

Land Development Agency

Board Meeting of 17th September 2019

Minutes of Meeting

Date	17 th September 2019
Venue	Housing Agency, 53 Mount Street Upper, Dublin 2
Time	10am
Chair	John Moran
Other Board Members	John Coleman, Michael Stone, Tim Bouchier Hayes, Clare Costello, John O'Connor, Michelle Norris, Caroline Timmons, Conn Murray (by phone)
Apologies	N/A
Attendees	Barry O'Brien (LDA) – in part, Phelim O'Neill (LDA) – in part, Catriona Lawlor (Housing Agency)
Minute Taker	Catriona Lawlor (Housing Agency)

No	Item	Action												
1.	Board Preliminaries													
1.1.	<p>Disclosure of interests The Board was provided an opportunity to declare any interests in respect of the meeting contents.</p> <p>John O'Connor declared a conflict of interest with agenda item 2.3. – property update in relation to three Housing Agency sites due to be transferred to the LDA.</p>													
1.2.	<p>Review of July Board meeting minutes Minutes were discussed and agreed.</p>													
1.3.	<p>Matters Arising</p> <table border="1"> <tr> <td>3.1</td> <td>Arrange Board Strategy Away Day</td> <td>Scheduled. Agreed to remove from matters arising schedule</td> </tr> <tr> <td>3.2</td> <td>Add legislation to Board agenda as a standing item</td> <td>Complete. Agreed to remove from matters arising schedule</td> </tr> <tr> <td>4.1</td> <td>Invite DHPLG representative to provide update on cost rental</td> <td>Deferred pending further policy development. Consider inviting DHPLG representative to meeting to allow Board to express concerns at delays in policy.</td> </tr> <tr> <td>5.2</td> <td>Arrange visits to key LDA sites</td> <td>Deferred until after October Board Away Day</td> </tr> </table>	3.1	Arrange Board Strategy Away Day	Scheduled. Agreed to remove from matters arising schedule	3.2	Add legislation to Board agenda as a standing item	Complete. Agreed to remove from matters arising schedule	4.1	Invite DHPLG representative to provide update on cost rental	Deferred pending further policy development. Consider inviting DHPLG representative to meeting to allow Board to express concerns at delays in policy.	5.2	Arrange visits to key LDA sites	Deferred until after October Board Away Day	
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2.	Business Update													
2.1.	CEO Summary Report – John Coleman													

	<p>It was noted that this CEO Summary Report was unusually long due to outline of proposed changes to portfolio project timelines.</p> <p>1. Initial portfolio project timelines</p> <p>The interim CEO outlined that slippage from previously stated milestone completion dates was highlighted by the Board as an area of concern. A review of project timelines is underway which will lead to more credible and accurate timelines going forward.</p> <p>The interim CEO proposed that Board consider the establishment of a ‘Development Advisory Panel’ to assist in developing better timelines. This panel would bring in external expertise such as developers to oversee timelines and costs. The panel would meet quarterly and report to the Board.</p> <p>A discussion took place in relation to managing expectation and setting timelines. Members emphasised the need to proceed with 2 or 3 initial priority sites with the expectation that there may be external delays to at least one of the initial sites. The importance of mitigating the risks that are within the control of the LDA was highlighted. It was acknowledged that many of the sites in the current portfolio have barriers to development. If opportunities arise to partner with local authorities on sites where the existing barriers to development could be overcome using the LDA’s expertise, these should be considered. However, the risks of relying on votes by elected members to progress development was stressed.</p> <p>It was agreed to postpone the establishment of a development advisory panel and revisit the proposal once more sites are underway.</p> <p>2. Legislation</p> <p>Pre-legislative scrutiny by the Joint Oireachtas Committee on Housing, Planning and Local Government is scheduled for 2nd October. The legislation looks likely to be enacted in early 2020.</p> <p>Compulsory purchase was not included in the legislation, but this can be included at Committee stage.</p> <p>A discussion took place on engagement between the Executive and opposition politicians. The importance of ensuring that Oireachtas members have access to correct information about the LDA was highlighted, particularly as the LDA Bill proceeds.</p>	
<p>2.2.</p>	<p>Operational Update – John Coleman</p> <p>The interim CEO gave an operational update, covering cost rental, the state lands database, communications and expenditure.</p> <p>In relation to cost rental, members expressed concern that the absence of a defined policy on cost rental might delay LDA schemes. The interim</p>	

