Controlling the controllables in the Irish planning process

Overview

- What are the general reasons for planning delays? What potential measures can you put in place to mitigate them?
- What are the steps in the planning process? What are the activities and deliverables at each step?
- What can be standardised – to control what you have control over?
- What are the reasons for delay due to planning issues?
- What is the impact of delay on a project? What mitigation measures can be put in place to reduce the impact of the delays?

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Projects generally fail or get delayed primarily due to managerial aspects

Putting in place a robust project governance approach and performance management system should help manage all these potential hurdles.

Risk is managed through mapping the development process onto a stage gate project governance process

Buy Site Gate
- Decide if site should be bought
- Have a quick look
- What resources needed

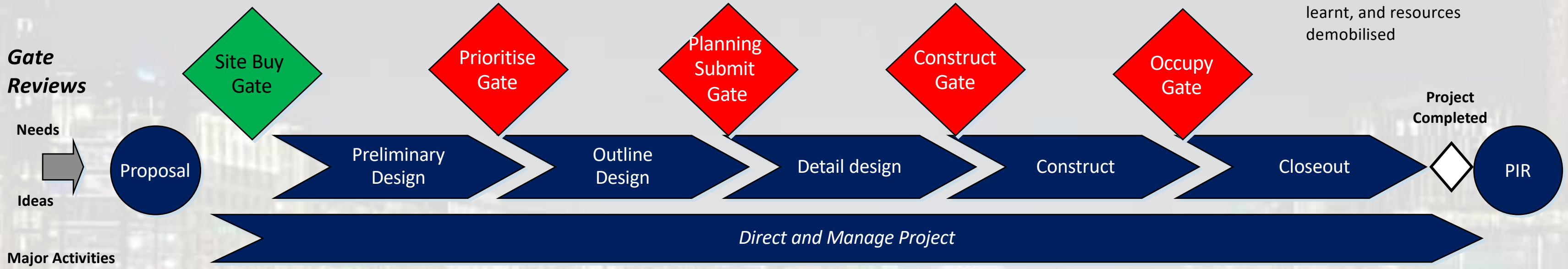
Prioritise Gate
- Review initial business plan & prioritise projects
- Finalise use mix
- Commit resources to at least the next stage

Submit Planning gate
- Update business case
- Commit development and operational resources to prepare planning application

Construct Gate
- Business case still valid
- Review if you are ready to build
- Funding fully in place to draw down

Occupy Gate
- Ensure the buildings are ready
- Confirm close date for all sales

Handover
- Close sales
- Finalise defects to end DL period
- Ensure project scope completed, lessons learnt, and resources demobilised



Major Activities

- Screen sites
- Identify and detail site concepts
- Prepared preliminary accommodation schedule
- Prepare a preliminary budget
- Prepare design brief
- Prepare client requirements
- Allocate PM
- Invest in a project team
- Identify stakeholders
- Develop stakeholder communication plan

- Identify use mix
- Evaluate, in outline, operational, technical and financial viability
- Assess resources in place
- Check any legal, regulatory or planning issues.
- Initial brief preparation
- Refine preliminary budget
- Determine programme
- Risk identification & assessment
- Market study
- Undertake initial investment/feasibility appraisal
- Plan the next stage of the project

- Market investigation & define technical and operational requirements
- Finalise accommodation schedule & use mix.
- Design solutions in outline
- Update and refine budgets
- Recheck legal, regulatory or planning issues
- Finalise the chosen solution & prepare detailed brief.
- Initial sales & marketing plan
- Update investment appraisal
- Consider funding structure

- Detailed design of planning application
- LA meeting
- ABP meeting
- Obtain planning permissions
- Check and refine plans for the remainder of the project – determine timing & phasing
- Update and refine budgets – prepare cashflows
- Update sales & marketing plan
- Update business plan
- Obtain final funding term sheets & credit committee approval – facilities in place

- Incorporate planning conditions
- Tender design
- Procurement
- Finalise supplier/contractor arrangements
- Construct buildings
- Build show homes
- Manage quality of construction
- Quality assurance & certification (BCAR)
- Conduct commissioning trials in the buildings
- Building control
- Prepare final account
- Sales & marketing plan finalisation

- Sales
- Ongoing marketing
- Finalise & close all sales
- Handover solutions for ongoing management
- Carry out closure review
- Finalise final account
- Snagging to end defects liability

