



An Ghníomhaireacht
Tithíochta
The Housing Agency

The Housing Agency Annual Report 2019



The Housing Agency's mission is to promote the supply of housing to meet current and future needs and demand. We do this by being a centre of expertise on housing, supporting housing policy development and implementing effective housing programmes in collaboration with others.

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Who We Are & What We Do

The Housing Agency is a Government body whose vision is to promote the building of sustainable communities.

The Housing Agency's mission is to promote the supply of housing to meet current and future needs and demand. We do this by being a centre of expertise on housing, supporting housing policy development and implementing effective housing programmes in collaboration with others.

In 2019 we worked with the Department of Housing, Planning and Local Government (the Department), local authorities and Approved Housing Bodies (AHBs)

in the delivery of housing and housing services. The Housing Agency also implements the Pyrite Remediation Scheme and is the interim regulator of the AHB sector.

We are subject to the Code of Practice for the Governance of State-Sponsored Bodies and the Public Spending Code. We work to act in a fully accountable and transparent way.

Our Values



> **Integrity and independence** in meeting our objectives



> **Dedicated and committed** to professionalism, collaboration and our role in the delivery of shared objectives



> **Innovative and future focused** in applying knowledge, initiative and pushing boundaries in our thinking



> **Accountable to and engaged with** our stakeholders and the Department in delivering progress



> **Open and respectful** to new ideas and solutions, as well as in our dealings with colleagues and stakeholders

Our Role

The Housing Agency supports the delivery and management of social housing by local authorities and AHBs. We work closely with central Government in the development and implementation of housing policy.

We were formally established in 2012 and our role has developed significantly since then. Following the publication of Rebuilding Ireland, the Government's Action Plan for Housing and Homelessness in July 2016, we took the lead in the delivery of a wide

range of actions, including: the establishment of a Housing Procurement Unit and a 'One Stop Shop' for AHBs; the roll-out of an acquisition programme to purchase 1,600 dwellings from banks and financial institutions; and work in relation to the rental sector and utilising vacant homes.

Following an extensive consultation process with stakeholders, The Housing Agency's Strategic Plan 2019-2021 has set out five interconnecting themes upon which our work will focus over this three-year period.

Our Themes



Being a centre of knowledge on housing



Optimising supply and utilisation of housing



Understanding housing and affordability



Realising results through our people



Meeting governance and service commitments

Our Work

The Housing Agency is a team of dedicated housing professionals working towards delivering sustainable and affordable housing for all.

Using our knowledge and expertise we lead the way in informing and delivering housing policy. We are uniquely positioned to understand the needs of the Irish housing sector through our active engagement with others.

The Housing Agency provides a range of housing-related services and manages some key projects.



How We are Managed

The Housing Agency is governed by a Board appointed by the Minister with responsibility for housing. The Board is responsible for shaping our priorities, providing strategic leadership and overseeing

the implementation of our functions. It has also established an Audit and Risk Committee and a Strategy Committee.

Our Board

On 31 December 2019 the Chairperson and sitting members of the Board consisted of:



Michael Carey
Chairperson, The
Housing Agency



Donal McManus
Chief Executive Officer,
Irish Council for Social
Housing



David Duffy
Director, Property
Industry Ireland
(appointed July 2019)



Fiona Lawless
Head of Finance,
Meath County Council



Frank Curran
Chief Executive,
Wicklow County Council
(appointed December
2019)



John Burke
Principal Officer,
Department of Public
Expenditure and Reform



John O'Connor
Chief Executive Officer,
The Housing Agency



Mary Hurley
Assistant Secretary,
Department of Housing,
Planning and Local
Government



Tony O'Brien
Management Consultant

Audit & Risk Committee

The Housing Agency's Audit & Risk Committee oversees key areas of financial and risk management within the organisation. On 31 December 2019 the committee's members were:

- **Tony O'Brien**, Management Consultant
- **Caroline Gill**, Pyrite Resolution Board
- **Donal McManus**, Chief Executive Officer, Irish Council for Social Housing
- **Fiona Lawless**, Head of Finance, Meath County Council

Strategy Committee

Our Strategy Committee monitors the organisation's strategic planning and implementation. On 31 December 2019 the committee's members were:

- **Michael Carey**, Chairperson, The Housing Agency
- **John Burke**, Principal Officer, Department of Public Expenditure and Reform
- **Tony O'Brien**, Management Consultant
- **Mary Hurley**, Assistant Secretary, Department of Housing, Planning and Local Government
- **Donal McManus**, Chief Executive Officer, Irish Council for Social Housing
- **John O'Connor**, Chief Executive Officer, The Housing Agency
- **David Silke**, Director of Research and Corporate Affairs, The Housing Agency
- **Ciara Galvin**, Board Secretary, The Housing Agency

Our Staff

The day-to-day work and provision of services are carried out by The Housing Agency's executive and staff. They carry out, manage and control the administration and business of the Agency, all subject to the supervision of the Board. It is led by our Chief Executive Officer, John O'Connor, who is responsible for the leadership and direction of all executive functions.

The Housing Agency has responsibility for the implementation of the Pyrite Remediation Scheme. This Scheme is governed the Pyrite Resolution Board. The Agency is also the interim regulator for the AHB sector – the activities of which are reported in a separate annual report. The Regulation Office is overseen by an interim Regulatory Board.

As of 31 December 2019 The Housing Agency had 89 staff, led by a senior management team consisting of:

- **John O'Connor**, Chief Executive Officer
- **David Silke**, Director of Research and Corporate Affairs
- **Susanna Lyons**, Head of Regulation
- **Jim Baneham**, Head of Housing Supply and Mortgage Supports
- **Peter Hesse**, Project Management and Procurement Officer
- **Margaret Jordan**, Head of Finance

Our Key Achievements in 2019



340 funding applications assessed to provide almost 5,000 homes



More than **600 homes sourced** for social housing under different acquisition programmes



511 homes remediated under the Pyrite Remediation Scheme, bringing the overall number of remediated homes for the scheme to 1,890



196 Mortgage to Rent cases completed, bringing overall completed cases to 641



More than **2,000 people attended training** courses, conferences and seminars hosted or supported by The Housing Agency

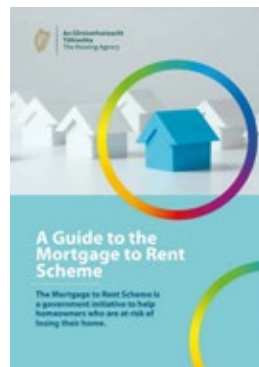


262 AHBs were appraised by the Regulatory Office during the 2018/19 assessment cycle, representing almost 34,000 homes. High levels of compliance were demonstrated by 87% of AHBs appraised



1,324 Rebuilding Ireland Home Loans approved, bringing to 2,873 the number of approvals since the scheme was introduced in February 2018

2019 Research Publications





Statement from the Chairperson and Chief Executive Officer

Since our establishment, collaboration has been at the heart of the work of The Housing Agency, and our activity in 2019 has been no different.

Throughout the year we continued to work with a number of public and private sector organisations to achieve our aims, promoting the supply of housing to meet current and future needs as well as demand and the building of sustainable communities.

The year was of particular significance for The Housing Agency as it marked the beginning of our new three-year strategic plan. In devising the strategy we were mindful of the challenges facing the Irish housing sector: the supply of housing not meeting demand, particularly in urban areas; housing costs rising to, in many cases, unaffordable levels; and a lack of housing security for those at risk of homelessness, in long-term mortgage arrears and some in the rental sector.

Our Strategic Plan 2019-2021 aims to address these challenges by focussing on five interconnecting themes:

- Being a centre of knowledge on housing
- Optimising supply and utilisation of housing
- Understanding housing demand and affordability
- Realising results through our people
- Meeting governance and service.

The Housing Agency's vision is to promote sustainable communities. The development of future homes must be done with an eye to creating communities that are well planned, desirable, and provide opportunities for its residents to avail of services required for a decent quality of life.

“The way we develop our housing stock must be adapted to make it significantly more sustainable. Planning that focusses on compact growth, building densities in our urban areas while providing quality infrastructure, public transport and public spaces, must be a priority.”

To achieve this vision, we must address current challenges, while adapting in the face of future threats. Our work with our partners in enabling increased housing supply; supplying social homes, including housing and accommodation for homeless individuals and families; facilitating home finance programmes such as Mortgage to Rent and the Housing Assistance Payment (HAP); and providing key research and expertise to aid housing policy decision-making is designed to tackle these present issues.

Looking to the future, an even greater challenge threatens the sustainability of communities in Ireland and across the world. In 2019, Ireland declared a climate emergency. Monumental changes are required to ensure a sustainable world for future generations. These changes need to be implemented quickly.

The way we develop our housing stock must be adapted to make it significantly more sustainable. Planning that focusses on compact growth, building densities in our urban areas while providing quality infrastructure, public transport and public spaces, must be a priority.

The Housing Agency would like to thank the organisations with whom we've collaborated closely in 2019, which include the Department of Housing, Planning and Local Government, local authorities, approved housing bodies, the Irish Council for Social Housing, financial institutions and other State agencies such as the Housing Finance Agency, the Residential Tenancies Board, NAMA and the Land Development Agency.

Our appreciation to Conn Murray, former Chief Executive of Limerick City and County Council, who completed his term as member of The Housing Agency Board during 2019. As the work of The Housing Agency continues to grow and expand, we would also like to thank all those who work with and for the Agency to deliver progress, including its dedicated staff and board members.

“As Ireland faces the economic impacts of the pandemic, our staff remain ready to respond these impacts on the housing sector and will collaborate with key housing partners in doing so.”

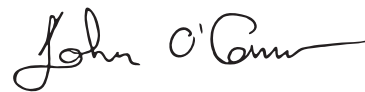
In particular, our staff have shown continued dedication and flexibility in challenges resulting from the Covid-19 pandemic. We are grateful for their unflinching professionalism during this unprecedented time. As Ireland faces the economic impacts of the pandemic, our staff remain ready to respond to these impacts on the housing sector and will collaborate with key housing partners in doing so.

With the establishment of a new Government in 2020, The Housing Agency looks forward to working closely with the new Minister for Housing, Local Government and Heritage, Darragh O'Brien TD, and the Ministers of State within that Department, Peter Burke TD and Malcolm Noonan TD. We also wish to thank the former Minister for Housing, Planning and Local Government, Eoghan Murphy TD, and

the former Minister of State at the Department of Housing, Planning and Local Government with special responsibility for Housing and Urban Development, Damien English TD, for their continued cooperation with and support of The Housing Agency. We also wish John McCarthy well on his retirement as Secretary General of the Department in 2020, and thank him for his work with The Housing Agency over the years. We look forward to working closely with Graham Doyle, who commenced the role of Secretary General of the Department in 2020.



Michael Carey
Chairman



John O'Connor
Chief Executive Officer

Performance Report

Being a Centre of Knowledge on Housing



Goal: To provide a robust and deep understanding of the dynamics of the housing sector, to inform quality policy decisions and development of effective programmes towards the provision of good housing and sustainable communities.

Research and Publications

The Housing Agency had a very active research programme in 2019. All of the research published by The Housing Agency is available to read on housingagency.ie.

Summary of Social Housing Assessments

Over 2019, The Housing Agency provided ongoing advice on assessment regulations to local authorities and the Department. We also collated and assessed the social housing data and produced the final report.

The Summary of Social Housing Assessments 2019 brings together information provided by local authorities on households that are qualified for social housing support but whose social housing need is not currently being met. This is now being carried out on an annual basis, and in 2019 the assessment was carried out on 24 June.

National Housing Survey

This National Study of Irish Housing Experiences, Attitudes and Aspirations focused on national housing and neighbourhood satisfaction, attitudes to different tenures and affordability. It is based on a nationally representative survey based on face-to-face interviews of 1,200 householders. There are a series of reports emanating from this research, with Reports 3 & 4: *Housing Experience of Renters and Owners in Ireland* having been completed in 2019.

A second phase of this project commenced in 2019, which included a nationally representative survey of apartment dwellers in Ireland, followed by focus groups.

Owners' Management Companies Research

This research was jointly commissioned by Clúid Housing and The Housing Agency and conducted by independent researchers. The report *Owners' Management Companies – Sustainable Apartment Living for Ireland* examines current issues for Owners' Management Companies around service charges, sinking funds, the MUD Act, volunteer directors, etc. It explores international best practice, delivers research findings on the sector and recommends reforms. The report was launched in June 2019 by the Minister for Housing, Planning and Local Government.

Research Partnership with Dublin City Council

The Housing Agency provides support to Dublin City Council (DCC) in commissioning and managing research projects. One example is an Evaluation of the Dublin City Council Age Friendly Housing Model in Inchicore. The overall aim of this project was to develop a new model of housing for older people where care, support and community dimensions are provided onsite, integrated into the community and designed with older people at the centre. An evaluation of the first phase of this project was jointly commissioned by DCC and The Housing Agency, and was completed in 2018.

Vacancy Research

This project on vacancy was carried out by Space Engagers, who were commissioned by The Collaborative Working Group for Housing and Sustainable Living (which includes The Housing Agency) and funded by The Heritage Council of Ireland and The Housing Agency. Two reports were published in March 2019 from this project. Report 1: *How Data on Vacancy is Created and Used: Case Studies from Scotland, Denmark and Philadelphia* and Report



Siobhan O'Dwyer, CEO, Real Estate Management, (centre) addresses the launch of *Owners' Management Companies - Sustainable Apartment Living for Ireland*, a report jointly commissioned by Clúid Housing and The Housing Agency and conducted by independent researchers. Also in the photo (left to right): Mema Byrne, Barrister at Law; Brian O'Gorman, CEO, Clúid Housing; and event MC Carol Tallon.

2: *Incentives for the Re-Use of Vacant Buildings in Town Centres for Housing and Sustainable Communities in Scotland, Denmark and France.*

Housing for All

The Housing Agency designed the website housingforall.ie, which went live in September 2018. To complement this, the report: *Designing Housing to Meet the Needs of All* was published in June 2019. This roadmap provides a pathway towards the information required to make informed decisions about better design, and to enable access, in a structured and easily understood way, to the standards and guidance required to ensure that every person has a home that is appropriate to their needs.

Domestic Violence and Family Homelessness

The Housing Agency is jointly sponsoring this research with Focus Ireland. The contract for the research was awarded to Trinity College following an open procurement. The research examines the links between domestic violence and homelessness with a focus on service provision and co-ordination. Phase 1 of the research was completed in December 2019.

Expert Review Group on Traveller Accommodation

The Expert Group was established by Minister of State Damien English TD to review the Traveller Accommodation Act 1998 and other legislation that

impacts the provision and delivery of accommodation to Travellers. The Agency provided support to the Expert Group. This included management of consultation processes, research support, report drafting and general secretarial supports. The final report of the Expert Group was published in July 2019.

Housing Implications of Brexit

Late in 2018, The Housing Agency commissioned EY/DKM to provide a briefing paper on the likely effects of Brexit on the Irish housing market 2019-2022. This was completed in the first quarter of 2019.

Rent Pressure Zones

The Housing Agency undertakes ongoing analysis of the local rental markets as required in the context of rent pressure zone legislation. We have a key role under the legislation in the designation and de-designation of Rent Pressure Zones. Once an area recommended by The Housing Agency meets the criteria set out in the legislation it is designated as a Rent Pressure Zone. In 2019, there were 27 newly designated Rent Pressure Zones.

Community-Led Housing

The Housing Agency is part funding the project: *Road-mapping a viable Community-Led Housing Sector for Ireland* and providing additional support and advice. Carried out by Self Organised Architecture (SOA), the project aims to inform the development of

widely accessible cooperative and community-led affordable housing in Ireland. It involves a multi-stakeholder process examining co-housing and community-led housing.

Research Support Programme

In December 2019, The Housing Agency opened a call for research proposals under its newly established Research Support Programme. The programme provides varied support, from financial aid to access to data in a user-friendly format. Awards will be

made biannually, and successful projects will align with at least one of the following broad priority areas for research: the supply and efficient use of the housing stock; understanding housing demand and affordability; impact of housing on quality of life; housing and people; and housing and sustainable communities.

BT Young Scientist and Technology Exhibition

The Housing Agency continued its successful partnership with the annual BT Young Scientist and Technology Exhibition, held in January 2019 in Dublin. The award encourages engagement by young people in issues around housing and sustainable communities. Winner of The Housing Agency Special Award at the event was Liadain O'Sullivan, a student of St Mary's College, Arklow, Co Wicklow, with her project 'How to Build Happiness'. Her work aimed to investigate the link between architecture and psychology and if cities can be used to enhance the wellbeing of their residents.

