



Annual Report 2015

Housing and Sustainable Communities Agency
operating as 'Housing Agency'

Our vision is to enable everyone to live in good quality, affordable homes in sustainable communities.



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Foreword

Chairperson's statement

The slow recovery of supply, despite rapidly rising demand, has resulted in price and rent increases – leading to widespread concern and public debate about housing. As a result, housing has been a key policy area for Government as we emerge from one of the worst recessions this country has seen.

The Agency's job is to collaborate with and serve our stakeholders – the Department of the Environment, Community and Local Government, local authorities, approved housing bodies and others. We deliver the best possible support in the housing sector, using our expertise, our experience as well as a strong research and evidence base to inform best practice. In the Housing Agency, we believe affordable, sustainable and decent accommodation must be a national goal.

The Housing Agency is driven by an understanding of the central role that housing plays in people's quality of life. Throughout 2015, we continually highlighted the importance of achieving a sustainable balance between the supply and demand for housing as a key policy issue and an important component of maintaining our financial stability.

At every opportunity we have stressed that affordability is the key metric. Supply that is not affordable is neither sensible nor sustainable. As we have seen before, getting this balance wrong has far reaching social and economic implications. Our job is to make sure we plan carefully for the future of Irish housing, rather than rushing to meet demand with short-term and short sighted solutions.

Ensuring affordability of homes is central to all our work. Affordability means being able to live in suitable homes for your needs, and being able to sustain rent or mortgage payments. Affordability means having wiggle room should such costs go up or income reduce unexpectedly, as well as an ability to pay for other living costs such as household bills, commuting and childcare. As we have consistently said, affordability means no one is forced to make long-distance commutes. Affordability goes hand-in-hand with stability.

“Our job is to make sure we plan carefully for the future of Irish housing, rather than rushing to meet demand with short-term and short-sighted solutions.”

Our vision is that everyone should be able to live in affordable homes of good quality within sustainable communities. We are driven by an understanding of the central role that housing plays in people’s quality of life and life chances. We understand that housing delivery is slow by its very nature, and there is no quick fix when it comes to speed of delivery.

Within the Housing Agency, the experience and expertise of our staff has been critical in the delivery of high quality housing services throughout Ireland since our inception. Our experts cover the full spectrum of technical, administrative, regulatory and research fields for the housing sector.

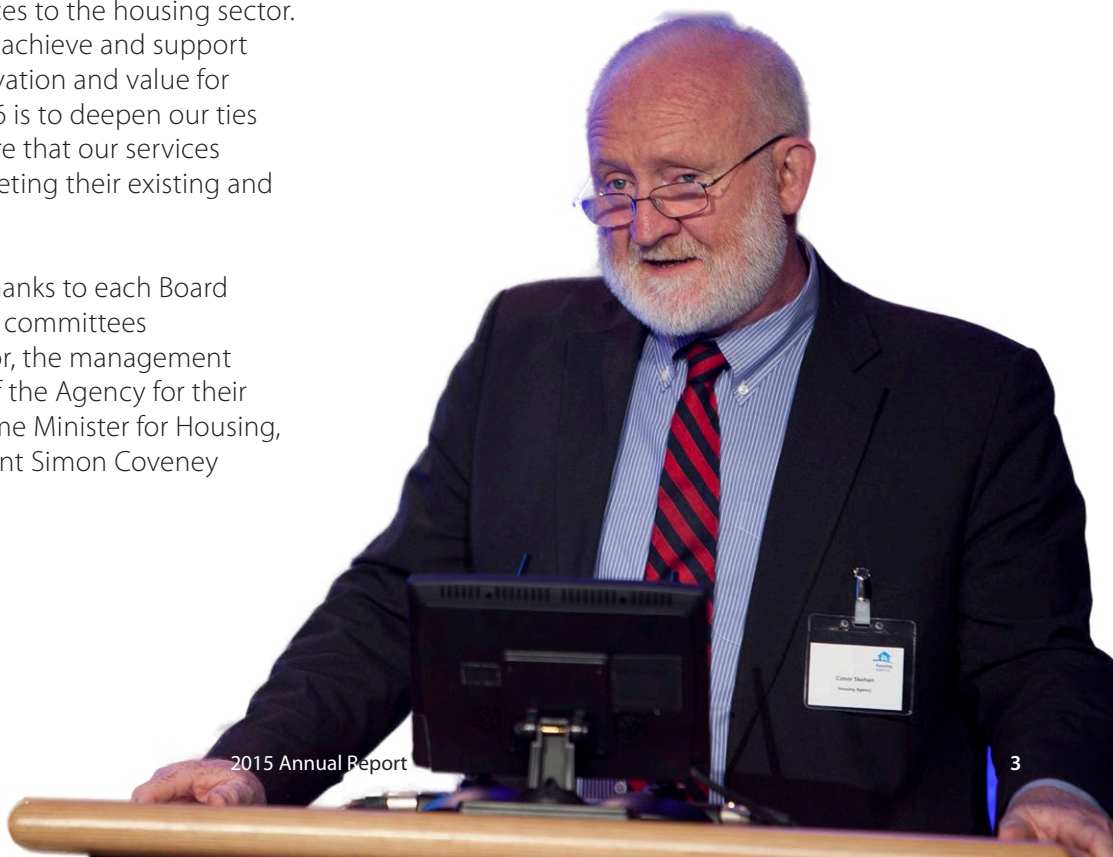
We are dedicated to using this expertise to provide high quality and flexible services to the housing sector. We apply these to encourage, achieve and support good practice, creativity, innovation and value for money. Our challenge for 2016 is to deepen our ties with our stakeholders to ensure that our services continue to be relevant to meeting their existing and emerging needs.

