



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



Circular FPS3/2016

April, 2016

Re: National Taking in Charge Initiative for Residential Estates (NTICI)

To: Directors of Planning Services, and Housing Services,
c.c. Irish Water, Environmental Protection Agency

1. Purpose of the National Taking in Charge Initiative

I wish to refer to the recently announced National Taking in Charge Initiative (NTICI) for residential estates, and proposed pilot scheme funding of €10m, which is intended to accelerate the taking in charge process of housing estates, including estates with developer-provided water services infrastructure.

The initiative draws upon data gathered by your local authority and collated by the Department in December 2015, across the 31 local authorities, indicating that there are 5,566 completed housing developments nationally which are not in the charge of local authorities.

While over 2,000 estates were taken in charge between 2008 and 2013, the level of applications on hand to be taken in charge by local authorities (circa 1,500 estates) remains at a high level. This is as a result of both high rates of estate development over the past decade or so, and the success in resolving around 2,000 formerly unfinished housing developments, many of which are now awaiting taking in charge.

The Department appreciates the efforts undertaken by your local authority in assisting on the compilation of this national database, which is available on the Department's website www.environ.ie, and which the Department intends to keep up to date by reviewing on an on-going basis and using input from local authorities.

As in the case of the National Housing Development Survey in relation to the successful tackling of the unfinished housing developments, the National Survey of Estates not Taken in Charge provides a baseline for measuring progress into the future and ensuring certainty for residents.

The Department is aware that the taking in charge process can be complex, particularly where there are enforcement issues involving the developer who is responsible for complying with the terms and conditions. Accordingly, the aims of this new national initiative are:

- (1) To support demonstration projects in 2016 this will create new working methods to provide for acceleration within the overall taking in charge process.
- (2) To assist local authorities in developing a programme by the end of 2016 which will provide for the taking in charge of around 1,500 applications currently on hand, as well as for any new applications that come on stream by 2020.

The Department anticipates that the demonstration projects will underpin working methods with potential to fund the 2020 programme by harnessing income/investment from a variety of sources including developers, bonds, local authorities, Irish Water and any other sources.

A similar model was very successful in delivering a resolution to a substantial number of unfinished housing estates for a modest Exchequer and local authority outlay.

In relation to bonds, specifically Irish Bank Resolution Corporation (IBRC) bonds, it is the Department's understanding that further correspondence will issue in the coming weeks from the special liquidator to relevant local authorities.

Irish Water (IW) are also proposing a fund in their Investment Plan 2017-2021 to provide for the most urgent water and wastewater asset upgrade requirements on foot of the taking in charge of estates connected to IW networks. This will help to provide for further asset upgrades where funding from sources such as developer bonds, other planning securities or developer /liquidator monies will not be available or sufficient to fund these upgrades.

2. Operation of NTICI and invitation for proposals

Further to the DECLG Briefing Seminar on Wednesday, 3rd February 2016 in Local Government House, the details below set out how the NTICI is intended to operate.

Table 1 attached to this circular outlines indicative potential funding available for each local authority, which has been formulated by the Department under a number of headings taking account of (a) the levels of applications for taking in charge on hand and (b) the performance in terms of numbers of estates taken in charge since 2008.

Local authorities are now invited to submit proposals for the draw-down of this funding under the measures relevant to them and meeting the eligibility criteria set out below.

Proposals from the local authorities will be evaluated by a steering group who will consider the selection criteria and other factors set out in the following measures:

Measure 1: Housing Estates Not Containing Developer Provided Water Services (€5.5million approx.).

Local authorities proposals under this measure will be evaluated out of a maximum potential score of 1,000 marks on the basis of:

- (1) The numbers of estates to be taken in charge in 2016 with detailed budget costs and work programmes (300 marks);
- (2) The numbers of households in each estate and overall benefitting (150 marks);
- (3) The extent to which individual estates can be taken in charge for modest outlay (up to €15,000 per estate) (150 marks); and

- (4) Submission of a wider programme covering the period from 2017-2020 inclusive of indicative costings and funding streams, including local authority, developer/receiver/enforcement/bond, Irish Water or other sources (400 marks).

Proposals that demonstrate a high level of collaborative problem solving and leveraging of complimentary funding from developer, bond provider, receiver or other sources will merit preferential consideration.