“In December 2019, The Housing Agency opened a call for research proposals under its newly established Research Support Programme. The programme provides varied support, from financial aid to access to data in a user-friendly format.”



John O'Connor, Chief Executive Officer, The Housing Agency, presents Liadain O'Sullivan of St Mary's College, Arklow, Co Wicklow, with The Housing Agency Special Award at the BT Young Scientist and Technology Exhibition 2019.

Housing Policy Support to the Department and Local Authorities

In 2019, The Housing Agency assisted the Department and local authorities on a broad range of policy matters, including assessment and allocation procedures and their review, as well as application forms, the Housing Assistance Payment (HAP) and the Rental Accommodation Scheme (RAS). After the review and completion of the new HAP application form in 2019, it was tested in a number of local authorities.

Enhanced Leasing

Enhanced leasing was mainstreamed in 2019. The Housing Agency continue to manage the scheme nationally. A standard form of 'agreement for lease' and lease were finalised and will issue in early 2020. The scheme was opened to proposers allowing submissions of proposals to The Housing Agency at any time. In 2019 there were nine active sites; two schemes with a total of 110 homes were completed and an 'agreement for lease' and lease was prepared for signing on another 39 homes. The remaining sites will be progressed in 2020. The Housing Agency continued to meet potential proposers to explain and promote the scheme.

110

homes completed in 2019 under the Enhanced Leasing scheme

Standard Leasing

There was considerable interest in the scheme in 2019 with many entities involved in providing one-off properties as part of a portfolio to local authorities. There has been an increase in entities seeking to lease multiple dwellings. A standard form of 'agreement for lease', lease and 'certificate of title' were finalised and issued to local authorities under a Department circular. As well as this, The Housing Agency provides ongoing advice and support in this area to local authorities.

Homelessness

The Housing Agency's homelessness team has been active in sourcing properties for individuals and families. In 2019, 97 homes were delivered to local

authorities. The team expanded the programme to a number of additional local authorities and continues to work with these local authorities to secure homes under the Housing First model.

Differential Rents Policy

The Housing Agency carried out an analysis of the impact of various options under consideration by the Department for rent charging on existing local authority tenants in all local authority areas. An analysis of the outcome was submitted to the Department to assist it with its policy development considerations.

Rental Accommodation Scheme

The Housing Agency led the review of the RAS contracts. The review was completed, and new contracts were issued to local authorities by a Department circular in December 2018. We also continued to support both local authorities and the Department on day-to-day queries and issues as they arose.

Housing Manual

The Housing Manual website, housingmanual.ie, continues to act as an important resource for approximately 1,700 housing practitioner registered users. The manual is updated with the latest key circulars, gives overview information on various housing policies and schemes, and hosts key documents. Topics include those relating to housing management, supply and pathways to home ownership. Over 2019, the updating of content commenced and some of the functionality of the site improved.

Housing Practitioner Training

The Housing Agency seeks to support housing professionals, including those working in local authorities and AHBs. We provide and collaborate on training opportunities and promote housing education programmes.

Over 2019, The Housing Agency:

- Managed and introduced improvements to the Housing Training Portal housingtraining.ie, which serves as a public resource on housing training, education and events

“In 2019, bursary funding (which partly contributes to course fees) was offered to 43 housing professionals from several organisations, including five local authorities and 17 AHBs.”

- Facilitated the Housing Training Network. The network is made up of representatives from The Housing Agency, the Residential Tenancies Board (RTB), the Institute of Public Administration (IPA), the Chartered Institute of Housing (CIH) and the Irish Council for Social Housing (ICSH)
- Supported training programmes and events in various locations throughout the country covering such topics as:
 - Age Friendly Ireland’s training seminars on Housing Provision for Older People – Housing and the Public Realm
 - Build your Career in Housing - aimed at professionals new to housing, this event organised by The Housing Agency in conjunction with the Housing Training Network provided insights into established housing professionals’ careers and opportunities for ongoing professional development
 - CAS Seminar (ICSH) – The Housing Agency presented to members of the ICSH on the Capital Assistance Scheme process and procurement requirements
 - CALF Workshop (ICSH) – The Housing Agency presented to members of the ICSH on the financial assessment process of the Capital Advanced Leasing Facility, and
 - The Standards for Rented Houses Training Programme (IPA)
- Administered The Housing Agency Housing Education Bursary Scheme. In 2019, bursary funding (which partly contributes to course fees) was offered to 43 housing professionals from several organisations, including five local authorities and 17 AHBs. The bursary has enabled recipients to take up places on the IPA’s Level 8 Professional Diploma in Housing Studies, Level 6 Certificate in Housing, as well as the CIH accredited Level 4 (UK) Certificate in Housing which is run by the ICSH and the CIH Founders Programme.

Engagement with the Housing Sector

The Housing Agency engages with its stakeholders in several ways, which includes day-to-day engagements through its overall work. We are represented on a variety of housing related fora and steering committees. These include the Housing Practitioners Forum, Housing Analytics Group and the National Planning Framework. Further to this, we are represented at speaking events such as conferences and seminars throughout the sector. We also host key events to bring together the relevant parties to ensure there is active engagement on a more formal basis.

The following events were organised by The Housing Agency in 2019.

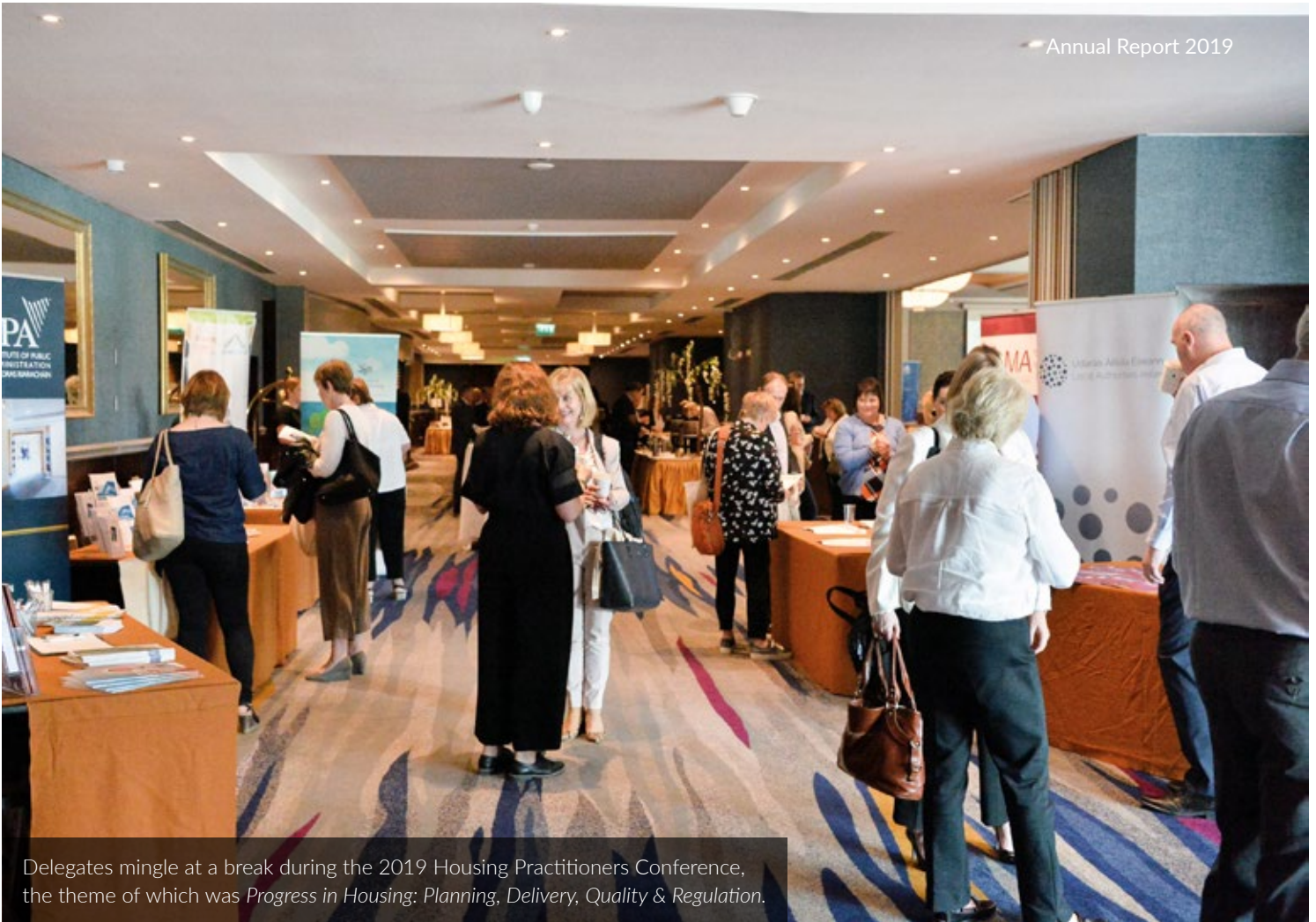
Housing Practitioners’ Conference

The theme for the Housing Practitioners Conference was *Progress in Housing: Planning, Delivery, Quality & Regulation* and was jointly organised with the Institute of Public Administration. It included presentations on key challenges for housing, and social and affordable housing. The event featured a broad range of speakers from the Department, local authorities, AHBs and academia and took place on 4 and 5 July 2019 in Kilkenny.

Vienna Model of Public Housing Exhibition

The pioneering Vienna Model of public housing exhibited across Dublin in April 2019. In a joint partnership between The Housing Agency, Dublin City Council and the City of Vienna, this inspiring exhibition visited Dublin for the first time (1-25 April 2019) and was hosted across three locations in Dublin. Exhibiting in CHQ in Dublin’s Docklands, The Rediscovery Centre, Ballymun, and Richmond Barracks in Inchicore, the Vienna Model of Housing is internationally regarded for its continued achievement of sustainable, high quality residential development using a cost-rental approach that in effect delivers housing for all.

Six seminars took place and discussed integral elements of the Vienna Model such as managing population density, public housing as a sustainable solution and cost-rental. A website dedicated to the exhibition was launched, with supplementary information on the Vienna Model provided.



Delegates mingle at a break during the 2019 Housing Practitioners Conference, the theme of which was *Progress in Housing: Planning, Delivery, Quality & Regulation*.



Housing and Sustainability was the theme of The Housing Agency's 2019 Annual Conference, held in Dublin's Aviva Stadium. At the event were (left to right) Krystyna Rawicz, Managing Director, KRA Visionary Project Partners; Eoghan Murphy TD, then Minister for Housing, Planning and Local Government; Sorcha Edwards, General Secretary, Housing Europe; Michael Carey, Chairperson, The Housing Agency; Amanda Ziegler Dybbroe, Programme Manager, CCPD, Copenhagen; and Laura Burke, Director General, Environmental Protection Agency.

Annual Conference

The Housing Agency held its Annual Conference on 6 November 2019 in Dublin, with *Housing and Sustainability* as the theme. The Minister for Housing, Planning and Local Government opened the conference, which was aimed at the wider housing sector.

Outreach Events for Volunteer Directors of Owners' Management Companies

With the increasing number of managed estates, multi-unit developments, and owners' management companies (OMCs) across the country, The Housing Agency hosted pilot evening outreach events for volunteer directors of OMCs. The events covered the roles and responsibilities of OMC directors, resources available for OMC directors, and challenges faced by OMCs and managed estates. The pilot events took place in Carrickmacross, Co Monaghan on 27 November, and Galway city on 4 December, with a series of events around the country planned for 2020.

Peer Researchers

The Housing Agency supported Focus Ireland in hosting a seminar which explored best practice in peer research and homelessness: *Peer Research and Understanding Homelessness: Exploring Practice, Learning and Innovation*, in November 2019. This event brought together key actors across Europe who are actively engaging in peer research to share the nature of their work, innovations in peer research, challenges and opportunities.



The Housing Agency's Chief Executive Officer, John O'Connor, shows then Minister for Housing, Planning and Local Government, Eoghan Murphy TD, an exhibition highlighting the Vienna Model of Housing, as displayed at the 2019 Housing Practitioners Conference.

Optimising Supply and Utilisation of Housing



Goal: To optimise the supply and efficient use of housing stock by informing policy decisions, working collaboratively on delivery with key stakeholders and monitoring progress.

Approved Housing Body (AHB) Services Unit

The Housing Agency established the AHB Services Unit in 2017 in accordance with Rebuilding Ireland (Action 2.14). This unit has four members of staff and provides assistance to the Department of Housing, AHBs and local authorities to support AHB-led delivery.

The main funding arrangements for delivery of social housing by AHBs is by way of Payment and Availability Agreements (P&A) coupled with a secondary loan called Capital Advanced Leasing Facility (CALF). This funding is for the purchase, construction or refurbishment of housing that will be made available for social housing purposes. The AHB Services Unit carries out the financial appraisals of applications for funding by AHBs and provides the Department with recommendations on the level of CALF and P&A required for each proposal.

13,501

potential dwellings from 785 projects appraised between 2016 and 2019

Progress

Financial Assessments and Appraisal Reports were completed for 340¹ P&A/CALF applications during 2019. The total number of potential homes in these assessments, excluding those applications that were assessed more than once in 2019, totalled 4,987. The comparable figures for 2018 were 197¹ appraisals amounting to 3,205 homes.

From 2016 through to December 2019, the Agency has appraised a total of 785 projects with a potential yield of 13,501 dwellings. This is broken down by type of supply on the chart on page 22.

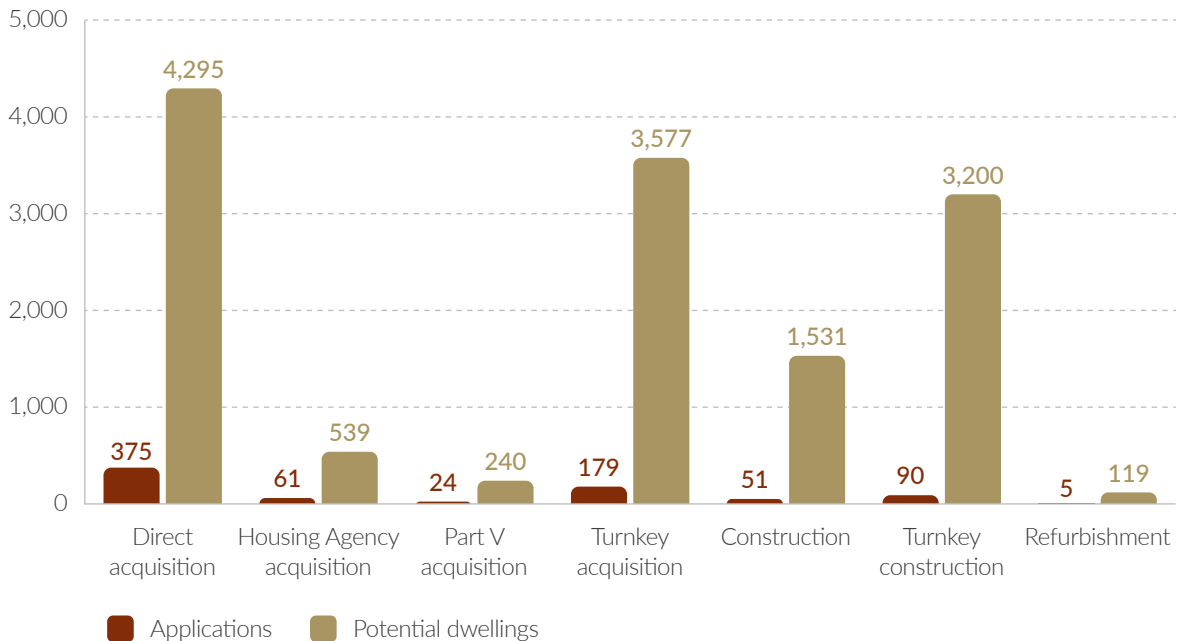
The AHB Services Unit carried out a review of the P&A/CALF funding model on behalf of the Department. The proposed changes to the financial model and processes were implemented from 1 July 2019.

The AHB Services Unit continued to expand its contract preparation service for local authorities and AHBs throughout 2019. Contracts were prepared for 124 separate projects that included 1,861 dwellings.