	<p>CEO stated that development will proceed in parallel to the work on cost rental policy and the supply of housing won't be delayed. Cost rental policy will be incorporated as it is decided.</p> <p>A draft prototype of the state lands database is complete, and work is ongoing to keep it up to date. A pilot version covering Galway City will be developed to be included on the LDA website before the end of the year. Members suggested that the LDA should accept public feedback on the database, provide a timeline for future locations and ensure that the database doesn't overlap with the work of the OPW.</p> <p>The new LDA website is live and more content will be added soon.</p> <p>In relation to expenditure, the LDA were allocated €20million for 2019 which won't be spent before the end of the year. The Board was asked for suggestions on possible uses for these funds. Members highlighted the shortage of suitable development land in the possession of some local authorities and suggested that the LDA could use the funding start creating a landbank in certain areas.</p>	<p>Investigate using remaining budget for purchase of land</p>
<p>2.3.</p>	<p>Property Update – Phelim O’Neill</p> <p>Phelim O’Neill (LDA) presented an overview of the LDA’s primary portfolio.</p> <p>The Board received an update on the Skerries site on which it is hoped to break ground by the end of 2020. A suggestion was made to speed up the process by beginning the procurement process, after planning lodgement and prior to the grant of planning. This would involve accepting a degree of risk regarding the final receipt of planning, but it could ultimately take several months off the project timeline. The executive will revert with a specific procurement / delivery plan in relation to Skerries at the appropriate point in the process</p> <p>A discussion took place on the best way to approach development and contracting. Procurement timelines were highlighted and the LDA is due to meet with advisors to see if these can be reduced. It was suggested that the LDA look at ways to include SMEs and smaller contractors in developments. This could be achieved through working with small developers with sites with planning permission who can't access bank debt. The LDA could also consider providing a serviced site for delivery (e.g. through a JV or under licence) which would avoid the upfront site cost from a developer perspective.</p> <p>Updates were provided in relation to Shanganagh, St Kevin’s and [REDACTED]</p>	<p>Consider an accelerated contractor / developer procurement strategy in relation to Skerries</p> <p>*Section 36-Commercially Sensitive Information</p>
<p>3.0.</p>	<p>Cost Rental Position Paper – Barry O’Brien</p> <p>Barry O’Brien (LDA) presented a cost rental position paper to the Board outlining the key issues to be resolved in order to progress cost rental as an asset class, citing specific considerations in relation to the</p>	

	<p>Shanganagh, Shankill site (proposed joint delivery between LDA and DLR).</p> <p>The paper identified the key risks to delivery including the funding model, the government accounting classification of cost rental, the likely capital intensive nature of development activities, at least at the outset, and the requirement for elected member approvals on LA controlled lands.</p> <p>The Board supported the approach of moving forward in relation to the initial cost rental projects, including Shanganagh, with the stated intention of structuring any potential LDA cost rental solution in order to have the best possible chance of being designated as “off-balance sheet” as soon as practicable. It was agreed that a longer term “on-balance sheet” classification for cost rental would potentially hinder the ability to grow the asset class at scale, given finite LDA capital base and wider funding constraints. It was also noted that the delivery of cost rental was a strategic priority for Government.</p> <p>Members asked about the proposed rents in Shanganagh. Councillors have been told that the rents will average €1,300 based upon a number of underlying assumptions. The indicative costs and rents will be more developed by the time the Section 183 comes through.</p>	
4.0.	<p>LDA Premises Location</p> <p>The interim CEO presented a paper with location options for the LDA offices. The LDA’s current office space is no longer large enough and is relatively expensive.</p> <p>The Board agreed that the interim CEO should begin lease negotiation for an available property in the IFSC (or Dublin 2 as an alternative if a suitable property cannot be leased within the IFSC) and bring the heads of terms back to the Board for approval. Lease terms to be approved by the Board before signing.</p>	LDA to lease premises in the IFSC (or Dublin 2).
5.0.	<p>City Strategies Update</p> <p>The interim CEO presented a paper on the LDA’s City Strategies initiative. It is important that the initiative makes the broadest possible impact. This role for the LDA is emerging informally and the executive team is looking at a formal role. This role can’t be allowed to distract from the primary work of the LDA and therefore will be delineated within the organisation.</p> <p>It was agreed to add Waterford City to the initiative.</p> <p>This issue will be discussed further at the away day.</p>	Add Waterford City to City Strategies
5	AOB	

	<p>Consultation in relation to housing for older people The issue was raised of older people's accommodation on the site in Balbriggan. The Older People's Council feel that there has been no consultation.</p> <p>It was suggested that if the LDA was to speak publicly about housing for vulnerable groups and the importance of Universal Design, it would give comfort to those groups.</p> <p>Date of next meeting The next Board meeting will take place as part of the Board Strategy Away Day in Limerick on the 21st and 22nd October.</p> <p>Private Board Session A private Board session took place to discuss CEO contract matters. John Coleman, Phelim O'Neill, Barry O'Brien and Catriona Lawlor left the room.</p>	
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