- Assess the effectiveness of the PMO process in meeting your objectives
- See how your project process can be improved the next time
- Capture knowledge from project
- Capture outturn costs

Deliverables

- Site concept
- Accommodation schedule
- Stakeholder map
- Project team
- Preliminary appraisal
- Costs +/- 30%

- Design Concept – initial appraisal
- Accommodation mix
- Initial Business Plan
- Initial Risk Evaluation
- Costs +/- 20%

- Outline design proposal
- Feasibility Report
- Updated Business Plan
- Construction Plan
- Costs +/- 10%

- Final Business Plan
- Scheme design & Planning application
- ABP decision
- Funding in place
- Costs +/- 5%

- Tender & Production design
- Certified Buildings for close
- OMC in place
- O & M manuals

- Revenue from sales
- Commissioning reports
- Snag List
- Project closure report

- Post implementation review (PIR) report

A programme management office (PMO) has a number of important functions that can help minimise risk of failure & delay

- Reports project status to executive management
- Develops and implements a standard project methodology
- Monitors and controls project performance
- Develops competency of personnel, including training
- Implements and operate a project information system
- Provides advice to upper management
- Coordinates between projects
- Develops and maintains a project scoreboard
- Promotes project management within the organisation
- Monitors and controls performance of PMO

There are key benefits in adopting such an overall approach in the regulatory approval phase of a project. Identifying key activities and outputs. Scheduling their preparation and review, And minimising impact when things go wrong

A decision to submit planning (Planning Submit Gate) for a site has several work packages with gates between each

Detail design workshops

- Masterplan
- Buildings
- Public realm
- Transport
- Parking
- Site services
- Surface water
- Environmental

Stage 1 – S.247 Consultation

- Finalised scheme concept
- Ask for LA meeting (4w)
- Submit proposal information (-2w)
- Consult with prescribed bodies
- Meeting (0)

LA opinion

Stage 2 – LRD Opinion Meeting

- Prepare meeting documentation
- Request meeting (4w)
- Issue of opinion by LA – reasonable basis for application? (+4w)

Reasonable basis

Stage 3 – LRD Application & Decision

- Application (opinion +6mo post opinion mtg.)
- Must address issues i.d. in opinion mtg.
- Assessment & decision (+8 weeks from submission)
- Update – budget, programme, investment case

Once site concept is agreed deliverables have clear ownership, approval and preparation times dependent on the complexity and scale of the development. Reason for standard activity/document slippage needs to be understood.

These work packages have a range of resources responsible for their delivery and significant interdependencies

Internal

- Construction budget
- Development budget
- Planning fee
- Landowner consent for application (if applicable)
- Draft details of Part V proposal

Architect

- Conservation report
- Architectural design statement
- Location map
- Scheme drawings as per art 297(4)

Planning

- Statement regarding any LA opinion on LRD Consultation
- LRD application form
- Copies of newspaper & site notice
- Brief outline of proposed development
- Statement re consistency with LAP or development plan etc.
- Details of Part V compliance

Archaeology

- Archaeological assessment

C&S Engineer

- Flood risk assessment
- Draft construction management plan
- Engineering services report
- Engineering drawings & schedule
- Construction & demolition waste plan
- Sustainability & utilities report
- Proposed on site wastewater treatment
- Transport