The AHB Services Unit is providing ongoing support to the Department in areas such as future funding requirements of existing capital funded properties and the assessment of alternative sources of funding emerging from the AHB sector.

¹ There is an element of overlap with previous years as some projects are reassessed where planning permission or tender process outcomes require changes.

CALF Appraisals Applications Processed and Project Type from 2016 to Dec 2019



Housing Acquisitions and Sourcing

Under Rebuilding Ireland, The Housing Agency was given a brief to actively engage with banks and investment companies with a view to acquiring 1,600 homes by the end of 2021. Approximately €76m in funding was provided directly to The Housing Agency in 2016 and 2017, and this funding is to be rotated by selling purchased homes to AHBs. In addition, we have continued to purchase homes directly for local authorities and source properties for social housing use from the NAMA portfolio.

Progress

Overall, the Agency was actively involved in the provision of 615 homes for social housing under these different purchase and sourcing delivery methods, as set out in the table on page 23.

“Once a home is purchased using the fund, it is passed over to an AHB under caretaker lease in advance of being sold to the AHB. The caretaker lease allows the AHB to carry out repairs and tenant the property while the sale is progressing.”

Once a home is purchased using the revolving fund programme, it is passed over to an AHB under caretaker lease in advance of being sold to the AHB. The caretaker lease allows the AHB to carry out repairs and tenant the property while the sale is progressing.

In 2019 The Housing Agency sold 148 homes to AHBs, bringing the total sold by the Agency to AHBs to 441. A further four homes have been sold to local authorities. By the end of 2019, the number of tenanted homes was 531.

615

homes provided through Housing Agency support since 2016



Method	Number
Purchase	
€70m fund purchase for Approved Housing Bodies	155 ²
€70m sourced properties for direct purchase by local authorities	38 ³
	193
Direct purchase for Local Authorities	61
Housing First Initiative purchase for Local Authorities (homeless)	78
Turnkey (new build) purchase for Local Authorities	164
	303
Property sourcing	
Nama Loan Portfolio	119⁴
Total homes provided under different delivery methods	615

2 Includes 26 properties funded in 2018, but transactions completed in 2019. This brings the total purchased under the revolving fund to 784 at end December 2019.

3 These properties were acquired in trust by the Agency for local authorities using monies provided by the local authorities but counted with €70m delivery as agreed with the Department of Housing.

4 Bringing the overall total of homes sourced through NAMA to 2,569 to the end of December 2019.

Pyrite Remediation Scheme

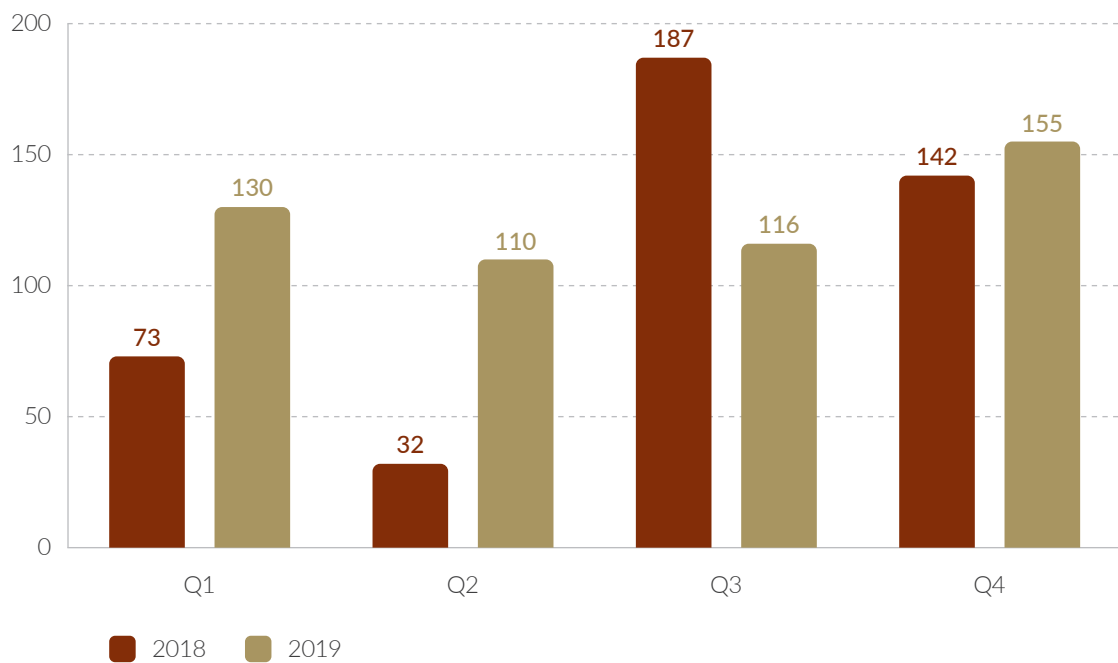
The Housing Agency implements the Pyrite Remediation Scheme on behalf of the Pyrite Resolution Board. The Housing Agency currently has a programme of works extending into 2021. This is based on the number of applications approved and the timing of those applications. The funding allocation for 2019 was €32m.

Progress

Up to the end of December 2019, 2,592 applications had been received under the Pyrite Remediation Scheme and 2,110 have been approved for inclusion in the scheme.

By the end of 2019, remediation had been completed in 1,890 homes, including 511 homes during 2019. This was 51 homes above target for the year.

Pyrite Remediation Scheme – Properties Remediated



1,890

homes had pyrite remediation works completed by the end of 2019

Land Development and Management

At the end of December 2019, The Housing Agency had 80 sites in its ownership situated across the country. The Agency has a responsibility to manage these sites, but more importantly, to identify appropriate sites for the development of housing.

Progress

Five of the Land Aggregation Scheme sites and one of The Housing Agency sites have been fully transferred to date. Overall, 44 sites, as outlined in The Housing Agency's Strategic Development and Management Plan, are active with regard to the future provision of housing.

Disposals of Entire Sites Completed for Development

	Transfer/Disposal	Development	Due for Delivery
Duntahane Road, Fermoy, Co. Cork	Partial disposal to Department of Education and Skills	New primary school	Completed
	Transfer of remainder of site to Cork County Council	46 homes and community building	Construction commenced in Q4 2018 and scheduled to be completed in 2020.
Enniskerry Road, Sandyford, Co. Dublin	Transfer to Dun Laoghaire Rathdown County Council	155 homes (50 of which will be cost rental)	Construction commenced in June 2019. Homes to be delivered in 2021.
Glin, Co. Limerick	Transferred to AHB	Homes for older people	Land sold. Development status unknown.
Ballylooby, Co. Tipperary	Transferred to Waterford and Lismore Diocesan Trust	Ancillary school facilities	Land sold. Development status unknown.
Oakwood, Macroom, Co. Cork	Transferred to Cork County Council to facilitate development under PPP Bundle 2	50 social housing homes	Construction commenced in December 2019 and is scheduled to be completed in Q2 2021.
The Miles, Clonakilty, Co. Cork	Transferred to Cork County Council to facilitate development under PPP Bundle 2	52 social housing homes	Construction commenced in December 2019 and is scheduled to be completed in Q2 2021.

Partial Disposals Completed for Development

	Transfer/Disposal	Development	Due for Delivery
Craddockstown, Naas, Co. Kildare	Partially transferred to Kildare County Council to facilitate development under PPP Bundle 1	74 social housing homes	Construction commenced in March 2019 and is scheduled to be completed in Q2 2020.
Nancy's Lane, Clane, Co. Kildare	Partially transferred to Kildare County Council to facilitate development under PPP Bundle 2	77 social housing homes	Construction commenced in November 2019 and is scheduled to be completed in Q2 2021.
Devoy Barracks, Naas, Co. Kildare	Partially transferred to Kildare County Council	MERITS – two-storey office building (Mid-Regional Innovation Think Space)	Construction commenced in November 2019 and is scheduled to be completed in Q4 2020.

Future Transfers Progressing

	Development	Due for Delivery
Six sites developed by local authorities. This includes three sites in Co. Wexford, one site in Co. Laois, and portions of sites at Hampton, Balbriggan, Co. Dublin and Ballymoneen Rd, Co. Galway (Phase 1).	98 homes	Construction of homes completed.
Two sites being developed by local authorities. These include Townparks, Kells, Co. Meath and remainder of site at Ballymoneen Rd, Co. Galway (Phase 2).	118 homes	Homes under construction.
Two sites to be developed by local authorities at planning stage. These include Knocklong, Co. Limerick and Townsend St, Skibbereen, Co. Cork.	18 homes	Construction scheduled to commence in 2020.

Future Transfers Progressing (continued)

	Development	Due for Delivery
Three sites comprising 11.5ha approved for Local Infrastructure Housing Activation Funding	Number of homes to be determined at planning stage	Commencement date and delivery to be advised.
Three sites due to be transferred to the Land Development Agency	Number of homes to be determined. Discussions with Land Development Agency ongoing	Commencement date and delivery to be advised.

Following an expression of interest process in October 2018, expressions of interest were received from AHBs for nine sites which had been identified as Suitable for Immediate Development. Interest

was also expressed by AHBs on an additional 10 secondary sites in the Strategic Development and Management Plan.



Housing Projects and Procurement

The Housing Agency provides technical and project management advice to local authorities and AHBs. The assistance given covers all stages of project development from feasibility study, through design, tender, construction and handover.

Procurement

Following the establishment of a procurement unit in 2016, The Housing Agency continued to provide specialist procurement consultancy advice to the Department, local authorities, the Irish Council for Social Housing (ICSH) and AHBs in 2019.

Progress

There was ongoing engagement with the Department, the ICSH and local authorities about procurement options and offering advice and services, as outlined in the table below.

Projects

The Housing Agency provided project management, design, and contract administration for the following construction projects:

- Completion and handover of eight homes and associated site development works at Bree, Castleblayney, Co. Monaghan
- Completion of enabling works contract for the future construction of housing development at Kilmore Road, Phase 2C
- Commenced regeneration and refurbishment works of 80 homes and associated site development works at Mullaghmat Phase 4, Monaghan.

The Agency provided cost consultancy, quantity surveying and contract administration for a number of construction projects completed in 2019 for Kerry County Council.

In addition, following requests from local authorities, The Housing Agency carried out pre-leasing site surveys and completed building condition reports.

Type of Support and Advice	Delivery
Management of tenders and appointment of full consultant design teams for all tiers within AHBs for four housing projects	Delivering 34 homes
Feasibility study for a local authority of a brownfield site which included a protected structure in a provincial town	Potential delivery of 18 apartments
Specialist procurement assistance to local authorities in the appointment of professional and technical consultants required for project delivery	Delivery of 71 homes
Feasibility study for an AHB of a brownfield site in an urban area	Potential delivery of 15 apartments
Specialist procurement assistance to local authorities in the appointment of works contractors required for project delivery	24 homes
Feasibility study and capital appraisal for sheltered housing association in established inner city residential area	Potential delivery of 20 apartments

National Housing Strategy for People with Disabilities

The Department of Housing, Planning and Local Government and Department of Health put in place a National Housing Strategy for People with a Disability 2011-2016 (NHSPWD), which was reaffirmed and extended to 2020 under Rebuilding Ireland. The Housing Agency chairs the National Housing Subgroup, is represented on the Implementation Monitoring Group and drives the execution and delivery of housing actions as set out within the NHSPWD.

Progress

Key actions undertaken by The Housing Agency during 2019 to support the strategy included:

1. Being integrally involved in the establishment of 31 Housing Disability Steering Groups (HDSGs), providing advice and support to local authorities and attendance at their quarterly meetings.
2. Reviewing and issuing revised Terms of Reference to the HDSGs and assisting with membership.
3. Commencing delivery of mental health training sessions and roll-out of the Mental Health Early Intervention Manual to housing staff from local authorities and AHBs nationwide.
4. Overseeing the strategic disability allocation targets and objectives set by each local authority area and collecting and collating this data annually for the Department and the Summary of Social Housing Assessments.
5. Developing and piloting a Medical / Disability Information Form with four local authorities to standardise the medical information required across local authorities.
6. Jointly managed the mental health property transfer with tenancy support project as it was rolled out nationally and went underway in seven HSE CHO Areas, giving security of tenure to the residents of HSE-owned hostels and community residences.
7. Created and facilitated forums and opportunities for local authorities to come together to discuss the year to date and to highlight the need for strategic planning in relation to housing for people with a disability.
8. Assisting the Department with the ongoing development of the new Social Housing Application Form and the new Housing Adaptation Grants Form for Older People and People with a Disability.

Review Group on the Operation of the Strategic Housing Development Process 2017-2019

Legislation adopted in 2016/17 established a fast-track planning process for certain types of residential development (mainly schemes of 100+ units or 200+ student bed spaces) known as a Strategic Housing Development (SHD). Under this process, planning applications are submitted directly to An Bord Pleanála (ABP) following an intensive pre-application consultation with the Planning Authority and ABP. The SHD provisions applied for an initial period, until the end of 2019, but could be extended by Ministerial Order for a further two years to the end of 2021, to coincide with the timeframe of Rebuilding Ireland.

Before making such an order, the Minister for Housing, Planning and Local Government established a Review Group, including a member of The Housing Agency, to review the operation and effectiveness of the SHD provisions. The group analysed planning data, met with a range of stakeholders, and reviewed submissions received on foot of public consultation. The group reported to the Minister in September 2019, and, as recommended, the Minister extended the provision until 2021.

Innovative Approaches to the Provision of Traveller Accommodation

Throughout 2019, the Agency provided support to Cena, a Traveller-led housing association established to provide culturally appropriate accommodation for and with Travellers. A Projects Development Officer has undertaken consultation and strategic planning with Travellers, overseen two pilot projects, liaised with local authorities, AHBs and Departmental officials, assisted in the development of funding streams and project management including feasibility studies, commissioning design teams and assessing and managing works to existing accommodation.

The first four new homes in Offaly are expected to be ready in early 2020, with five more homes in the planning stage in Galway and a potential 45 other homes at proposal stage in three other local authorities. Cena is also working with Clúid Housing to deliver twelve more homes in Cork and is also considering the potential of the Buy and Improve Scheme.

Understanding Housing Demand and Affordability



Goal: Understand and respond to housing demand trends and prioritise housing affordability by informing policy decisions and working collaboratively on measures with key stakeholders to deal with demand and affordability issues.

Mortgage Arrears Resolution Process

The Mortgage Arrears Resolution Process (MARP) requires all lenders (banks and funds) to adhere to a process for borrowers who fall into arrears with their mortgage. It is designed to help the borrower negotiate their arrears with their lender.

Local Authority Mortgage to Rent (LAMTR) is an alternative solution when no arrangement can be put in place under MARP and is in operation within all local authorities.

Progress

The Housing Agency assisted the Department in drafting the annual circular for local authorities regarding the LAMTR process to be followed.

We provided advice and support to local authority staff on all aspects of MARP, including LAMTR and the restructuring of shared ownership loans, throughout the year. The Housing Agency carried out training for local authorities on MARP. It continues to provide advice and support to networks established on a regional basis to share experience and good practice.

Mortgage to Rent

The Housing Agency acts as the national coordinator for the Mortgage to Rent (MTR) Scheme, a Government initiative to help homeowners who are at risk of losing their homes.