Only local authorities who have a Memorandum of Understanding agreement in place with Irish Water as regards the Taking-In-Charge process will be eligible for funding.

Local authorities must also demonstrate to the Department that they have put in place the necessary steps to maximise drawdown from the IBRC liquidation process. The Department is willing to provide technical assistance on this matter and co-ordinate with the Department of Finance.

Measure 2: Housing Estates served by Developer Provided Infrastructure (€3.5 million).

Based on an earlier pilot study with considerable work input from an initial cohort of local authorities with high incidences of developer provided infrastructure, seven local authorities (Cork County Council, Clare, Donegal, Galway County Council, Kerry, Tipperary and Wexford) have been proposed for demonstration projects by the Department although consideration may be given to other counties with developer provided infrastructure within the indicative funding available.

Demonstration projects will be considered where these can be delivered or largely delivered in 2016 while offering value for money, enduring sustainable solutions and with reasonable prospects of being taken in charge by Irish Water. A good example of such sustainable solutions could be the replacement of a poorly functioning package type wastewater treatment plant with a pump sump and rising main connecting to main drainage or standalone communal septic tank.

The indicative level of funding proposed to be made available to the seven local authorities under this measure is €500,000 per authority, although actual drawdown will depend on submitting proposals meeting the criteria above.

In light of the previous pilot project, proposals submitted under this measure by the relevant local authorities should address the size of estates under the following four sub-categories;

- (1) Estates which consist of <10 Houses;
- (2) Estates that have 10-25 houses;
- (3) Estates that have 25-100 houses; and
- (4) Estates greater than 100 houses.

The Department encourages each local authority to propose a minimum of one estate from each of the four when submitting their shortlist.

Each local authority submission will be evaluated out of a maximum potential score of 1000 marks as follows.

- (I) Numbers of eligible estates proposed to be resolved and size of estates concerned (based on the above sub-categories) (200 marks).

- (II) Proposed upgraded design solutions and reasons for choice including factors such as risk to human health/environment and hardship, and the provision of any effluent licence compliance certificates as necessary (200 marks).
- (III) Cost of proposed solution including ongoing operational/maintenance costs and any additional funding from other sources (200 marks).
- (IV) Procurement and work method proposals for completion of the works (200 marks).
- (V) Projected time scale for completion to TIC standard including handover to Irish Water where appropriate (200 marks).

Measure 3: Technical Assistance Funding (€1.0 million approx.)

€1.0m is reserved for technical assistance to support feasibility studies, surveys, development of guidance protocols and project management and any other measures that support efficient and effective resources that will help to advance knowledge for the delivery of the TIC process.

3. Evaluation Process

Proposals should be contained in reports not exceeding 50 A4 pages per local authority, to be submitted to the Department before close of business on **Friday 13 May, 2016**. The Department will only accept one overall application document per local authority.

A Steering Group is currently being put in place to ensure the smooth operation of the NTICI. The Group will initially evaluate the proposals received, and thereafter seek to maximise learning and address any co-ordination or interface issues.

The Steering Group will comprise of representatives from the Department, IW, Environmental Protection Agency (EPA), Water Services Transition Office and other stakeholders as required.

The Department reserves the right to reduce and or re-allocate funding on the basis of expert evaluation of proposals in line with the criteria/marketing schemes above.

The Department intends to inform local authorities of the intended allocations by early June 2016.

4. Administrative Process

Payment will be on the basis of a 50% up-front payment on submission of successful application, with the balance payable upon certification by the applicant that the works have been completed and the development will proceed to being Taken in Charge in accordance with the approved funding submission.

Local authorities are reminded of their obligations regarding tendering under government public procurement policies. (Guidelines available at <http://www.procurement.ie/>)

5. Deadline for receipt of applications

The deadline for receipt of applications for funding under the NTICI is **Friday 13th May, 2016**.

Applications should be sent, via email to ntici@environ.ie and marked NTICI with each local authority name (for example, subject line of email: NTICI Clare Co Co).

This circular, along with previous relevant circulars, are available electronically on the Sharepoint system. Any enquiries in relation to this circular may be directed to:

Ed Hanlon, Senior Adviser, (01-8882303).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Niall Cussen', written in a cursive style.

Niall Cussen

Principal Adviser

Forward Planning Section

Water and Planning Division