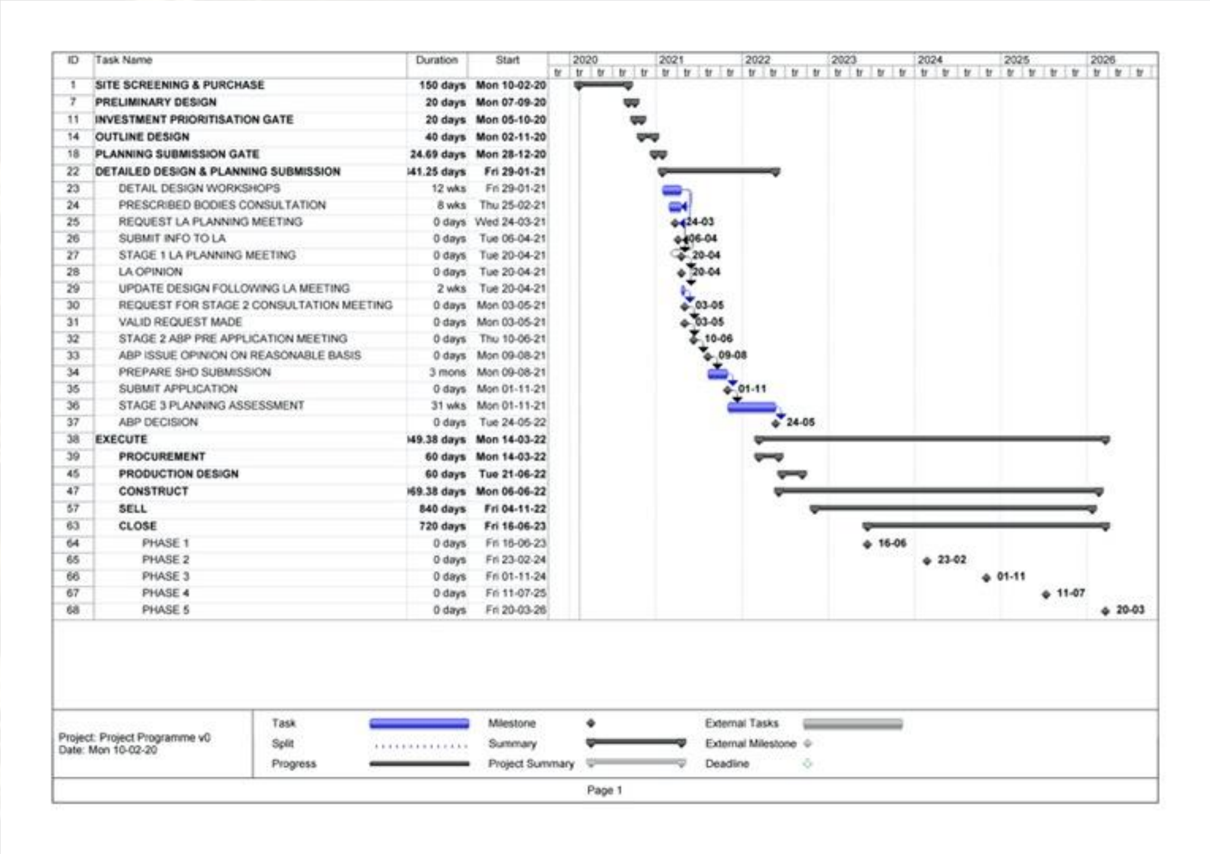
Landscape

- Landscape & visual impact assessment
- Landscape drawings & design statement

Other

- CGI & photomontage. Daylight & sunlight analysis – CGI consultant
- EIAR and/or NIS as required