Progress

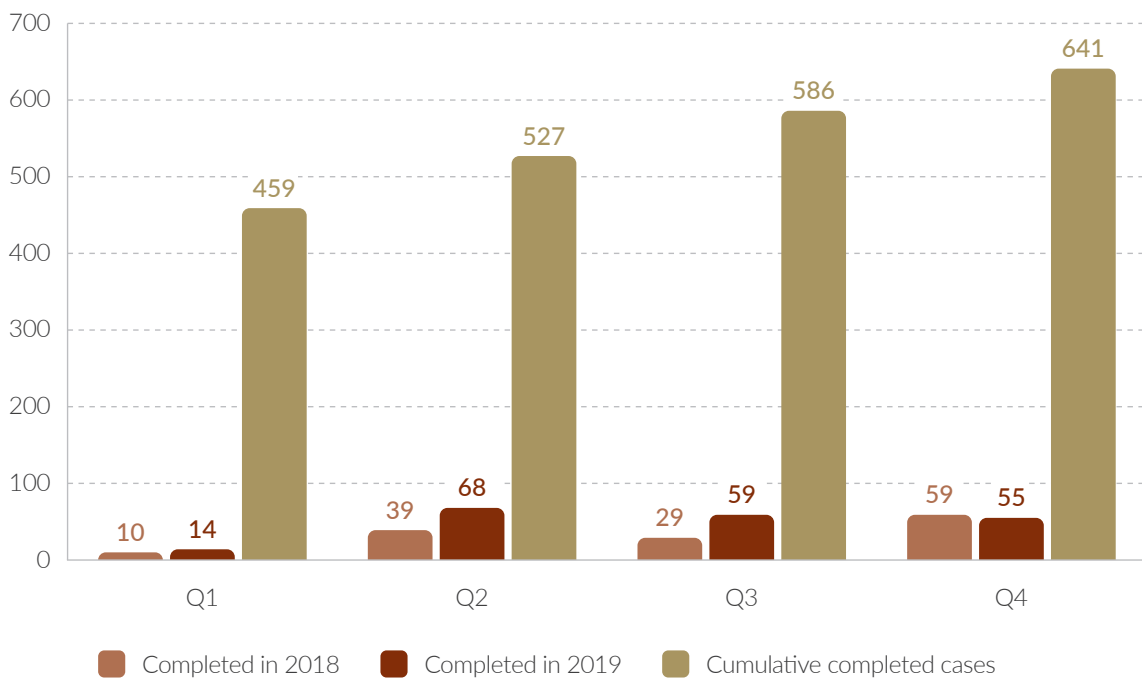
196 households availed of the MTR Scheme in 2019 bringing the overall total to 641 households. In addition, a total of 1,226 cases were active at the end of the year.

“We provided advice and support to local authority staff on all aspects of MARP, including LAMTR and the restructuring of shared ownership loans, throughout the year.”

641

total number of households availing of Mortgage to Rent

Mortgage to Rent



Housing Assistance Payment (HAP)

HAP was introduced in late 2014 on a pilot basis and has been rolled out nationally in stages, becoming a national scheme in 2017. The payment was introduced to allow people eligible for social housing, with a long-term housing need, to live in private rental accommodation. It has replaced Rent Supplement for those with a long-term housing need. The Housing Agency has been a key player in the implementation of this new initiative nationally.

Progress

The Housing Agency continued to assist both local authorities and the Department with the implementation of the scheme. The Agency led the review of the HAP application form with the updated form ready for introduction in line with system enhancements being implemented by the Local Government Management Agency across local authorities.

As well as coordinating the HAP Practitioners Committee and HAP Practitioners Forum, the Agency is a member of the HAP Project Board and the HAP Process Committee.

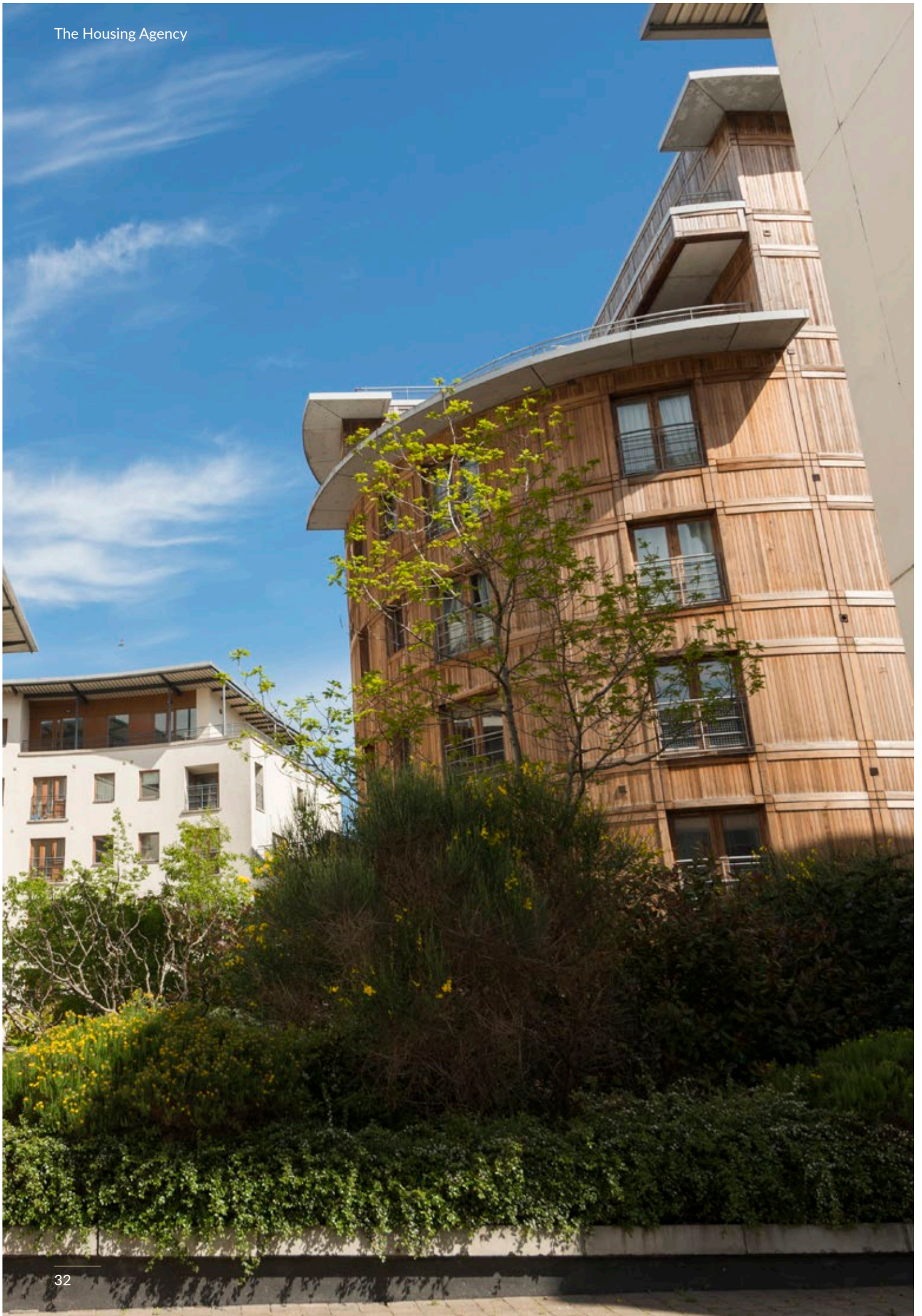
National Loan Underwriting Services

Local authorities provide house purchase loan products. The Housing Agency provides central loan underwriting services to local authorities nationally. In February 2018, a new Rebuilding Ireland Home Loan was introduced, making home ownership more affordable for first-time buyers through fixed interest rates for 25 to 30 years.

Progress

In 2019, a total of 2,815 Rebuilding Ireland Home Loan applications were received for underwriting. Of the 2,685 applications deemed valid, 1,324 (49%) were recommended for approval and 1,361 were recommended for decline.

Since the introduction of the Rebuilding Ireland Home Loan, 6,560 applications have been received for underwriting. A total of 2,873 loan applications were recommended for approval, and 2,845 were recommended to decline.



Realising Results Through our People



Goal: To ensure that the Agency's systems and culture support the contributions of everyone with whom we engage to achieve our targets.

In line with increased responsibilities and resourcing, The Housing Agency expanded significantly in the past 12 months, increasing its workforce from 66 to 89. The implementation of the 2019-2021 strategic plan requires a fully resourced and equipped workforce with the skills and capabilities needed to deliver ambitious targets. The Housing Agency is committed to providing an organisational culture that enables our people to deliver positive results.

In 2019 The Housing Agency undertook a number of initiatives to optimise the contribution of the people who work in and with the organisation:

- We enhanced the effectiveness of our Board, through successful completion of an independent review of the Board, providing training opportunities to its members, developing

diversity and inclusion measures, and establishing advisory panels on topics such as research/insights, affordability and homelessness.

- We strengthened our staff through preparing a staff training and development programme and people strategy and a review of management structures.
- We encouraged a stronger workforce to undertake and support the organisation's work programme through implementation of a recruitment and resources plan and development of a staff retention policy.
- We helped foster an inviting and inclusive organisation that supports diversity by participating with external networks and initiatives to share best practice in relation to diversity and inclusion, providing and promoting an Employee Assistance Programme and reviewing the Staff Handbook and induction procedures to include the organisation's core values, diversity and inclusion.
- We enhanced knowledge sharing, collaboration and communications by establishing cross sectional working groups in areas of creating efficiencies, such as IT, smart working and data management.

“The Housing Agency is committed to providing an organisational culture that enables our people to deliver positive results.”

Meeting Governance and Service Commitments



Goal: To ensure we operate to the high levels of public sector governance and build strong partnerships with key stakeholders.

Legislation: Approved Housing Bodies

The Housing (Regulation of Approved Housing Bodies) Act 2019 was signed into law on 23 December 2019. This will allow for the establishment of the Approved Housing Bodies Regulatory Authority and to confer functions on it:

- To provide for the registration of certain persons as approved housing bodies
- To provide for the setting of standards for approved housing bodies relating to governance, financial management, property and asset management and tenancy management and compliance with those standards
- To provide for the carrying out of standards assessments and the monitoring of the implementation of compliance plans
- To provide for the carrying out of investigations; to make provision in relation to the protection of approved housing bodies
- To provide for the application, with modification, of certain provisions of the Companies Act 2014 to approved housing bodies
- To provide for the cancellation of registration of approved housing bodies
- To provide for the establishment of an Appeals Panel.

Voluntary Regulation of Approved Housing Bodies

The Regulation Office remained focused on its primary goal of working to protect AHB assets and safeguard the interests of current and future tenants through the Voluntary Regulatory Code. AHBs signed up to the voluntary code, continued to strengthen and enhance their Governance, Financial Viability and Performance Management.

Progress

262 AHBs were appraised during the 2018/19 assessment cycle. 87% of AHBs demonstrated high levels of compliance. The AHBs assessed represented 33,945 homes under the regulatory framework. The AHB Sector continued to show a strong commitment to ensuring it is well-managed, well-governed and financially viable.

The move from a Voluntary Regulatory Framework to a Statutory Framework will provide assurances to tenants, investors, the Government and to the sector itself that AHBs operate in a well-regulated and stable environment. The Regulation Office and the AHB sector will now progress towards a statutory environment. The advancement reflects the move throughout 2018/19 from an educational environment to an assurance-based framework, where AHBs are required to provide evidence and assurance regarding their compliance.

The next 18 months will be a period of significant transformation for both the Regulation Office and the AHB sector. The Regulation Office is committed to ensuring a smooth transition and will engage with the sector throughout the transformative process.

262

AHBs were appraised during the 2018/19 assessment cycle



Governance Statement and Board Members' Report

The Housing Agency recognises the importance of good governance and strives to operate to best practice. This section contains the Governance Statement and Board Members' Report.

Governance

The Board of The Housing Agency was established under Establishment Order SI 264 of 2012. The functions of the Board are set out in section 5 of the Order. The Board is accountable to the Minister with responsibility for housing and is responsible for ensuring good governance. The Board performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of The Housing Agency are the responsibility of the Chief Executive Officer and the senior management team. They must follow the broad strategic direction set by the Board and must ensure that all Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The Chief Executive Officer acts as a direct liaison between the Board and management of The Housing Agency.

Board Responsibilities

The work and responsibilities of the Board are set out in the Terms of Reference of the Board, which also contain the matters specifically reserved for Board decision.

Standing items considered by the Board include:

- Declaration of interests
- Risk
- Reports from committees
- Performance reports
- Reserved matters, and
- Financial reports/management accounts.

Section 11 of the Order requires the Board of The Housing Agency to keep, in such form as may be approved by the Minister for Housing with consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

Section 25 of the Pyrite Resolution Act, 2013 requires The Housing Agency to prepare financial statements annually and to submit them to the Comptroller and Auditor General for audit. In preparing these financial statements, the Board of The Housing Agency is required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Board is responsible for ensuring that The Housing Agency keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of The Housing Agency, enable at any time the assets, liabilities, financial position and the income and expenditure of The Housing Agency to be determined with reasonable accuracy, which enables the Board to ensure that the financial statements comply with Section 11(1) of the Establishment Order, 2012 and Section 25(1) of the Pyrite Resolution Act 2013.

The maintenance and integrity of the corporate and financial information on The Housing Agency's website is the responsibility of the Board.

The Board is responsible for approving the annual Business Plan and budget and this was carried out in 2019. Throughout 2019, the Board reviewed the performance of The Housing Agency against the Business Plan through monthly performance reports on a number of key areas of focus, combined with the Strategy Committee's review of performance on a quarterly basis against the business plan. The Board also reviewed monthly management accounts against the annual budget.

The Board is also responsible for safeguarding its assets and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board considers that the financial statements of The Housing Agency give a true and fair view of the financial performance and the financial position of The Housing Agency at 31 December 2019.

Board Structure

The Board consists of a Chairman, and seven members, all of whom are appointed by the Minister with responsibility for housing. The members of the Board meet on a monthly basis.

The Board commenced a self-evaluation assessment in December 2018 with an external Board Effectiveness and Evaluation Review carried out in 2019, which was expected to be completed in Q1 2020.

Board Structure

Board Member	Organisation	Appointment Term
Michael Carey	Chairperson	Appointed 27 April 2018 to 26 April 2023
Donal McManus	Irish Council for Social Housing	Appointed January 2013 to 31 December 2017 Reappointed 1 January 2018 to 31 December 2022
Mary Hurley	Department of Housing, Planning and Local Government	Appointed October 2017 to 31 December 2017 Reappointed 1 January 2018 to 31 December 2022
Tony O' Brien	Management Consultant	Appointed July 2013 to 31 Dec 2017 Reappointed 1 January 2018 to 31 Dec 2022
John Burke	Department of Public Expenditure and Reform	Appointed May 2016 to 31 Dec 2017 Reappointed 1 January 2018 to 31 Dec 2022
John O' Connor	Chief Executive Officer, The Housing Agency	Appointed January 2013 to 31 Dec 2017 Reappointed 1 January 2018 to 31 Dec 2022
Fiona Lawless	Meath County Council	Appointed January 2018 to 31 Dec 2022
David Duffy	IBEC	Appointed July 2019 to 1 July 2024
Conn Murray	Chief Executive, Limerick City and County Council	Appointed 21 November 2018 to 1 August 2019 (resigned)
Frank Curran	Chief Executive, Wicklow County Council	Appointed 9th September 2019 to 8th September 2024

Sub Committees of the Board

The Board has established two committees:

- The Audit and Risk Committee, and
- The Strategy Committee.

The Audit and Risk Committee comprises of three Board members and one independent member. The role of the Audit and Risk Committee (ARC) is to support the Board in relation to its responsibilities for

issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation.

In particular, the Committee ensures that the internal control systems, including audit activities, are monitored actively and independently. The ARC reports to the Board after each meeting, and formally in writing annually.

Schedule of Attendance, Fees and Expenses in 2019 – Housing Agency Board

Board Member	Board meetings due to attend (14 meetings)	Board meetings attended	Audit & Risk (4 meetings)	Fees 2019 €	Expenses 2019 €
Michael Carey	14	14	n/a	-	-
Donal McManus*	14	11	4	-	-
David Duffy (appointed July '19)	4	3	n/a	3,847.50	-
Frank Curran (appointed December 2019)	0	0	n/a	-	-
Mary Hurley*	14	11	n/a	-	-
Tony O'Brien	14	14	4	-	-
John Burke*	14	9	n/a	-	-
John O'Connor*	14	14	n/a	-	-
Fiona Lawless*	14	11	4	-	-
Conn Murray* (resigned August 2019)	10	4	n/a	-	-
Caroline Gill (ARC Member only)	0	0	4	-	-

* Six members did not receive a Board fee under the One Person One Salary (OPOS) Principle. Other Board members were not in receipt of a fee. Board meeting costs for the period amounted to €718.

The members of the Audit and Risk Committee are Tony O'Brien (Chairman), Donal McManus, Fiona Lawless, and Caroline Gill. There were four meetings of the ARC in 2019. There are no fees paid to members of the Audit and Risk Committee.

The Strategy Committee was established in June 2018 and comprises of six Board members and two staff members of The Housing Agency. The Strategy Committee met three times during 2019. The members of the Strategy Committee are Michael Carey (Chairman), John O'Connor, Mary Hurley, John Burke, Donal McManus, Tony O'Brien, David Silke and Ciara Galvin.