I wish to express my sincere thanks to each Board member, the Housing Agency committees and particularly John O’Connor, the management team and the excellent staff of the Agency for their work in 2015. I want to welcome Minister for Housing, Planning and Local Government Simon Coveney

and Minister of State Damien English who we look forward to working with. I wish to thank the former Minister of Environment, Community and Local Government Alan Kelly and former Minister of State Paudie Coffey and the officials of the Department for their support of the Housing Agency, along with local authorities for all their co-operation and assistance.



Conor Skehan
Chairperson



Governance

Board meeting attendance in 2015

A total of 12 board meetings were held throughout 2015. The following table outlines the attendance of each member at these meetings.

Board Member	Organisation	Appointment / Resignation	Attendance %
Conor Skehan	Chairperson	Appointed July 2013	100
Eugene Cummins	Roscommon County Council	Appointed November 2014	92
Clodagh Henehan	South Dublin County Council	<i>Resigned April 2015</i>	–
Lorraine Lynch	Wicklow County Council	Appointed May 2015	100
Donal McManus	Irish Council for Social Housing	Appointed January 2013	92
Bairbre NicAongusa	Department of the Environment, Community and Local Government (DECLG)	Appointed September 2014	92
Dermot Nolan	Department of Public Expenditure and Reform	Appointed January 2013	83
Tony O'Brien	Management Consultant	Appointed July 2013	83
John O'Connor	Chief Executive Officer, Housing Agency	Appointed January 2013	100

Board Fees

Board members are not in receipt of fees for sitting on the board of the Agency, and no expenses were paid in respect of 2015.

Salary of the Chief Executive

The Chief Executive's salary for 2015 was €117,603. This is based on the scale for Manager Level 5, plus 7.5% expenses which amounted to €8,820 and reflects salary reductions applied as a result of the Financial Emergency Measures in the Public Interest (No. 2) Act 2009, and the Haddington Road Agreement 2013, and as directed by the Department of Environment, Community and Local Government (DECLG). The Chief Executive is part of a Local Government model public sector defined benefit superannuation scheme.

“One significant success of 2015 was the acquisition of over 150 homes on behalf of local authorities nationwide.”



Foreword

Chief Executive's statement

Although 2015 was a challenging year in the housing sector, this year saw the Housing Agency take many positive steps in a number of key areas. Some of our areas of focus in 2015 have been the delivery of social housing supply, supplying Government with the highest quality research, providing local authorities with specialist services, regulation of the AHB sector and providing homeowners with pyrite remediation in affected estates.