- Assessment screening report – ecology
- Bat survey – ecologist
- Irish water capacity confirmation
- Website

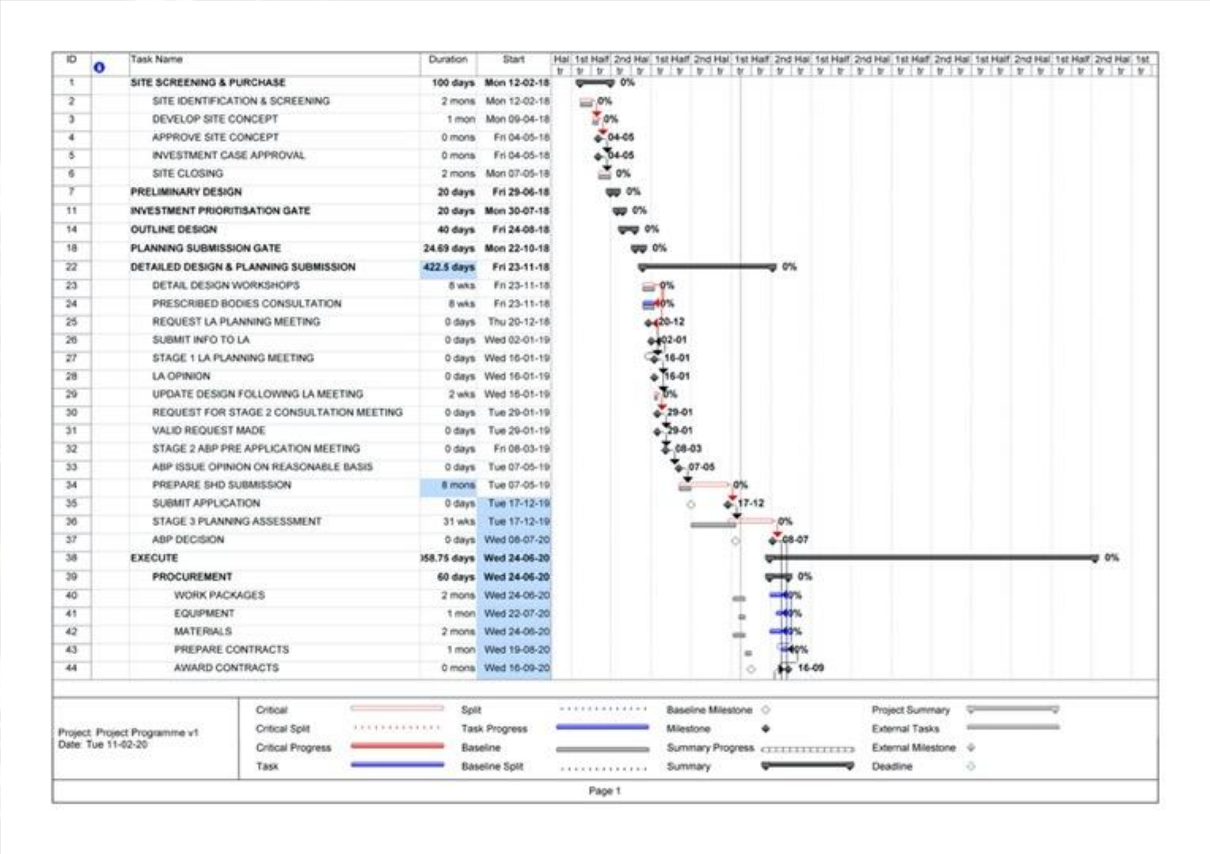
The work packages should be programmed on a critical path. KPI's should be tracked v other projects & industry