Key Personnel Changes

One member of the Board resigned during the second year of their three-year appointment. In accordance with the Establishment Order, 2012, the Minister appointed two new members. David Duffy was appointed in July 2019 following an advertisement through the Public Appointments Service. Frank Curran's appointment was formerly approved in December 2019, replacing Conn Murray.

Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that The Housing Agency has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €60,000 are outlined in the following table.

Employee Short-Term Benefits

Salary (€)	Number of staff 2019	Number of staff 2018
Under 60,000	57	41 ⁴
60,000-70,000	12	9
70,000-80,000	8	8
80,000-90,000	8	4
90,000-100,000	1	1
100,000-110,000	2	2
110,000-120,000	0	0
120,000-130,000	1	1

Consultancy Costs

Consultancy Costs (€)	2019	2018
Business improvement	22,176	194,978
Legal advice	37,276	30,907
Pension advice	30,233	7,319
Other	47,360	19,565
Total	137,045	252,796

⁴ Adjustment from 2018

[1] Adjustment from 2018 published accounts, figure amended to update correct figure

“The Housing Agency has developed and implemented a suite of policies and procedures across all business units that complement the GDPR.”

Legal Costs and Settlements

No settlements were paid in the reporting period.

The Pyrite Resolution Board (PRB) legislation provides that the PRB may recover from any party with liability, and the capacity, all or part of the costs associated with remediating a dwelling under the Scheme. The PRB is taking action, where considered appropriate, to pursue builders and/or developers for a contribution towards the costs of the works. As the Exchequer funding provided for the pyrite remediation purposes is routed through The Housing Agency, Legal fees to the value of €52,958.87 were paid to The Housing Agency in 2019 in respect of costs incurred by the PRB on behalf of three defendants in relation to cases under the agreed strategy for recovering costs from parties liable.

Hospitality

In the reporting period €4,365 was spent in respect of hospitality, including entertaining. A total of €9,107 was spent on canteen costs during the reporting period.

Travel and Subsistence

Travel and subsistence expenditure of staff is categorised as follows:

Travel and Subsistence (€)	2019	2018
Domestic travel	110,948	85,433
International travel	2,922	6,009
Total	113,870	91,442

This is included in operational office administration costs as part of travel and other staff costs (Note 7). There was no travel or subsistence expenditure in respect of Board members.

Statement of Compliance

The Board has adopted the Code of Practice for the Governance of State Bodies (2016). It has put procedures in place to ensure compliance with the Code and can confirm that it is compliant.

Conflicts of Interest and Ethics in Public Office Act, 1995

The Housing Agency developed a Conflict of Interest Policy in 2016, as the organisation comes within the scope of the Ethics in Public Office Act, 1995. This was incorporated into the overall policy and procedure adopted to manage Conflicts of Interest. In line with the Ethics in Public Offices Act 1995, where required, Board members and senior management have completed statements of interest in compliance with the provisions of the Act. Procedures are in place for the ongoing disclosure of interests by Board members.

Freedom of Information Act, 2014

The Housing Agency came under the provisions of the Freedom of Information Act, 2014 (FOI Act, 2014), on 14 April 2015. We received six FOI requests in 2019. Our Publication Scheme came into effect in 2016 and is available on our website. There were no requests received in 2019 under the Access to Information on the Environment (AIE) regulations.

Data Protection and GDPR

The Housing Agency is committed to complying with our obligations under the General Data Protection Regulations (GDPR) and Data Protection Acts. The organisation is a registered data controller and data processor under the Data Protection Acts. It operates in accordance with a formal Data Protection Policy. Following the enforcement of the GDPR in May 2018, The Housing Agency has continued to make the protection of personal data a priority.

The journey to compliance has been based on assessing risk and prioritisation. In doing so, The Housing Agency

has developed and implemented a suite of policies and procedures across all business units that complement the GDPR. Other key items in place are the organisation's privacy statements available on housingagency.ie, which provide service users with an understanding of how The Housing Agency uses and protects data. The Housing Agency has in place an inventory detailing the lifecycle of personal data (record of processing). Training and communications are critical to ensuring the right culture and practices are adhered to within the organisation. The Housing Agency continues to review and improve its practices in respect of securing the personal data it processes.

Public Sector Equality and Human Rights Duty

The Housing Agency is subject to the public sector equality and human rights duty. The duty requires The Housing Agency to have regard to the need to eliminate discrimination, promote equality of opportunity and protect human rights for staff and service users in implementing all business functions. We have committed to ensuring that equality and human rights are considered in our day-to-day operations.

The Housing Agency plans to develop a HR Strategy in 2020. Public sector equality and human rights duty will be a crucial aspect of this.

The Housing Agency is committed to protecting dignity and respect across the organisation and adheres to the Dignity at Work policy which was developed by the Department of Public Expenditure and Reform

“The Pyrite Resolution Act 2013 prescribes The Housing Agency to carry out the remediation scheme on behalf of the PRB. The Housing Agency is also the body which provides the PRB with an executive function through the management of finances, and some resources.”

in 2015. The policy aims to promote respect, dignity, safety, and equality in the workplace.

Protected Disclosures Act, 2014

The Protected Disclosures Act, 2014, requires every public body to establish and maintain procedures for dealing with protected disclosures and to provide written information to employees regarding these procedures. The Housing Agency has these procedures in place. During 2019, no protected disclosures were made by an employee of The Housing Agency under the terms of the legislation.

Taxation

The Housing Agency confirms compliance with tax laws. Procedures are in place to ensure that the Board is compliant with its obligations under taxation laws and endeavours to ensure that all tax liabilities are paid on or before the relevant due dates.

Pyrite Resolution Board

The Pyrite Resolution Board (PRB) is the governing structure of the Pyrite Remediation Scheme and is separate to The Housing Agency Board. The PRB is appointed by the Minister with responsibility for housing. The PRB was established following the commencement of the Pyrite Resolution Act 2013 on 10 January 2014 to make a scheme for the remediation of damage to certain dwellings caused by pyritic heave and to direct and oversee the effective implementation of a programme of remediation works for affected dwellings. The PRB is led by chairperson Jack Keyes in conjunction with the executive functions being undertaken by the General Manager, Aidan O'Connor.

The Pyrite Resolution Act 2013 prescribes The Housing Agency to carry out the remediation scheme on behalf of the PRB. The Housing Agency is also the body which provides the PRB with an executive function through the management of finances, and some resources. The Housing Agency has responsibility for the implementation of the Pyrite Remediation Scheme.

Board Membership and Fees

Board Member (€)	Fees 2019 (€)	Expenses 2019 (€)
Jack Keyes	8,978.00	4,898.25
Caroline Gill	2,000.00	-
Alec Flood	-	-
Sean Balfe*	-	-
Derek Sinnott*	-	2,777.39

* Two members who did not receive a Board fee under the One Person One Salary (OPOS) Principle.

Under the Pyrite Resolution Act 2013, the PRB is prescribed to submit an annual report to the Minister no later than 30 June each year, outlining performance of its functions under the Act. The financial aspects of the PRB are formally contained within The Housing Agency's annual financial statements.



Financial Statements

Audit Certificate



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for Presentation to the Houses of the Oireachtas

Housing and Sustainable Communities Agency Opinion on the Financial Statements

I have audited the financial statements of the Housing and Sustainable Communities Agency for the year ended 31 December 2019 as required under paragraph 11 of the Housing and Sustainable Communities Agency (Establishment) Order 2012 and Section 25 of the Pyrite Resolution Act 2013. The financial statements comprise

- The statement of income and expenditure
- The statement of other comprehensive income
- The statement of financial position
- The statement of changes in capital and reserves
- The statement of cash flows and
- The related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the Agency's assets, liabilities and financial position at 31 December 2019 and of its income and expenditure for 2019 in accordance with Financial Reporting Standard (FRS) 102 – The Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Basis of Opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Agency and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on Information Other Than the Financial Statements, and on Other Matters

The Agency has presented certain other information together with the financial statements. This comprises the annual report, including the governance statement and Board members' report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General
2 December 2020

Appendix to the Report

Responsibilities of Board Members

As detailed in the governance statement and Board members' report, the Board members are responsible for

- The preparation of financial statements in the form prescribed under paragraph 11 of the Housing and Sustainable Communities Agency (Establishment) Order 2012 and Section 25 of the Pyrite Resolution Act 2013
- Ensuring that the financial statements give a true and fair view in accordance with FRS102
- Ensuring the regularity of transactions
- Assessing whether the use of the going concern basis of accounting is appropriate, and
- Such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under paragraph 11 of the Housing and Sustainable Communities Agency (Establishment) Order 2012 and Section 25 of the Pyrite Resolution Act 2013 to audit the financial statements of the Agency and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain

audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Agency to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information Other Than the Financial Statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so,

consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

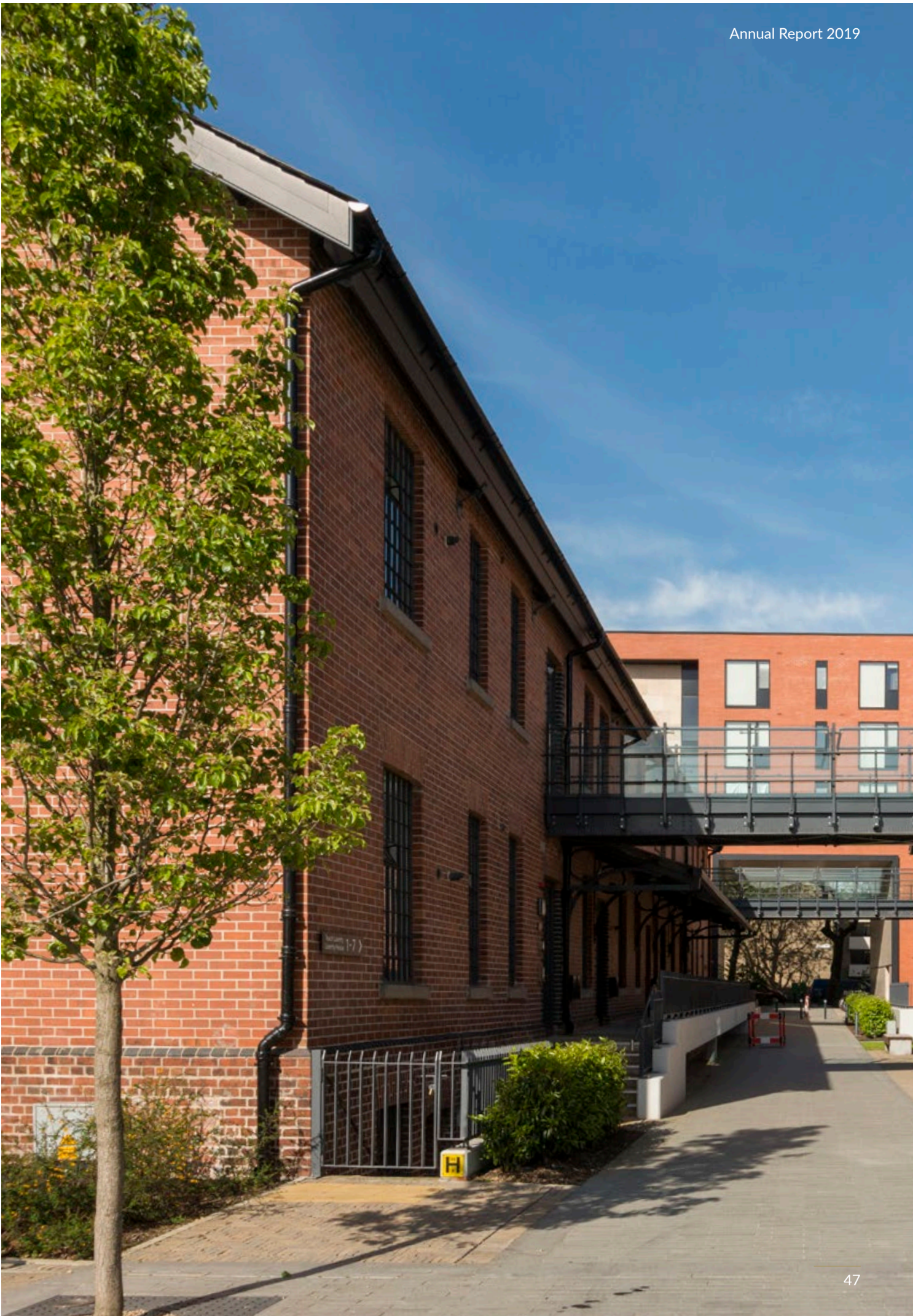
Reporting on Other Matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- The accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- The financial statements are not in agreement with the accounting records.



Statement on Internal Control 2019

The Statement on Internal Control is in line with a requirement provided for under Section 2 (2.7) Role of the Chairperson contained within the Code of Practice for the Governance of State Bodies (2016). This Statement on Internal Control will be included in The Housing Agency's Annual Report for 2019.

Scope of Responsibility

On behalf of The Housing Agency I acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the System of Internal Control

The system of internal control is designed to identify and manage risk to a tolerable level rather than to eliminate it. The system can therefore provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in The Housing Agency for the year ended 31 December 2019 and up to the date of approval of the financial statements.

“The system of internal control is designed to identify and manage risk to a tolerable level rather than to eliminate it.”

Capacity to Handle Risk

The Housing Agency has an Audit and Risk Committee (ARC) comprising three Board members and one external member, with relevant financial and audit expertise, one of whom is the Chair. The ARC met four times in 2019.

The Housing Agency has also established an internal audit function which is adequately resourced and conducts a programme of work agreed with the ARC.

The Board has adopted a Risk Management Policy that sets out its risk appetite; the risk management structures and processes that have been put in place and details the roles and responsibilities of the Executive in relation to risk. The policy is issued to all staff who are required to work within The Housing Agency's risk management policies. Regular reviews and updates are carried out to alert management on emerging risks and any needs for additional control(s). Staff assume responsibility for risks and controls within their own area of work. The Risk Management Policy is reviewed annually by the ARC.

Risk and Control Framework

The Housing Agency has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the fullest extent possible, to mitigate those risks.

A Risk Register is in place that identifies the risks facing the Agency and these are evaluated and

graded according to their significance. The Register is reviewed and updated by the ARC as risks change and, at a minimum, on an annual basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The Risk Register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. I confirm that a control environment containing the following elements is in place:

- Procedures for all key business processes have been documented
- Financial responsibilities have been assigned at management level with corresponding accountability
- Matters reserved for Board decision have been defined
- There is an appropriate budgeting system with an annual budget which is kept under review by senior management (and the Board)
- There are systems aimed at ensuring the security of the information and communication technology systems.

On-Going Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way. I confirm that the following on-going monitoring systems are in place:

- Key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned
- There are regular ad-hoc reviews by Internal Audit to ensure compliance with procedures
- There are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

Reports conducted by Internal Audit in 2019 identified one significant weakness in controls that was related to information technology. An internal audit report completed in 2019 identified an issue in respect of ICT governance and oversight arrangements by The Housing Agency, specifically the absence of an ICT strategy and a cohesive approach to the implementation of ICT projects. The Housing Agency has since put in place the appropriate steps to remedy these weaknesses and are no longer deemed to be of concern.

Review of Effectiveness

I confirm that The Housing Agency has procedures to monitor the effectiveness of its risk management and control procedures. The Housing Agency's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal and external auditors, the Audit and Risk Committee which oversees their work, and the senior management within The Housing Agency is responsible for the development and maintenance of the internal control framework.

I confirm that The Housing Agency has procedures in place to ensure compliance with current procurement rules and guidelines. Matters arising regarding controls over procurement are highlighted under internal control issues below.

I confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2019.

Internal Control Issues

The Statement of Internal Control for 2017 and again in 2018 identified expenditure that was incurred in relation to goods and services where procedures did not comply with procurement guidelines. The nature of the services procurement was such that they carried over into 2019.

In respect of 2019, total expenditure of €390,082 was incurred in relation to services where procedures employed did not comply with procurement guidelines. The services employed related to legal services, and

security and key handling services. Of the €390,082 costs, €301,144 related to historic contracts under the Acquisitions Programme that were carried over from 2017 and 2018.