The Housing Agency works to support local authorities, Approved Housing Bodies (AHBs) and housing practitioners in their role in delivering quality housing for people. Our work spans from undertaking research to inform public policy, to housing support and technical services, to Regulation of the AHB sector.

In July 2015, the Agency launched the first annual National Statement of Housing Supply and Demand. As part of Government Plans 'Construction 2020', this report provides the Department and our stakeholders with timely and valuable information about the projected supply and demand for housing up to 2017.

The Agency was particularly active in the work with the Department, local authorities, approved housing

bodies, and others in relation to the implementation of a wide range of actions under the Social Housing Strategy. In 2015 significant attention was given to the acquisition of housing, including the completion of housing developments, bringing void properties back into use, and supporting the implementation of the new Housing Assistance Payment (HAP). One highlight was the achievement the target of securing over 2,000 houses and apartments from NAMA's loan portfolio. The Agency has been working with NAMA and the Department over the last number of years in relation to this; to secure housing for local authorities and AHBs.

Another highlight of the year for the Agency was working with Dublin City Council, OPW and the Peter McVerry Trust to deliver accommodation for homeless people by providing eight refurbished units in Clare

“The Agency was particularly active in the work with the Department, local authorities, approved housing bodies, and others in relation to the implementation of a wide range of actions under the Social Housing Strategy.”

Lane, Dublin. On this project, the Agency advised and project managed the work of restoring and refurbishing the previously vacant apartments.

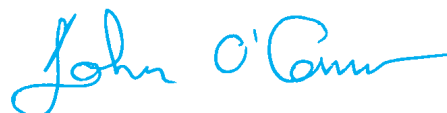
Social housing supply has been a critical issue and in 2015, the Housing Agency supply team increased our role in the supply of social housing for people in need. One significant success of 2015 was the acquisition of over 150 homes on behalf of local authorities nationwide. These houses were bought in bulk from lending institutions in order to secure good value for local authorities. This is in addition to reaching the target of delivering 2,000 houses and apartments from the NAMA loan portfolio. The Agency actively worked with local authorities and AHBs in the acquisition and completion of housing developments around the country.

Work with a wide range of stakeholders continued in relation to housing people with disabilities and the associated national strategy. Much of the attention is around the focus on closing congregated settings and to support people to moving to housing in the community. This is particularly in relation to people with intellectual and mental health disabilities. The Agency continued its activity and support to local authorities in relation to supporting households with mortgage arrears; and the management of the mortgage to rent scheme.

The Pyrite Remediation Scheme has progressed well in 2015 with 744 dwellings included in the scheme. In 2015, a total of 153 keys were handed back to homeowners whose homes were successfully remediated under the scheme. The programme of the remediation work was made fully operational and is now running smoothly.

The Interim Regulation Office for approved housing bodies is part of the Housing Agency. This was the first year of assessments of annual regulatory return. A total of 215 AHBs are signed up to the regulatory framework. The total stock of these AHBs is 24,562 houses, which is 82% of the AHB stock. We are delighted with the progress made by the Regulation office.

Finally, I would like to sincerely thank the staff of the Agency and all our stakeholders and congratulate you all on everything we have achieved in 2015. In 2016 we have many challenges to meet, and we will be working closely with the Government, the Department of the Environment, Community and Local Government, local authorities, approved housing bodies, and all our stakeholders to ensure we meet our vision of promoting good practice in housing management, and supporting the delivery of quality housing in well-designed neighbourhoods.