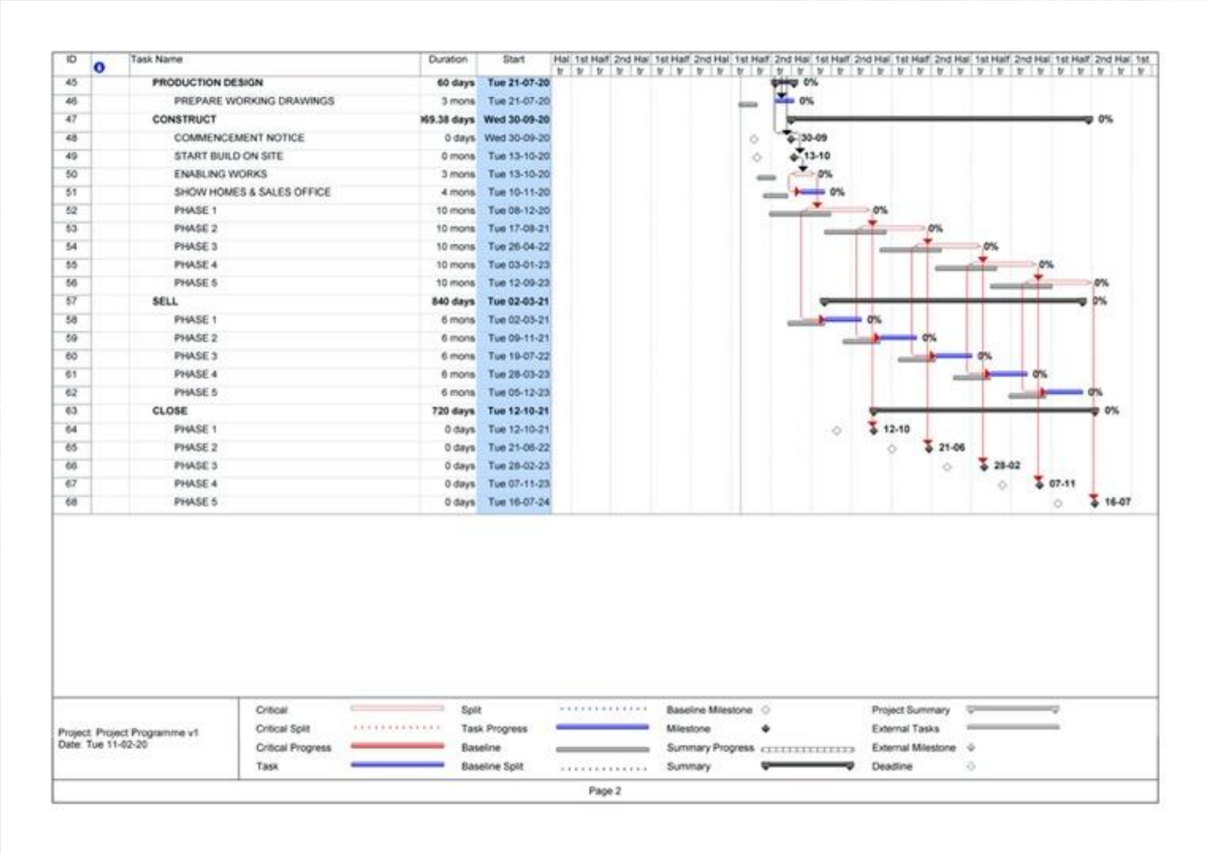


	Time predictability	Cost predictability
Design to planning		
Design in planning		
Design from planning		
Construction		
Project		
Time to close		

Delays have an impact on 1. Procurement, 2. Production Design, 3. Construction and, 4. Available for Sale Date These activities will have to be reprogrammed and scheduled resources moved to other activities.

The impact of a 6 month delay will push out subsequent activities and delay date of closing





Delays have a major impact on 1. Procurement, 2. Production Design, 3. Construction and, 4. Available for Sale Date These activities will have to be reprogrammed and scheduled resources moved to other activities.

Specifically – delays from a permission refusal - a high level review of planning decision is the starting point to understand what to do

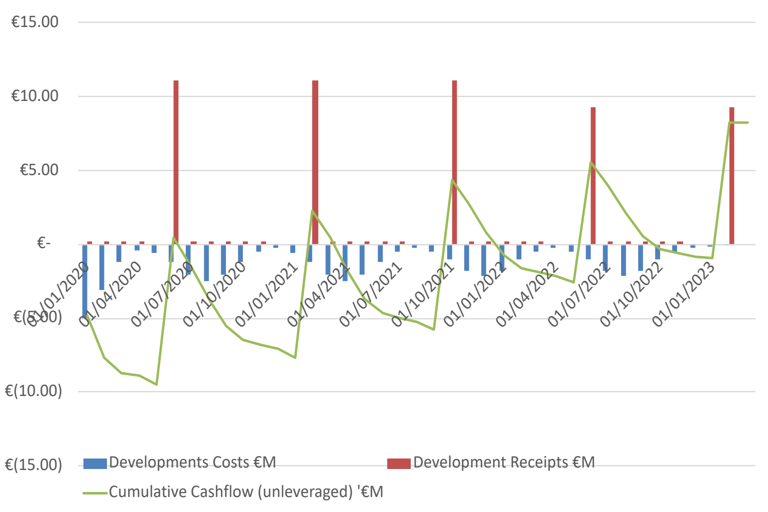
Planning authority comment	Possible action	By who
Blanket approach to height	Redesign considering height, scale & massing	Design team
Campus style	Consider masterplan for site and density	Design team
Dominance of carparking	Consider location and quantum	Design team
Lack of wayfinding	Consider legibility & wayfinding	Design team
Contrary to proper planning	Planner review inspector report, order & direction	Planner
Not consistent with national and local policy	Address issues	Planner
Not in accordance with design manual for urban roads and streets	Ensure design matches guidance	Engineer
Local authority – issues identified with respect to the design	Peer review of design	Peer reviewer
Concerns at preplanning meeting not addressed by developer	Review meeting and incorporate	Development team

Look back – understand reasons for slippage. Look forward – reprofile activities. The steps that then need to be taken..

- Review actual project performance v plan – did we do everything as intended? Are delays outside of scope of our control. Are delays outside tolerances set and benchmark KPI's?
- Identify/agree the corrective action required to get the project back on track and tasks within control that have to be rescheduled. Review previous lessons learnt – how was the issue managed before?
- Review any changes required to the site concept, timeline, financials and resourcing needed to obtain planning following review. Update business plan. Update programme
- Re-programme activities dependent on planning decision. 1. Procurement, 2. Production Design, 3. Construction and, 4. Available for Sale Date
- Consider any changes to the project team which have impacted the project.
- Are there capacity or efficiency constraints that may have caused internal delays – allocate resource or review activity management and target utilisation.
- Review estimated revenues to confirm they are still on target to be delivered – quantum and timing adjust up or down. Adjust sales and marketing plan.