In respect of the Legal Services, as noted in the 2017 and 2018 Annual Report, the Agency identified a need to engage conveyancing services in mid-2015. This was required to purchase properties for use as social housing, which would be directly purchased by local authorities or by the Agency for resale to Approved Housing Bodies (AHBs). The Agency liaised with the Office of Government Procurement (OGP) in respect of this, and it was confirmed that the OGP was establishing a legal services framework. The Agency confirmed that it would use this once established. However, the framework was not established when the Agency required the services and was not put in place until December 2016. As an interim measure the Agency undertook a restricted tender process that was intended to be an interim measure but was utilised pending the OGP framework being available. The Agency has since procured legal services from the OGP framework. Contracts were entered into prior to the OGP panel becoming available and expenditure in the amount of €301,144 with two legal firms was carried over into 2019. In our Annual Report for 2016, we noted that at the end of that year, the Agency had bids that had been accepted on 288 dwellings, but that just 29 of those purchases had closed. In addition, bids were outstanding at that time on an additional 106 dwellings. The carry-over of legal costs into 2017, 2018 and 2019 relates to the completion of these purchases and the onward disposal of these to AHBs.

Finally, security and key handling services were required to manage properties whilst awaiting agreement with the AHB to sign caretaker agreement in advance of final sale to the AHB, the costs incurred in 2019 amounted to €88,938. This service will continue in 2020 and has been identified as a priority under the procurement plan for completion by the end of Q1 2020.

In respect of overall improvements to procurement within the Agency, the following steps have been undertaken to resolve these items and ensure greater compliance with procurement guidelines:

- A Corporate Procurement Plan has been drafted including an annual operational procurement plan. The Housing Agency has updated all procurement policies and procedures in line with recent guidance from the Department of Finance
- Following this, staff training was undertaken to improve understanding and awareness of procurement requirements throughout The Housing Agency
- Standard Templates have been centralised for all steps of procurement processes
- The Agency has identified the need for a full-time role to focus on corporate procurement within the Agency which is now in place.



Michael Carey
Chairman

24 November 2020

Statement of Income and Expenditure

For the Year Ended 31 December 2019

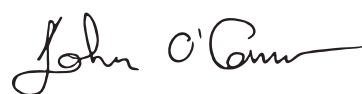
	Notes	2019 €	2018 €
Income			
Housing Agency operational	4(a)	9,754,424	9,365,787
Pyrite Remediation Scheme	4(b)	30,354,716	30,370,752
Acquisitions – revolving fund	4(c)	29,531,092	53,245,965
Acquisitions – local authority costs recouped	4(d)	1,960,874	626,206
Retirement benefit net interest – NBA	13	40,000	11,000
Total income		71,641,106	93,619,710
Expenditure			
Housing Agency operational	5(a)	9,583,152	8,163,212
Pyrite Remediation Scheme	5(b)	31,058,028	30,042,442
Acquisitions – revolving fund	5(c)	31,079,313	54,743,450
Acquisitions – local authority costs incurred	5(c)	1,856,727	317,683
Total expenditure		73,577,220	93,266,787
Surplus/(deficit) for the year		(1,936,114)	352,923

Notes 1 to 19 form part of these financial statements. The financial statements were approved by the board on 24 November 2020 and signed on behalf of the Board by:



Michael Carey
Chairperson

24 November 2020



John O' Connor
Chief Executive Officer

24 November 2020

Statement of Other Comprehensive Income

For the Year Ended 31 December 2019

	Notes	2019 €	2018 €
Surplus / (deficit) for the year analysed as:			
Housing Agency operational		171,272	1,202,575
Pyrite Remediation Scheme		(703,312)	328,310
Acquisitions – revolving fund		(1,548,221)	(1,497,485)
Acquisitions – local authority costs net		104,147	308,523
Retirement benefit costs – NBA		40,000	11,000
		(1,936,114)	352,923
Other comprehensive income			
Housing Agency operational			
Surplus for the year		171,272	1,202,575
Gain / (loss) on land revaluation reserve	9.2	(3,419,794)	55,069,272
Superannuation and SPS scheme actuarial gain/(loss) on retirement benefits liabilities	13.1	(2,962,000)	614,000
Adjustment to deferred funding	13.1	2,962,000	(614,000)
HA operational comprehensive income / (deficit)		(3,248,522)	56,271,847
Pyrite Remediation Scheme comprehensive income / (deficit)		(703,312)	328,310
Acquisitions – revolving fund comprehensive income / (deficit)		(1,548,221)	(1,497,485)

Statement of Other Comprehensive Income (continued)

For the Year Ended 31 December 2019

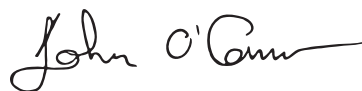
	Notes	2019 €	2018 €
Acquisitions – local authority costs comprehensive income / (deficit)		104,147	308,523
Retirement benefits			
NBA scheme surplus / (deficit)		40,000	11,000
NBA scheme change in actuarial assumptions	13.2	(377,000)	369,000
NBA scheme experience gains / (loss)	13.2	282,000	30,000
NBA return on plan assets (excluding interest)	13.2	1,525,000	(445,000)
Retirement benefits income / (deficit)		1,470,000	(35,000)
Total comprehensive income/(deficit) for the year		(3,925,908)	55,376,195

Notes 1 to 19 form part of these financial statements. The financial statements were approved by the board on 24 November 2020 and signed on behalf of the Board by:



Michael Carey
Chairperson

24 November 2020



John O'Connor
Chief Executive Officer

24 November 2020

Statement of Financial Position

For the Year Ended 31 December 2019

	Notes	€	2019 €	€	2018 €
Non current assets					
Tangible fixed assets	9		57,825,192		61,415,817
Current assets					
Housing acquisitions – deposits and stock of houses for resale	5	55,335,448		60,732,431	
Receivables	10	989,568		560,013	
Bank and cash	11	<u>23,362,311</u>		<u>40,528,012</u>	
		79,687,327		101,820,456	
Current liabilities					
Payables	12	<u>(5,618,775)</u>		<u>(25,946,621)</u>	
Net current assets			<u>74,068,552</u>		<u>75,873,835</u>
Total assets less current liabilities before retirement benefits			131,893,744		137,289,652
NBA retirement benefit asset	13.2	13,731,000		12,312,000	
NBA retirement benefit liability	13.2	(7,878,000)		(7,929,000)	
Deferred retirement benefit funding	13.1	14,655,000		10,527,000	
Retirement benefit liabilities	13.1	<u>(14,655,000)</u>		<u>(10,527,000)</u>	
			5,853,000		4,383,000
Net assets			137,746,744		141,672,652

Statement of Financial Position (continued)

For the Year Ended 31 December 2019

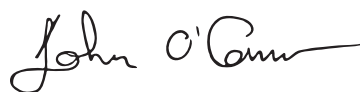
	Notes	€	2019 €	€	2018 €
Capital and reserves					
Acquisitions – revolving fund reserves	SOCCR		69,392,977		70,941,198
Acquisitions – local authority reserves	SOCCR		(10,811)		(114,958)
Housing Agency operational reserves	SOCCR		62,064,419		65,312,941
Pyrite reserves	SOCCR		447,159		1,150,471
NBA retirement benefit reserve	SOCCR		5,853,000		4,383,000
Total capital and reserves			137,746,744		141,672,652

Notes 1 to 19 form part of these financial statements. The financial statements were approved by the board on 24 November 2020 and signed on behalf of the Board by:



Michael Carey
Chairperson

24 November 2020



John O' Connor
Chief Executive Officer

24 November 2020

Statement of Changes in Capital & Reserves

For the Year Ended 31 December 2019

Housing Agency operational reserves	Housing Agency operational reserves			
	Capital reserve €	Revenue reserves €	Land revaluation reserve €	Total €
As at 1st January 2019	6,849,373	3,394,296	55,069,272	65,312,941
Surplus / (deficit) for the year	-	(3,248,522)	-	(3,248,522)
Transfer to Revenue	(135,831)	135,831	-	-
Transfer to revaluation reserve**	-	3,419,794	(3,419,794)	-
As at 31st December 2019	6,713,542	3,701,399	51,649,478	62,064,419
As at 1st January 2018	6,987,683	2,551,244	-	9,538,927
Surplus / (deficit) for the year	-	56,271,847	-	56,271,847
Transfer to Revenue	(138,310)	138,310	-	-
Transfer to acquisition reserve	-	(497,833)	-	(497,833)
Transfer to revaluation reserve**	-	(55,069,272)	55,069,272	-
Balance of NBA retirement benefit transfer	-	-	-	-
As at 31st December 2018*	6,849,373	3,394,296	55,069,272	65,312,941

** See note 9.2 for more detail on the land revaluation reserve.

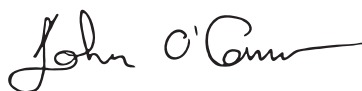
Pyrite reserves €	Acquisitions revolving fund reserves €	Acquisitions local authority reserves €	NBA retirement benefits reserve €	Total €
1,150,471	70,941,198	(114,958)	4,383,000	141,672,652
(703,312)	(1,548,221)	104,147	1,470,000	(3,925,908)
-	-	-	-	-
-	-	-	-	-
447,159	69,392,977	(10,811)	5,853,000	137,746,744
822,161	71,940,850	(423,481)	-	81,878,457
328,310	(1,497,485)	308,523	(35,000)	55,376,195
-	-	-	-	-
-	497,833	-	-	-
-	-	-	-	-
-	-	-	4,418,000	4,418,000
1,150,471	70,941,198	(114,958)	4,383,000	141,672,652

Notes 1 to 19 form part of these financial statements. The financial statements were approved by the board on 24 November 2020 and signed on behalf of the Board by:



Michael Carey
Chairperson

24 November 2020



John O'Connor
Chief Executive Officer

24 November 2020

Statement of Cash Flows

For the Year Ended 31 December 2019

	2019 €	2018 €
Reconciliation of net movement for the year to net cash inflow from operating activities		
Total comprehensive income/ (deficit) for the year	(3,925,908)	55,376,195
Depreciation	145,692	159,057
Revaluation of land held	3,419,794	(55,069,272)
Transfer (from) / to NBA retirement benefit reserve	(1,470,000)	35,000
Deposit interest	(63)	(91)
Decrease in stocks and deposits	5,396,983	4,021,598
(Increase) / decrease in receivables	(429,555)	186,850
Increase / (decrease) in payables	(20,327,846)	21,001,992
(Gain) / loss on sales of land	(9,000)	2
Net cash (absorbed) / generated by operating activities	(17,199,903)	25,711,331
Cash flow statement		
Net cash inflow/ (outflow) from operating activities	(17,199,903)	25,711,331
Cash flows from investing activities		
Purchase of tangible fixed assets	(9,861)	(20,747)
Sale of land aggregation site	44,000	-
Cash flows from finance activities		
Deposit interest received	63	91
Increase / (decrease) in cash	(17,165,701)	25,690,675

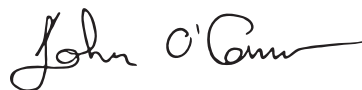
	2019 €	2018 €
Reconciliation of net cash flow to movements in net funds		
Net funds at 01 January 2019	40,528,012	14,837,337
Net funds at 31 December 2019	23,362,311	40,528,012
Increase / (decrease) in cash	(17,165,701)	25,690,675

Notes 1 to 19 form part of these financial statements. The financial statements were approved by the board on 24 November 2020 and signed on behalf of the Board by:



Michael Carey
Chairperson

24 November 2020



John O' Connor
Chief Executive Officer

24 November 2020

Notes to the Financial Statements

For the Year Ended 31 December 2019

1 Accounting Policies

The basis of accounting and significant accounting policies adopted by the Agency are set out below. They have all been applied consistently throughout the year and for the preceding year.

General Information

1.1 Establishment of The Housing Agency

The Housing Agency was established on a statutory basis on 1 August 2012 under the Housing and Sustainable Communities Agency (Establishment) Order 2012. The functions of the Agency are as follows:

- Shared and central services; research, advisory, information and training services, consultancy, technical and strategic planning services, procurement and agency services
- At the request of the Minister, the preparation, holding, management and publication of indices of residential property, including indices in relation to residential housing sales and residential property rents;
- The arrangement, co-ordination and provision of social and economic regeneration, including the development and improvement of land and infrastructure; and
- The coordination of, and contribution to, the resolution of issues relating to unfinished housing developments.

The Housing Agency operated through Housing and Sustainable Communities Limited (HSC Ltd) pending its establishment on a statutory basis. The assets and liabilities of HSC Limited were transferred to The Housing Agency in 2013. The assets transferred included development lands and lands held under the Land Aggregation Scheme (Note 9).

Additional Functions

The Pyrite Resolution Board – This Board was established on 10 January 2014 under the Pyrite Resolution Act 2013. The key functions of the scheme are to make a scheme for pyrite remediation and implement and oversee the scheme. Under the Act, The Housing Agency's role is to administer the scheme and make payments on behalf of the Pyrite Resolution Board. These financial statements recognise funding received from the Department of Housing, Local Government and Heritage and expenditure incurred in relation to pyrite remediation.

Regulation Office for Approved Housing Bodies – The Housing (Regulation of Approved Housing Bodies) Act 2019 was signed into law on 23 December 2019. This will allow for the establishment of the Approved Housing Bodies Regulatory Authority. The move from a Voluntary Regulatory Framework to a Statutory Framework will provide assurances to tenants, investors, the Government and to the sector itself that AHBs operate in a well-regulated and stable environment.

Assisting local authorities in purchasing housing – From July 2015, The Housing Agency also purchases houses from liquidators/receivers on behalf of local authorities. The stock held is not the property of the Agency. Closing balance of funds received is included under payables in the Statement of Financial Position. See Note 5 and accounting policy 1.15.

National Building Agency – The National Building Agency (NBA) operated a funded defined benefit pension scheme. On the instructions of the Minister for Housing, Planning and Local Government, The Housing Agency was appointed as the principal employer of the NBA pension scheme with effect from 1 October 2018.

Action Plan for Housing and Homelessness

In 2016 the Agency was tasked with engaging with banks, investors and other potential owners of multiple property portfolios on a national basis by way of a revolving grant of €76 million, and selling these properties to housing bodies and local authorities. The Agency intends to make neither a profit or a loss on these transactions. Certain costs incurred by the Agency are charged against the fund. See Note 5, accounting policy 1.7.

1.2 Statement of Compliance

The financial statements of the Agency for the year ended 31 December 2019 have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council (FRC).

1.3 Basis of Preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in Ireland and with the Code of Practice for the Governance of State Bodies. The statements are in a form approved by the Minister for Public Expenditure and Reform, and by the Minister for Housing, Local Government and Heritage.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

1.4 Going Concern

The financial statements are prepared on the going concern basis.

1.5 Income Policy

Income represents Department of Housing, Local Government and Heritage grants, fees, rental income and other recoupments which are used to fund The Housing Agency's activities as it provides assistance to the Department and local authorities in the implementation of housing policy. Grant Income received to fund The Housing Agency's activities is recognised on a cash receipts basis.

The Department of Housing, Local Government and Heritage advances funds to The Housing Agency in relation to costs incurred by it in relation to the Pyrite Remediation Scheme. Income is recognised in the Financial Statements when received from the Department.

Other Income relates to fee income, recoupment of costs and NBA Retirement Benefits. Income is recognised when an invoice is issued to the relevant organisation.

1.6 Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes all costs that are directly attributable to bringing the asset into working condition for its intended use.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value, of each asset systematically over its expected useful life, as follows:

- Buildings – 2% Straight Line
- Fixtures, fittings and equipment – 12.5% Straight Line
- Computer Equipment – 20% Straight Line

Development Land

Development land held by The Housing Agency was originally bought by the National Building Agency Limited (NBA) and Housing and Sustainable Communities Limited (HSC Ltd) for future development purposes. As part of the rationalisation process, these assets were transferred to The Housing Agency in 2013 at their open market value. The total value of these at the time of transfer was €1,441,248 (Note 9). The development land is accounted for at cost.

The land is currently not under development. It is envisaged, that where this land is suitable for housing, be it social housing or other housing purposes, it will be utilised for this, should there be a need in the area. Any possible use of any of these sites would be determined in consultation with the Department of the Housing, Local Government and Heritage.

Land Held Under the Land Aggregation Scheme

Under the Land Aggregation Scheme (2010-2013), local authorities transferred certain residential development land with outstanding Housing Finance Agency Loans to The Housing Agency for a nominal fee. The Department approved the transfer of 73 sites with a total area of 247 hectares to The Housing Agency. Initial recognition of the land was at a nominal value of €1 per site. A revaluation policy was adopted in 2018 and the land is now recognised at fair value. Changes in value are recognised in the Statement of Other Comprehensive Income and the revaluation reserve.

