *additional review and examination of time scales for the lifecycle of construction projects.*
- Outline findings in relation to any differences arising in the various reports.
- Provide a benchmarking analysis of market norms and trends regarding housing construction costs.
- Deliver commentary in response to the 'premium price' statement contained within the above motion.
- Deliver a clear analysis of the differences between Local Authority construction costs and those in the private housing sector and why those differences exist.
- *Consider the impact on costs from higher specifications demanded from Local authority developments.*

(2) Timescales for the delivery of Housing:

- Carry out a comprehensive review of all the steps involved in bringing a site/land (In DCC ownership) from initial planning /feasibility stage right through to handover of the constructed homes to the tenant *and identify possible avoidable delays. Take a particular focus on possible duplication of technical work between DCC, AHB and the Department's technical team. Examine impact of procedures and protocols that lead to delays in getting to construction stage. Suggest a signposting process for avoiding delays, the optimizing of time available and the sequencing of tasks.*
- Examine the exact time-periods that result from the necessary adherence to Public Procurement rules and procedures including time-periods spent on the administration and management of the various Public Procurement procedures (Consultants and Building Contractors) e.g. preparing briefs, assessment of tenders etc.
- *Examine the specific time-scales around the current 4 Stage Approval process for construction schemes with the Department of Housing.*
- Examine the time and procedures/process involved in bringing proposals to Part 8 Planning.
- While accepting and acknowledging the clear benefits of good and early consultation with Councillors and Communities, examine the impact of the regular strong resistance and opposition to the development of social housing in some areas. *Consider a clear definition of consultation.*
- Review perceived duplication of work on the development of housing schemes between and across DCC, the Department of Housing and in certain situations the Department of Public Expenditure and Reform, the flexibility to react to/accommodate local needs and the quality of design/build.
- Make recommendation on how current processes, protocols and legislation could be changed to afford both accountability and effective efficient delivery of high quality sustainable communities.