Site concept & business case should be constantly updated reflecting delay impacts to quantum and timing of forecasts

Unit Types	Area	S&A	Private
1 Bed Apartments	45.41	7	60
2 Bed Apartments	74.14	9	78
3 Bed Apartments	91.75	2	18
SPARE	101.95	0	0
SPARE	101.95	0	0
Total		**18**	**156**



Development Cost	Total € M	per unit	per sq m
Land	4.3	24,960	233.6
Hard Development Costs			
Residential	37.8	217,456	2,035.0
Other Areas	-	-	-
Public Realm Roads etc.	1.0	5,460	51.1
Landscaping & Public Park	0.1	462	4.3
Design Development & Inflation	3.7	21,221	198.6
Soft Development Costs			
Contributions, levies etc.	2.7	15,761	147.5
Design fees	2.0	11,377	106.5
Finance during construction	0.5	2,696	25.2
Total	**52.1**	**299,393**	**2,801.8**

Baseline Phasing Assumed	Start	End	Months
Appoint design team	01/11/2019		
Obtain planning	31/10/2019		
Phase 1	01/10/2019	30/05/2020	7
Phase 2	31/05/2020	28/01/2021	8
Phase 3	29/01/2021	29/09/2021	8
Phase 4	30/09/2021	30/05/2022	8
Phase 5	31/05/2022	28/01/2023	8
Sell S&A	31/01/2022		
Sell Private	01/07/2024		
Total	**01/11/2019**	**01/07/2024**	**24**

Site Metrics	
Total Building Footprint	2,160
Total Commercial Building Footprint	0
Surplus Area Available For Development	(1,714)
Plot Coverage	26.7%
Plot Ratio	1.87x
Density (DPA)	87.0
Net Density (DPA)	108.6

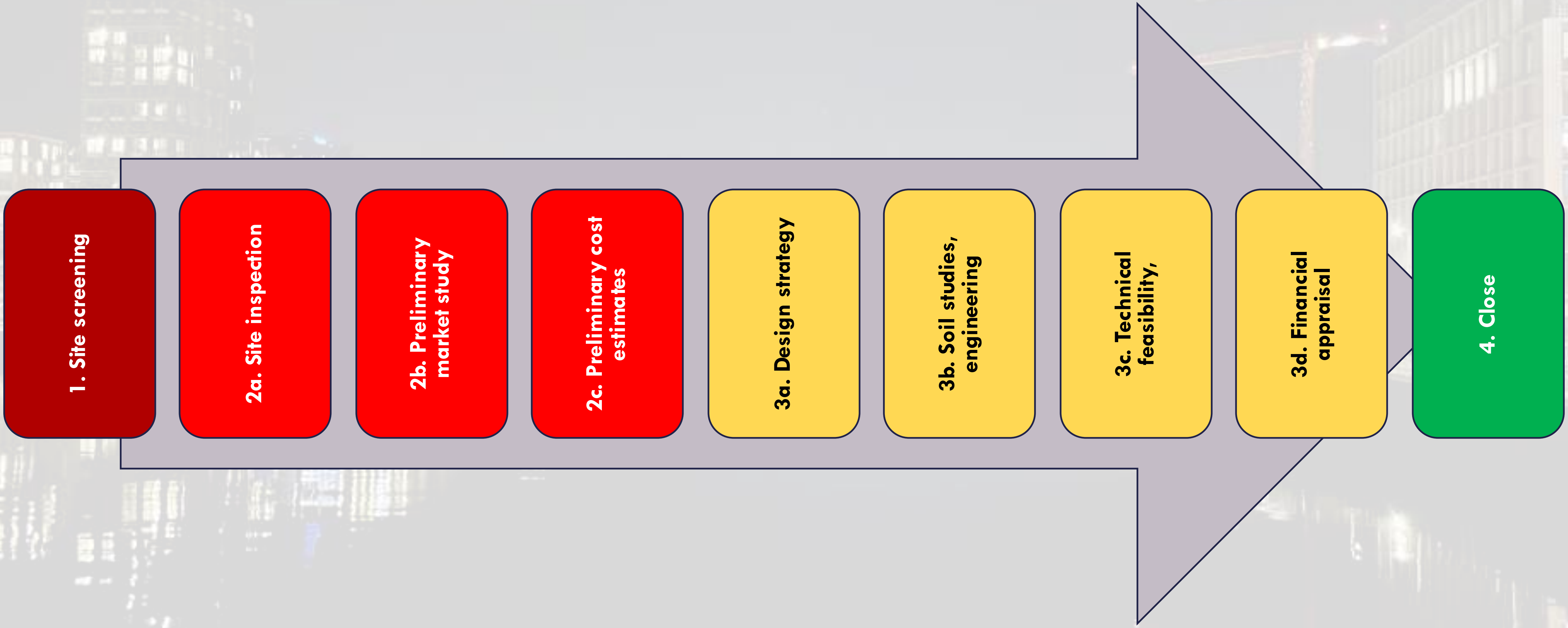
Investment Returns	
Estimated GDV at date of appraisal	55,500,548
Total Development Cost	36,863,794
Maximum Funding Required	9,444,674
Profit	18,378,689
Yield on Costs	49.9%
BTIRR	102.56%
ATIRR	86.20%
Equity BTNPV @ 15%	12,678,406