1.7 Action Plan for Homelessness

Purchases and Sales

Property Sales are recognised on receipt of funds. Property Purchases are recognised on payment of funds. Expenditure incurred on improvements to buildings is recognised when paid. Deposits paid on properties are accounted for in Current Assets. Properties purchased but not sold/transferred are accounted for in Housing stock of houses for re-sale. Any surplus or deficit is absorbed by the fund. (See Note 5)

Housing Acquisition Programme Inventory

The Housing Acquisitions inventory represents the cost of properties acquired, plus any capital upgrade works applied to the properties and any deposits paid for properties to be acquired.

Purchases Acquisition Programme Reserve

The Housing Acquisition reserve is the remaining funding from the Housing Acquisition programme. The Housing Acquisition programme activity is represented in Note 5 each year.

1.8 Receivables

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts is a specific provision, and is established when there is objective evidence that the Agency will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

1.9 Cash and Cash Equivalents

Cash is represented by deposits with financial institutions.

1.10 Non-Cash Transactions

As part of agreements entered into with third parties in connection with pyrite issues, the Agency may receive services from such parties without payment by the Agency. The Agency recognises such services when received as both income and an expense.

1.11 Payables

Short term payables are measured at the transaction price. The Agency also holds funds advanced by local authorities for the purchase of Housing stock. local authorities transfer the funds to The Housing Agency for properties they wish to acquire. The Housing Agency hold the funds until properties are purchased. These amounts are shown as payables (See Note 12).

1.12(a) Retirement Benefits

Section 7 (8) of Statutory Instrument No 264 of 2012 provided for the establishment of a superannuation scheme for the Agency. The Agency operates a defined benefit scheme (the main scheme) which is funded on a pay-as-you-go basis from monies provided by the Department of Housing, Local Government and Heritage and from contributions deducted from staff and members' salaries. The scheme is being operated on an administrative basis pending the approval of the Minister for Housing, Local Government and Heritage with the consent of the Minister for Public Expenditure and Reform.

Retirement benefit costs reflect retirement benefits earned by employees, and are shown net of staff retirement benefit contributions which are retained by the Agency. An amount corresponding to the retirement benefit charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge retirement benefit payments.

The Housing Agency also operates the Single Public Services Pension Scheme ("Single Scheme"), which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. Single scheme members' contributions are paid over to the Department of Public Expenditure and Reform.

Actuarial gains or losses for both schemes arising on scheme liabilities are reflected in the Statement of Other Comprehensive Income, and a corresponding adjustment is recognised in the amount recoverable from the Department of Housing, Local Government and Heritage.

The financial statements reflect, at fair value, the assets and liabilities arising from The Housing Agency's retirement benefit obligations and any related funding, and recognises the costs of providing retirement benefit benefits in the accounting periods in which they are earned by employees. Retirement benefit scheme liabilities are measured on an actuarial basis using the projected unit credit method.

1.12(b) NBA Retirement Benefits

The National Building Agency (NBA) operated a funded defined benefit pension scheme. On the instructions of the Minister for Housing, Local Government and Heritage, The Housing Agency was appointed as the principal employer of the NBA pension scheme with effect from 1 October 2018.

The scheme for past employees of NBA is closed to new entrants. The assumptions and estimates used in calculating the cost for the financial year, the defined benefit obligation and the fair value of the plan assets at the financial year end reflect historical experience and current trends.

The Housing Agency recognises income and retirement benefit costs for the year in the Statement of Income and Expenditure and actuarial movements are recognised in the statement of other comprehensive income.

Retirement benefit payments made by The Housing Agency to members of the scheme are recouped from the pension fund. (see Note 13.2).

The NBA asset represents the fair value of the investment fund held by the trustees and the retirement liability represents the net present value of the future entitlements of the scheme members as calculated by an independent actuary. On 1 October 2018 the schemes assets were valued at €12,784,000 and the liability was valued at €8,366,000. The Statement of Financial Position at 31 December 2019, shows the asset at €13,731,000 and the liability at €7,878,000.

1.13 Capital Reserve

The Capital Reserve represents (a) the unamortised portion of income applied for capital purposes. Fixed assets are funded from grant income and amortised in line with depreciation and (b) the transfer of the net assets from The Housing and Sustainable Communities Limited (HSC Ltd), the National Building Agency Limited (NBA) and Fingal County Council to The Housing Agency for Nil consideration in 2013. The asset values transferred are as follows:

- NBA €741,501
- HSC Ltd €1,202,607, and
- Local authorities €37.

This was undertaken on the direction of the Department of the Environment, Community and Local Government (DECLG) now the Department of Housing, Local Government and Heritage.

1.14 Currency

The unit of currency in which the financial statements are denominated is the Euro.

1.15 Assisting Local Authorities in Purchasing Housing

The Housing Agency acts as central point for multiple organisations for purchasing properties from receivers/ lenders. Suitable properties from the portfolios were identified and local authorities approved the purchase of the relevant properties. The local authorities forwarded the funds to The Housing Agency and the relevant funds were then paid for the properties in the relevant portfolios.

2 Critical Accounting Judgements and Estimates in Applying Accounting Policies and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Useful Lives of Tangible Fixed Assets

Long-lived assets are comprised primarily of buildings, fixtures and fittings and computer equipment. The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances,

estimated residual values. The Board regularly reviews these useful lives and changes them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year.

Impairment of Tangible Fixed Assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Pyrite Remediation Scheme

The Pyrite Remediation Scheme commitment of €84 million is deemed to be a significant judgement and is based on a detailed five year projection for the scheme presented to The Housing Agency Board on 23 October 2018.

Retirement Benefit Obligation

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates and healthcare cost trend rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the retirement benefit and post-retirement plans.

The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds
- (ii) future compensation levels, future labour market conditions.

3 Prior Year Presentation

During the year it was decided by the Board to revise the presentation of the financial statements to separately show each of the major operations and schemes administered by the Agency.

The transactions of the acquisitions revolving fund are now shown in the statement of income and expenditure whereas in prior periods they were shown in the movement in the fund reserve. The movement in the pyrite reserves and acquisition local authority reserves have been disclosed separately from the revenue reserves. In addition, the transfers between the capital reserve and the revenue reserve are now shown in the statement of changes in capital and reserves.

This has not resulted in a change to the total net assets or reserves in the Statement of Financial Position for 2018. The total amounts charged to income and expenditure for 2018 have been adjusted to reflect the acquisitions revolving fund transactions of €53.246 million and €54.743 million respectively.

4 Income

a) Housing Agency Operational

	Note	2019 €	2018 €
Oireachtas grant (Vote 34 – Subhead A.23)	4.1	7,500,000	7,174,000
<i>less single public sector scheme contributions</i>		(93,276)	(127,081)
Fee income	4.2	307,151	253,729
Recoupments from state bodies	4.3	630,606	578,996
Deposit interest		63	91
Rental income	4.4	58,438	137,535
Gain on sale of land	9	9,000	-
Other income	4.5	176,442	74,517
Deferred pension funding	13	1,166,000	1,274,000
		9,754,424	9,365,787

4.1 Oireachtas Grant received from the Department of Housing, Local Government and Heritage.

4.2 Fee income represents charges to clients (local authorities or other state bodies) in respect of services undertaken by The Housing Agency.

4.3 Income from state bodies represents recoupments for seconded staff and expenses incurred on behalf of state bodies including the following from Vote 34:

	€
Subhead D12: Land Development Agency	42,691

4.4 Rental Income comprises of rents received in relation to Development Land held by The Housing Agency.

4.5 The Housing Agency also receives income from other activities and schemes that it has undertaken during the year comprising of the following from Vote 34:

	€
Subhead A4: Social Housing Current Expenditure Programme	6,529
Subhead A6: Housing Assistance Payment Scheme	4,208
Subhead A12: Traveller Accommodation	3,745
Subhead A14: Housing for People with a Disability	161,960
	176,442

b) Pyrite Remediation Scheme

	Note	2019 €	2018 €
Oireachtas grant (Vote 34 – Subhead A.22)	4.1	30,000,000	30,000,000
Staff services supplied by Homebond	4.6	354,716	370,752
		30,354,716	30,370,752

4.6 Homebond is a provider of structural defect cover in new homes and has an agreement with The Housing Agency to provide staff and services to the value up to €2m to the Agency. As part of this agreement the value of such staff and services provided was estimated in 2019 at €354,716 (2018: €370,752).

c) Acquisitions – Revolving Fund

	Note	2019 €	2018 €
Revolving fund sales of properties	4.7	29,467,864	53,201,140
Revolving fund rental income		63,228	44,825
		29,531,092	53,245,965

4.7 Sales represent the sales of housing stock to local authorities and approved housing bodies at cost plus the cost of any capital upgrade works completed.

d) Acquisitions – Local Authority

	Note	2019 €	2018 €
Direct acquisition recoupments	4.8	1,556,003	440,802
Fingal recoupments		404,871	185,404
		1,960,874	626,206

4.8 Includes the following from Vote 34:

	€
Subhead A3: Local Authority Housing	140,402

5 Expenditure

a) Housing Agency Operational

	Note	2019 €	2018 €
Employment costs	6	6,008,626	5,058,166
Office administration costs	7	1,914,008	1,263,704
Legal and professional fees	8	1,513,893	1,666,686
National Building Agency		933	15,597
Loss on sale of land	9	-	2
Depreciation	9	145,692	159,057
		9,583,152	8,163,212

b) Pyrite Remediation Scheme

	Note	2019 €	2018 €
Office administration costs		25,408	36,098
Legal and professional fees		56,322	17,573
Homeowner payments		2,848,765	2,232,491
Construction project managers		1,520,078	1,473,348
Work contractors		26,252,739	25,912,180
Homebond staff and services	4.6	354,716	370,752
		31,058,028	30,042,442

The Agency administers the Pyrite Remediation Scheme which came into operation on 13 February 2014. The Housing Agency has received €123.9 million from the Department of Housing, Local Government and Heritage to administer the scheme to date. The Agency has made payments of €123.5 million and in addition has incurred wages and salary costs in respect of staff assigned to the administration of the scheme of €1.6m to 31 December 2019. Retirement benefit costs for the Agency as a whole are not included above.

The 2018 comparative figures for Office Administration Costs and Legal and Professional Fees have been re-classified to be in line with current year presentation.

c) Acquisitions**Revolving Fund Trading Expenditure**

	Note	2019 €	2018 €
Opening stock		60,732,431	64,844,915
Deposits paid & properties purchases		22,108,520	47,400,738
Improvements to buildings		2,730,281	4,268,038
Refunds from non-proceeding properties		(767,920)	(2,580,120)
Closing stock		(55,335,448)	(60,732,431)
		29,467,864	53,201,140
Other costs (c)(i)		1,611,449	1,542,310
		31,079,313	54,743,450

(c)(i) The Housing Agency has been tasked with the acquisition of vacant housing for social housing use under the Action Plan for Housing and Homelessness. The Agency's role in this regard is to engage with banks, investors and other potential owners of multiple property portfolios to acquire properties on a national basis and to dispose of these at cost to housing bodies and local authorities.

Funding for the purchase is provided by a revolving grant of up to €76 million from the Department of Housing, Local Government and Heritage. The grant is treated as long term funding and is accounted for in the Property Acquisition Reserve in the Statement of Financial Position.

Acquisitions Revolving Fund

	Note	2019 €	2018 €
Purchase, sales and holding costs		759,355	704,057
Stamp duty		-	(30,065)
Property valuations		186,739	225,940
Insurance		255,248	334,030
Property inspections		87,663	255,369
Local property tax		67,201	59,346
Professional advice		36,782	44,027
Service charges		213,504	158,584
Security services		30,592	2,263
Utility and connection costs		3,891	(5,212)
Miscellaneous expenses		4,073	-
AHB fees		-	(91,377)
Cost refunds		(33,830)	(114,727)
Bank charges		231	75
		1,611,449	1,542,310

Trading Expenditure by Number of Homes

	Note	2019 €	2018 €
Opening stock		300	353
Purchases		129	200
Sales		(131)	(253)
Closing stock		298	300

Administration Expenditure by Activity

	Note	2019 €	2018 €
Direct acquisitions	5.3	1,469,619	151,556
Fingal Co Council	5.4	387,108	166,127
		1,856,727	317,683

5.3 Direct Acquisition Expenditure is expenditure related to the properties acquired on behalf of local authorities, these costs are in excess of the purchase price and are recouped by The Housing Agency at a later date.

Direct Acquisitions

	Note	2019 €	2018 €
Legal & outlay		723,878	41,031
Local Property Tax		22,868	8,129
Service charges		152,258	11,489
Valuations		354,471	36,304
Inspection fees		81,352	43,653
Insurance		3,072	3,675
Security costs		3,137	1,002
Professional advice		615	6,267
Bank fees		104	6
Capital upgrade works	5.3.1	127,864	-
		1,469,619	151,556

Direct Acquisitions Activity

The Housing Agency engages in sourcing properties on behalf of Approved Housing Bodies (AHBs) and local authorities. During the year The Housing Agency assisted in acquiring 303 properties on behalf of local authorities and AHBs. (2018: 173)

5.3.1 Capital Upgrade Works

During the year local authorities requested that The Housing Agency provide upgrade works to properties sourced on their behalf.

5.3.2 Assisting Local Authorities in Purchasing Housing

The Housing Agency acts as central point for multiple organisations for purchasing properties from receivers/ lenders. Suitable properties from the portfolios were identified and local authorities approved the purchase of the relevant properties. The local authorities forwarded the funds to The Housing Agency and the relevant funds were then paid for the properties in the relevant portfolios. In 2019 The Housing Agency purchased houses in bulk from lending institutions on behalf of local authorities nationwide. Such housing stock is not the property of The Housing Agency. The transactions under the programme are outlined below:

	Note	2019 €	2018 €
Opening balance of funds		23,882,000	3,023,700
Funding received		63,616,450	47,444,100
Purchases		(84,206,400)	(26,585,800)
Closing balance of funding received	12	3,292,050	23,882,000
Float held by The Housing Agency		12,699	-
Direct acquisitions funds	11	3,304,749	23,882,000

5.4 During the year, The Housing Agency incurred costs of €387,108 (2018:€166,127) on behalf of Fingal County Council for the provision of legal services.

Fingal Co Council

	2019 €	2018 €
Legal & outlay	387,108	166,127

6

Housing Agency Operational Employment Costs

	Note	2019 €	2018 €
Wages and salaries – Housing Agency staff		4,475,961	3,614,488
Wages and salaries – Pyrite staff		580,665	487,678
Retirement benefit costs – Housing Agency	13.1	952,000	956,000
		6,008,626	5,058,166

Number of Employees

	2019	2018
The average number of employees	82	67

Additional Superannuation Contribution

	2019 €	2018 €
Additional superannuation contribution	137,135	151,301

Board Member Emoluments

Pyrite Remediation Scheme Board

	2019 €	2018 €
Caroline Gill	2,000	1,600
Alex Flood	–	4,200
Jack Keyes	13,876	8,978
Derek Sinnott	2,777	–

Housing Agency Board

	2019	2018
David Duffy	3,847	-

The above amounts are for expenses and fees incurred from the Pyrite Resolution and Housing Agency Boards.

Chief Executive's Remuneration

	2019	2018
Chief Executive's remuneration	128,117	124,228

The Chief Executive's salary was €124,228 and increased to €128,117 under the restoration of the temporary pay cuts introduced under the Haddington Road Agreement. The Chief Executive's pension is part of The Housing Agency's model of public sector defined superannuation scheme.

Termination Benefits

No termination payments were made during the year.

Short Term Benefits

No short term benefits such as overtime or allowances were made during the year.

Key Management Personnel

	2019	2018
Salary	605,107	563,088

Key management personnel in The Housing Agency consists of the senior officers, the Chief Executive Officer, the Principal Officers, Assistant Principal Officer and Senior Executive Officers. The total value of employee benefits for key management personnel is set out above. This does not include the value of retirement benefits earned in the period. The key management personnel are members of The Housing Agency pension scheme and their entitlements in that regard do not extend beyond the terms of the model service pension scheme.