John O'Connor
Chief Executive



Housing Agency

Key achievements in 2015



Worked with NAMA
to reach target of
2,000 homes
for social housing

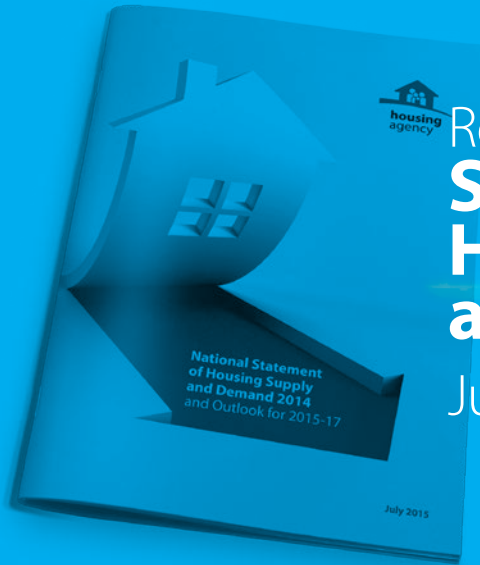


Acquisition of
over 150 homes
on behalf of
local authorities
nationwide



147

Mortgage to
Rent cases
completed
by the end
of 2015



Released first
**Statement of
Housing Supply
and Demand**
July 2015

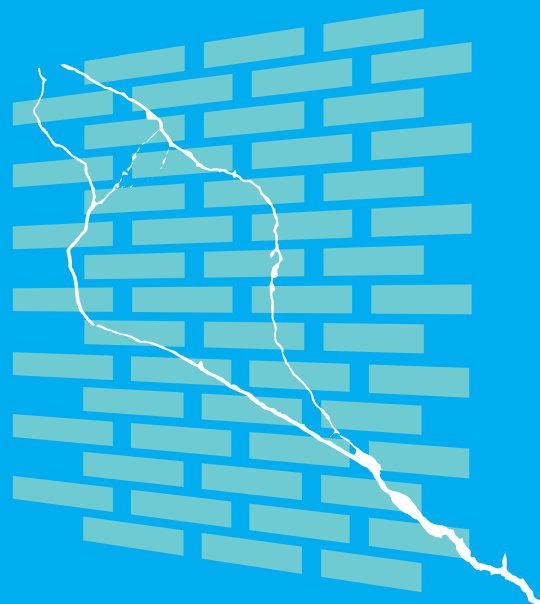
619 
being
actively
progressed

Supported
rollout of
HAP





Almost
200 AHBs
signed up to
the **voluntary
regulation code**



Technical
advice
provided
to local
authorities
and AHBs

**Pyrite Remediation
Scheme** up and running –
153 dwellings
remediated by end 2015

102 CALF projects
were assessed in 2015 – **this
included 1,552 dwellings**



**Other achievements
in 2015 included:**

- Land Aggregation – **73 sites with a total value of €163 million** have now been accepted into the scheme
- Research carried out on family homelessness

1,000
registered users
of the **Agency
Housing Manual**



01

About us

The Housing Agency's vision is to enable everyone to live in good quality, affordable homes in sustainable communities.

Establishment

The Housing Agency was established on an administrative basis in 2010, and was put on a statutory basis on 1st August 2012 (Establishment Day) under the Housing and Sustainable Communities Agency (Establishment) Order 2012 (S.I. No. 264 of 2012). This establishment followed on from the enactment of the Local Government (Miscellaneous Provisions) Act 2012.

The Housing Agency works with:

- Local Authorities
- Approved Housing Bodies,
- the Department of the Environment, Community and Local Government and
- the Private Sector

in the delivery of housing and housing services for citizens.

Strategic Plan

The Agency's Strategic Plan 2015 – 2017 sets out the following:

- Our **vision** is to enable everyone to live in good quality, affordable homes in sustainable communities.
- Our **mission** is to be housing experts driven by an understanding of the central role housing plays in people's quality of life and life chances.
- Our **values** are:
 - independent influence
 - quality expertise
 - innovation and solution focused
 - respected reputation
 - collaboration.