Summary

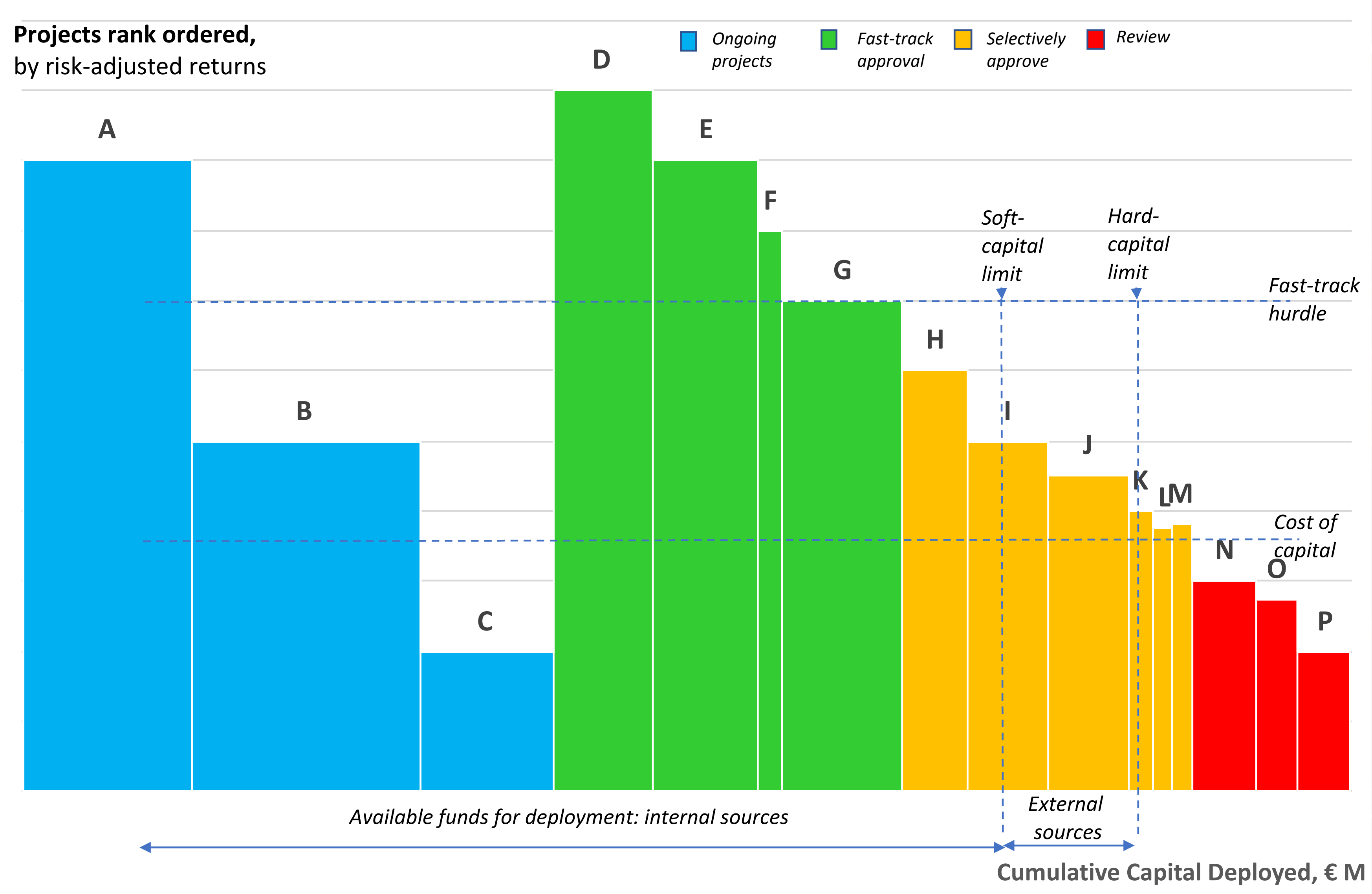
- Break each stage of the project down into manageable pieces (work packages) with clear responsibility
- Plan in outline for the full project to determine interdependencies and critical path
- Plan in detail before you start any work. Use benchmarks from previous projects re duration and resource requirement
- Once the plan is agreed, baseline it.
- Measure progress against the baseline. Ensure no surprises.
- Understand reasons for slippage. Reprofile project. Reallocate resources
- Keep eye on the future – forecast, forecast, forecast