7 Housing Agency Operational Office Administration Costs

	Note	2019 €	2018 €
Rent payable		86,154	61,500
Rates		1,384	492
Insurance		59,093	52,957
Light and heat		27,862	20,412
Premises and maintenance costs		356,299	115,142
Information communications technology		344,917	258,646
Printing postage and stationary		124,908	117,581
Communications		151,931	162,070
Conferences, meetings and seminars		133,523	62,262
Bank charges		1,047	936
General expenses		1,106	38,407
Recoverable costs	7.1	198,802	-
Training and recruitment		287,154	158,549
Travel and subsistence		113,870	91,442
Subscriptions		25,944	42,308
Bad debts		14	81,000
		1,914,008	1,263,704

7.1 Recoverable Costs

Recoverable Costs relate to costs borne by The Housing Agency on behalf of local authorities and AHBs during the year. These costs are to be recouped at a later date.

8

Housing Agency Operational Legal and Professional Fees

	Note	2019 €	2018 €
Acquisitions – professional fees		26,705	117,678
Professional fees		205,673	133,330
Regulation and development costs		76,598	169,643
Legal fees		46,651	30,907
Research expenditure		177,535	209,455
Accountancy		52,810	33,028
Internal audit		59,234	64,921
Audit		40,000	35,000
Land valuations and legal fees for asset management		134,809	129,702
Professional and legal services for local authorities		56,165	29,735
Underwriting for housing supply loans		327,200	385,790
Project consultancy costs		190,068	109,391
Strategic planning and implementation		14,176	55,102
A&R committee and governance review		66,420	9,410
Process mapping and procedures		335	91,723
Procurement services		39,514	61,871
		1,513,893	1,666,686

9 Tangible Fixed Assets

	Development land €	Land under aggregation scheme €	Buildings €	Fixtures, fittings & equipment €	Computer equipment €	Total €
Cost						
Opening balance at 1 January 2019	1,441,247	55,069,342	4,973,255	121,129	237,183	61,842,156
Additions at cost	-	-	-	-	9,861	9,861
Revaluations	-	-	-	-	-	-
Disposals	(35,000)	(3,419,794)	-	-	-	(3,454,794)
Balance at 31 December 2019	1,406,247	51,649,548	4,973,255	121,129	247,044	58,397,223
Depreciation						
Opening balance at 1 January 2019	-	-	216,499	62,671	147,169	426,339
Depreciation for the period	-	-	99,465	15,141	31,086	145,692
Balance at 31 December 2019	-	-	315,964	77,812	178,255	572,031
Net book value						
At 31 December 2019	1,406,247	51,649,548	4,657,291	43,317	68,789	57,825,192
At 31 December 2018	1,441,247	55,069,342	4,756,756	58,458	90,014	61,415,817

	Development land €	Land under aggregation scheme €	Buildings €	Fixtures, fittings & equipment €	Computer equipment €	Total €
Cost						
Opening balance at 1 January 2018	1,441,247	72	4,973,255	117,887	219,678	6,752,139
Additions at cost	-	-	-	3,242	17,505	20,747
Revaluations	-	55,069,272	-	-	-	55,069,272
Disposals	-	(2)	-	-	-	(2)
Balance at 31 December 2018	1,441,247	55,069,342	4,973,255	121,129	237,183	61,842,156
Depreciation						
Opening balance at 1 January 2018	-	-	113,222	47,530	106,530	267,282
Depreciation for the period	-	-	103,277	15,141	40,639	159,057
Balance at 31 December 2018	-	-	216,499	62,671	147,169	426,339
Net book value						
At 31 December 2018	1,441,247	55,069,342	4,756,756	58,458	90,014	61,415,817
At 31 December 2017	1,441,247	72	4,860,033	70,357	113,148	6,484,857

Development Land – Activity

	Note	2019 €	2018 €
Opening sites		13	13
(Transferred / disposed)	9.1	(1)	-
Closing sites		12	13

Lands Aggregation Scheme - Activity

	Note	2019 €	2018 €
Opening sites		70	72
(Transferred / disposed)	9.2	(2)	(2)
Closing sites		68	70

9.1 Development Land – Activity

During the year the Agency had disposed of one site held in Ballylooby, County Tipperary for €44,000. A gain of €9,000 was made on the disposal (see Note 4).

9.2 Lands Aggregation Scheme – Activity

During the year the Agency had disposed of two sites held in County Cork, the sites were transferred to Cork County Council for nil. The sites are to be used for the construction of 102 social housing units. These sites were valued in prior year at €1.345 million.

The Agency has also transferred partial amounts of 2 sites in County Kildare, to Kildare County Council for the development of 77 social housing units and a MERITS building (Mid-Eastern Regional Innovation Think Space). The partial site transfers are valued at €2.075 million.

In 2018 the land held under the Land Aggregation Scheme was revalued by independent third party agents, which valued land held at €55,069,272. This has been reflected in the Statement of Other Comprehensive Income and the revaluation reserve.

10 Receivables

	Note	2019 €	2018 €
Debtors		457,305	193,721
Prepayments		91,434	78,692
Other debtors		323,120	121,278
Work in progress		117,709	166,322
		989,568	560,013

11 Cash and Cash Equivalents

	Note	2019 €	2018 €
Acquisition funds		14,057,528	10,208,767
Harcourt liability	12.1	-	196,406
Pyrite Remediation Scheme		1,544,274	1,785,153
Monies held on behalf of local authorities	5.3.2	3,304,749	23,882,000
Housing Agency operational		4,455,760	4,455,686
		23,362,311	40,528,012

12

Payables

	Note	2019 €	2018 €
Trade payables		(13,692)	(599)
Other payables		(75,300)	-
Harcourt liability	12.1	-	(196,406)
Accruals		(812,363)	(474,433)
RCT		(216)	-
PAYE/PRSI		(200,928)	(107,279)
Value added tax		(710,338)	(719,117)
Withholding tax		(120,383)	(110,701)
Monies held on behalf of local authorities	5.3.2	(3,292,050)	(23,882,000)
Pension contribution		(393,416)	(391,256)
Salaries control		-	(64,830)
Deferred income		(89)	-
		(5,618,775)	(25,946,621)

12.1 Harcourt Liability

All liabilities of the Affordable Homes Partnership (AHP) at 31 December 2010 were taken over by the Department of Housing, Local Government and Heritage including contractual obligations with regard to a land exchange transaction with a third party private entity for a state owned property at Harcourt Terrace, Dublin 2.

During 2012, a High Court case in respect of this land exchange was ruled in favour of the third party private entity. Subsequent to this ruling, the Department of Housing, Local Government and Heritage, the Office of Public Works (OPW) and the third party private entity reached an agreement on the final settlement arising from this ruling.

In accordance with the agreement reached, the Department of Housing, Local Government and Heritage and the Office of Public Works (OPW) advanced monies to The Housing Agency. Following instruction from the Department of Housing, Local Government and Heritage and the Office of Public Works (OPW), these monies were paid onto the beneficiary. The Housing Agency, through its bank account, facilitated the receipt and payments of these monies to the ultimate beneficiary. In providing this facility, The Housing Agency did not charge any fees or commissions to any party concerned.

There was a balance due to the Department of Housing, Local Government and Heritage of €196,406. This amount was repaid to the Department in 2019.

13 Retirement Benefits

Superannuation and SPS Scheme (Note 13.1)

The Housing Agency operates unfunded defined benefit superannuation schemes for staff. The schemes are (i) Pre 1 April 2004 – Non New Entrant, (ii) Post 1 April 2004 – New Entrant, and (iii) Post 1 January 2013 – Single Pension Scheme. Each pension scheme has its own associated terms and conditions in relation to retirement age and calculation of pension and lump sum. Superannuation entitlements arising under the schemes are paid out of current income and are charged to the Statement of Income and Expenditure, net of employee superannuation contributions, in the year in which they become payable.

NBA Scheme (Note 13.2)

The Housing Agency became the principal employer of the NBA in October 2019. The NBA retirement benefits scheme transferred to The Housing Agency. The NBA Scheme is a funded pension scheme which is managed by the Agency.

Retirement Benefits Results

The results set out below are based on an actuarial valuation of the pension liabilities in respect of serving, retired and deceased staff of The Housing Agency as at 31 December 2019. This valuation was carried out by a qualified independent actuary for the purposes of the accounting standard Financial Reporting Standard – Retirement Benefits (FRS 102).

Average Life Expectancy Used To Determine Liabilities

	2019	2018
Male aged 65	21	21
Female aged 65	24	24

13.1 Superannuation and SPS Scheme

Expenditure

	Notes	2019 €	2018 €
Current service costs		962,000	1,096,000
Interest on pension scheme liabilities		212,000	183,000
Employee contributions		(222,000)	(323,000)
Total pension costs		952,000	956,000

Deferred Retirement Benefit Funding

	Notes	2019 €	2018 €
Opening deferred funding		10,527,000	9,867,000
Deferred funding		1,166,000	1,274,000
Adjustment to deferred funding	13.1.1	2,962,000	(614,000)
Closing deferred funding		14,655,000	10,527,000
Net deferred funding recognised in the Statement of Income and Expenditure			
Benefit costs		1,174,000	1,279,000
Benefits paid in the period		(8,000)	(5,000)
		1,166,000	1,274,000

Retirement Benefit Liability

	Notes	2019 €	2018 €
Opening scheme liability		(10,527,000)	(9,867,000)
Current service cost		(962,000)	(1,096,000)
Interest cost		(212,000)	(183,000)
Benefits paid in the period		8,000	5,000
Change in actuarial assumptions	13.1.1	(1,827,000)	777,000
Experience (losses) / gains	13.1.1	(1,135,000)	(163,000)
Closing scheme liability		(14,655,000)	(10,527,000)

13.1.1 Actuarial (Losses)/Gains

	Notes	2019 €	2018 €
Change in actuarial assumptions		(1,827,000)	777,000
Experience (losses) / gains		(1,135,000)	(163,000)
Actuarial (loss) / gain		(2,962,000)	614,000
Percentage of the scheme liabilities		20.21%	5.83%
Adjustment to deferred funding		2,962,000	(614,000)

The principal financial assumptions used were:

Valuation Method

	2019	2018
Discount rate	1.10%	2.05%
Rate of increase In salaries	2.40%	2.85%
Future state pension increase	1.40%	1.85%
Future pension increases	1.90%	2.35%
Inflation	1.40%	1.85%

13.2 NBA Retirement Benefit Scheme

Retirement Benefit Cost

	Notes	2019 €	2018 €
Current service costs		-	-
Net interest cost		(90,000)	(21,000)
Administration cost		50,000	10,000
Total pension income		(40,000)	(11,000)

Retirement Benefit Scheme Assets

	Notes	2019 €	2018 €
Opening fair value of scheme assets		12,312,000	12,784,000
Interest income		249,000	61,000
Benefits paid		(305,000)	(78,000)
Administration expenses paid from asset		(50,000)	(10,000)
Return on plan assets (excluding interest)	13.2.1	1,525,000	(445,000)
Closing fair value of scheme assets	13.2.2	13,731,000	12,312,000

Retirement Benefit Liability

	Notes	2019 €	2018 €
Opening scheme liability		(7,929,000)	(8,366,000)
Current service cost		-	-
Interest cost		(159,000)	(40,000)
Benefits paid		305,000	78,000
Change in actuarial assumptions	13.2.1	(377,000)	369,000
Experience gains / (losses)	13.2.1	282,000	30,000
Closing scheme liability		(7,878,000)	(7,929,000)

Net Retirement Benefit

	Notes	2019 €	2018 €
Present value of funded defined benefit obligations		(7,878,000)	(7,929,000)
Fair value of scheme assets		13,731,000	12,312,000
Net asset / (liability)		5,853,000	4,383,000

13.2.1 Actuarial (Losses)/Gains

	Notes	2019 €	2018 €
Change in actuarial assumptions		(377,000)	369,000
Experience (losses) / gains		282,000	30,000
Return on plan assets (excluding interest)		1,525,000	(445,000)
Actuarial (loss) / gain		1,430,000	(46,000)
Percentage of the scheme liabilities		18.15%	-0.58%

The principal financial assumptions used were:

Valuation Method

	2019	2018
Discount rate	1.10%	2.05%
Rate of increase in salaries	2.40%	2.85%
Inflation	1.40%	1.85%

13.2.2 Fair Value of Plan Assets Composition

	Notes	2019 €	2018 €
Cash		230,000	370,000
Equities		4,756,000	4,317,000
Bonds		8,704,000	7,588,000
Other		41,000	37,000
		13,731,000	12,312,000

13.2.3 Fair Value of Plan Assets Composition as %

	2019	2018
Cash	1.68%	3.01%
Equities	34.64%	35.06%
Bonds	63.39%	61.63%
Other	0.30%	0.30%

14 Agency Board Members – Disclosure of Interests Ethics in Public Offices Act 1995 and 2001

The Agency is required to adhere to the requirements and procedures in accordance with the Ethics in Public Offices Act 1995 and 2001. The Agency has adhered to these within the period. There were no transactions during the period in relation to the Agency’s activities in which the Agency Members had any beneficial interest.

15 Commitments

On behalf of the Department of Housing, Local Government and Heritage, The Housing Agency undertakes the remediation of pyritic affected homes. The Pyrite Resolution Board receives claims under the Pyrite Remediation Scheme. As part of this scheme, works contracts are entered into with engineering and building consultants and with civil engineering and building contractors. In addition, homeowners whose dwellings have been accepted into this scheme are entitled to recoup certain expenditure that they incur prior to acceptance into the scheme and during remediation works.

No provision has been made in the accounts in respect of the potential liability under the scheme as it is the Board’s policy to recognise the costs of claims as they are approved. It is estimated that the future cost of the remediation scheme will amount to €84 million based on projected costs for the next 4 years and includes the contractual commitments noted below.

At the 31 December 2019, The Housing Agency had the following contractual commitments and obligations in relation to the Pyrite Remediation Scheme (PRS).

Construction Consultants

	2019 €	2018 €
Construction consultants contracts at 31 December	6,532,291	5,047,454
Payments on account to 31 December	(5,841,217)	(4,321,139)
Contractual commitments to consultants at 31 December	691,074	726,315

Work Contractors

	2019 €	2018 €
Works contractors contracts at 31 December	108,141,714	91,736,186
Payments on account to 31 December	(103,386,910)	(77,134,171)
Contractual commitments to contractors at 31 December	4,754,804	14,602,015

The Housing Agency is not eligible to recoup VAT and therefore all amounts are inclusive of VAT.

Payments on account figures for 2018 were restated to show cumulative amounts to 31st December 2018.

16 Lease Commitments

The Housing Agency has commitments in respect of a lease on office accommodation at 52 Upper Mount Street, Dublin 2. This lease is for a period of 10 years which commenced in March 2019. The Housing Agency sets out in the table below its estimated commitments for annual payments over the period of the lease:

	2019 €	2018 €
Payable within one year	120,000	-
Payable within two to five years	480,000	-
Payable after five years	500,000	-
	1,100,000	-

Operating lease payments recognised as an expense were €86,154.

17 Related Party Disclosures

During the year there was no transactions that required to related parties. Key management personnel in The Housing Agency consist of the CEO and members of the Board. For a breakdown of the remuneration and benefits paid to key management personnel, please refer to Note 6.

The Housing Agency adopts procedures in accordance with the guidelines issued by the Department of Public Expenditure and Reform covering the personal interests of Board members.

18 Events after the Reporting Date

There are no events between the reporting date and the date of approval of these financial statements for issue that require adjustment to the financial statements.

The Board recognises that the Covid-19 pandemic is a significant event which has occurred since the reporting date. The Board is taking the situation seriously and is monitoring the situation, in conjunction with management, on an ongoing basis. The business continues to operate with measures in place to protect staff and the Agency's clients. Staff are working remotely and services continue to be provided. To date, the operations and most of the entity's activities are being maintained while adjusting to the different way in which the business is being delivered. While the Agency is unable to reliably predict the impact of Covid-19 on its cash flows, the performance and operations of the Agency are being monitored closely and regular cash flow forecasts are provided to the Board and to the Department of Housing, Local Government and Heritage.

Going concern – The Board considers that, as the entity provides a public service that is funded by moneys provided by the Exchequer, via the Department of Housing, Local Government and Heritage, it is appropriate to prepare these financial statements on a going concern basis.

19 Approval of Financial Statements

The Board of Directors approved these financial statements for issue on 24 November 2020.





**An Ghníomhaireacht
Tithíochta**
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