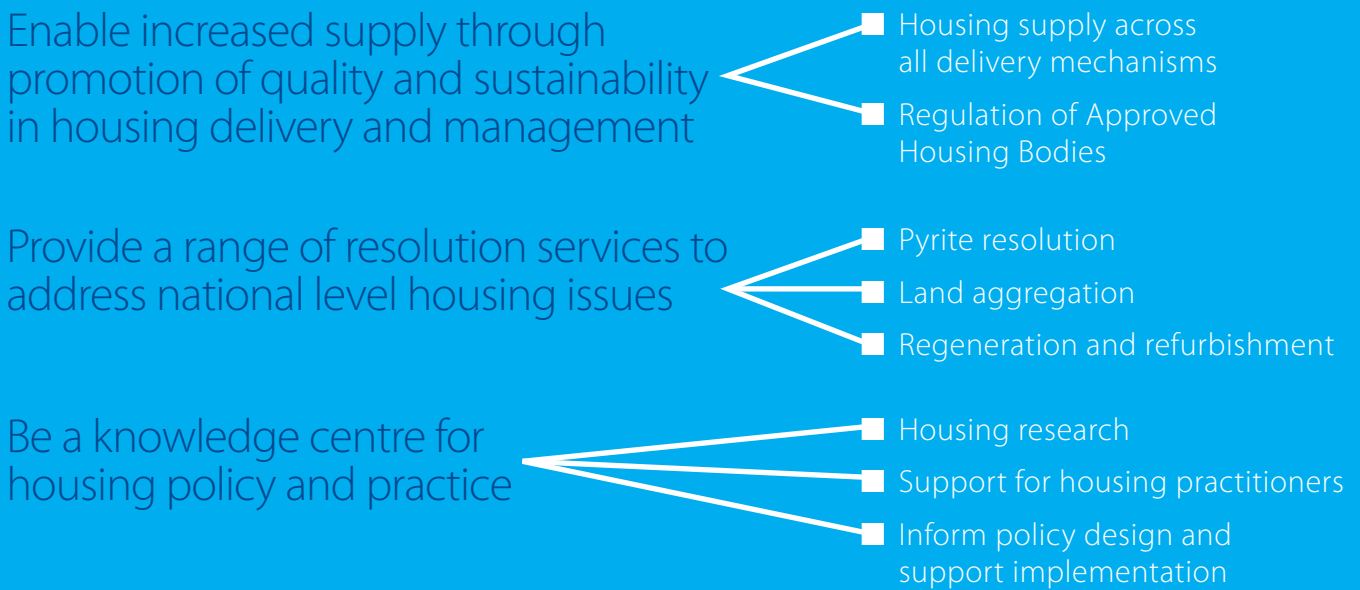
Housing Agency

Strategic Goals 2015-2017

Housing Goals



What we will do / Our priorities



What we need to achieve our vision



Structure and Operations

In this section, further details regarding the Agency's structure are outlined.

Board

The Housing Agency is managed by a Board consisting of a Chairperson and eight members:



Conor Skehan
Chairperson



Eugene Cummins
Roscommon
County Council



John O'Connor
Housing Agency
Chief Executive



Loraine Lynch
Wicklow
County Council



Donal McManus
Irish Council for
Social Housing



Bairbre NicAongusa
Department of the Environment,
Community and Local
Government (DECLG)



John Burke
Department of Public
Expenditure and Reform



Tony O'Brien
Management
Consultant

Audit and Risk Committee

The Housing Agency Audit and Risk Committee membership in 2015 was as follows:

Committee member	Organisation
Tony O'Brien	Management Consultant
Caroline Gill	Pyrite Remediation Board
Donal McManus	Irish Council for Social Housing
Clodagh Henehan	South Dublin County Council*
Lorraine Lynch	Wicklow County Council**
Jim Baneham	Housing Agency, Internal Audit Officer

* Resigned April 2015.

** Appointed November 2015.

Our Services

The Housing Agency provides a range of services and supports to local authorities, Approved Housing Bodies and the Department of the Environment, Community and Local Government in the delivery of housing and housing services, such as:

- Corporate and Research
- Housing Supply and Mortgage Supports
- Technical Advice
- Pyrite Remediation
- Land Aggregation
- Regulation