Appendix

Standardised processes are key across the site acquisition life cycle…



If projects are delayed then their priority may change in overall delivery sequence



Elements of a business case for site development have to be continually updated

Market

- Population in catchment
- Tenure type
- Unit mix
- Competition. Other sites in area
- Pricing - demand & Income distribution
- Agents lists
- Recent transaction

Planning

- Previous applications
- Zoning
- Allowable use
- Height, coverage, plot ratio, density, parking ratio
- EIA?
- Current use
- Adjacent land use
- Part V
- SHD?

Design

- Site Usable Area
- Buildings – type & area
- Access
- Infrastructure
- Services
- Public realm
- Attenuation
- Temporary works
- Parking
- Community

Programme

- Overall programme
- Construction phasing & duration
- Close rate assumed
- Sales and marketing plan

Financial

- Site cost
- Hard/Direct costs
- Soft/Indirect costs
- Inflation
- Finance cost
- Funding strategy
- Tax, VAT, stamp duty
- Est GDV on completion
- Sales strategy
- Required return (IRR, DCF, KPI's)
- Benchmarks

Technical

- Site area
- Soil tests
- Contamination
- Utilities capacity & availability
- Roads & transport
- Excavate & grade
- EIA
- Archaeology
- Protected structures

Legal

- Type of purchase
- Option
- License or profit share
- Scheme of arrangement?
- Ownership legal structure
- Security required
- Charges in place
- Deed restrictions
- Rights of way

A company wide change programme incorporates a number of steps to put in place a best in class project delivery system

Group Vision – Future Organisation

- Create Vision of "Could Be" and Existing Best Practice

- "As Is" Organisation
- Vision/Strategy
- Current market
- Ongoing initiatives
- Design Objectives
  - Sustain what we have
  - Improve efficiency & cost
  - Increase collaboration & innovation
  - Attract & retain staff

1. Where are we going?

Group Macro Design

- Develop & select high level options for PMO

- Strategy
- Critical Success Factors
- Model Options Development
- Key Structure
- Key Groupings
- Key Relationships
- Roles & responsibility
- Key Processes
- Benefits & Concerns of each option
- Option Selection
- Business Case

2. What's the big picture? What options are there?

Group Micro Design

- Design detailed elements of company PMO organisation

- Structure
- Roles & Responsibilities
- Processes
- Governance
- KPIs
- Competencies/Skills
- Map groupings onto processes
- Compensation/ People Issues
- Validation/ Communication
- Detailed business case

3. We know what we want. How will it exactly work?

Group Implementation Planning

- Develop detailed implementation plan and schedule

- Leadership Team Development
- Implementation Team Development
- Area Wide "Kick-offs"
- Implement Selection Process
- All staff engaged in delivery
- Pilot some solutions & review good & bad
- Interim arrangements
- Business case benefits tracking

4. How do we get ready to do it?

Group Implementation & Development

- Implement & develop the new organisation

- Assume New Roles (leave old roles)
- Evaluation/ Feedback
- Extensive Coaching
- Continuous Improvement
- Working through the organisation
- Business case benefits tracking

5. How it's going to be lived every day?

Group Operations & Learning

- Operationalise & Institutionalise New Organisation

- Stretch Goals
- Reward Systems
- Extensive Coaching
- Individual and Organisational Learning
- Knowledge capture
- Prepare for Next Wave
- Business case benefits tracking

6. How does it continually improve?