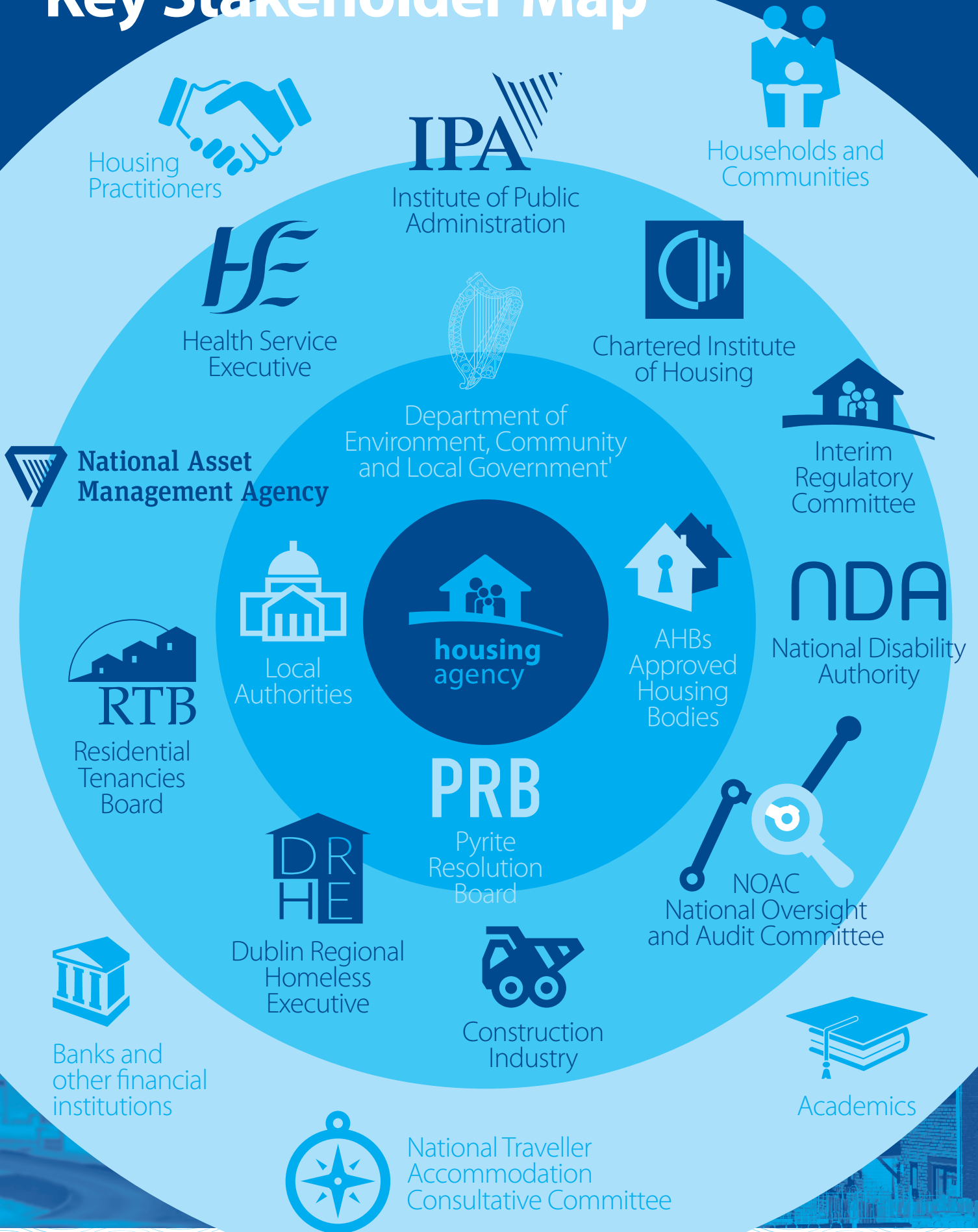
Staff

The Housing Agency had an average staff of 31 in 2015.

The Senior Management Team was structured as follows:

Name	Role
John O'Connor	Chief Executive
David Silke	Director of Research and Corporate Affairs
Rosalind Carroll	Head of Regulation
Jim Baneham	Head of Housing Supply and Mortgage Supports
Isoilde Dillon	Senior Regeneration Executive
Trevor Austen	Senior Assets Executive
Peter Hesse	Project Management and Procurement Officer

Key Stakeholder Map



02

Enabling increased supply

through the promotion of quality
and sustainability in housing
delivery and management

Priority: Housing Supply Across All Delivery Mechanisms

The Social Housing Strategy

Five Work Stream working groups have been established by the Department of the Environment, Community and Local Government (DECLG), under the Social Housing Strategy (SHS). The Agency has representatives on all 5 of these groups, which are as follows:

- Work Stream 1 – Finance
- Work Stream 2 – Approved Housing Bodies (AHB) Delivery and Operations
- Work Stream 3 – Local Authority Delivery and Operations
- Work Stream 4 – Social Housing Reform
- Work Stream 5 – Private Rental

The Housing Supply and Mortgage Supports Section sits on Work Stream 2 and 3 and also participates in the Technical Working Group set up under Work Stream 1. The Housing Agency is engaged in a range

of support work for the Social Housing Strategy (SHS). This includes analysing housing need data, which is used to calculate overall housing delivery targets in the SHS and to generate annual Local Authority delivery targets. The Housing Agency has undertaken mapping and assessment of all Local Authority owned land in conjunction with the County and City Managers Association (CCMA). This work also fed into the initial site selection work for the Public Private Partnership (PPP), which is projected to provide 1,500 new homes programme under the SHS.

Under Work Stream 2, the Agency, under the direction of the DECLG and after consultation with the AHB sector, developed enhanced funding arrangements for AHBs using current expenditure funding (SHCEP: see below) to acquire, construct or regenerate social housing. These enhanced arrangements were introduced in January 2016 following approval by the SHS Oversight Group.

Social Housing Leasing – Social Housing Current Expenditure Programme (SHCEP)

The Social Housing Current Expenditure Programme (SHCEP) refers to existing current expenditure based social housing programmes. These programmes include the Rental Accommodation Scheme (RAS), the Social Housing Leasing Initiative and current expenditure based funding for Approved Housing Bodies. All of these programmes are based on making monthly or quarterly payments over an extended period of time to secure dwellings for social housing use. SHCEP based funding will play a very significant role in the delivery of 35,000 units under Pillar 1 of the SHS.

The Housing Agency continued to support Local Authorities in respect of the social housing leasing programme, including the rental accommodation scheme, through the provision of advice and the development and maintenance of template legal documents. The Agency directly participates in SHCEP as it relates to AHBs through its work with the Capital Advance Leasing Facility (see below) and the development and maintenance of template legal documents for use by local authorities and AHBs.

Capital Advance Leasing Facility (CALF)

Using current funding under SHCEP, Approved Housing Bodies (AHBs) are able to seek loan finance from commercial lenders to acquire or construct social housing. Depending on the financial characteristics of a project, commercial lenders may be unwilling to advance all the monies required. CALF is a type of loan available to AHBs under the SHCEP programme which is intended to assist AHBs with securing loan finance from commercial lenders. CALF loans are available on favourable terms to AHBs through local authorities.

The Housing Agency carries out financial assessments of applications submitted to the Department of Environment, Community and Local Government (DECLG) from Approved Housing Bodies for CALF loans. The Agency assesses the project's financial characteristics and makes a recommendation to the DECLG regarding the amount of the CALF loan required. A total of 102 CALF projects were assessed in 2015 which included a total of 1,552 dwellings. This compares to 30 projects with 602 dwellings assessed in 2014, highlighting an increased level of activity in the AHB sector during the first year of the SHS.

National Asset Management Agency (NAMA) Properties

The Housing Agency continued to work with the Department of Environment, Community and Local Government (DECLG) and the National Asset Management Agency (NAMA) throughout 2015. This work was to identify suitable vacant properties, which are held as security for loans managed by the National Asset Management Agency (NAMA) to make them available for social housing through leasing or acquisition. At the end of 2015, a total of 2,000 dwellings had been contracted or delivered for social housing use through this process. This total matches the target set at the end of 2011 when the work first began with NAMA. This process is now winding down as the majority of NAMA's loan portfolio have been examined. Nevertheless, it is anticipated that further dwellings will be secured through the process during 2016.

Housing Assistance Payment

Housing Assistance Payment (HAP) is a new social housing support being introduced by local authorities. HAP replaces Rent Supplement for those with a long-term housing need who qualify for social housing support. HAP has been designed to simplify the current system of housing supports and, unlike rent supplement, it allows households who have full-time employment to remain in the scheme. By the end of 2015, HAP was fully operational in 18 local authorities with a total of 5,853 households were being supported under the scheme.

At the direction of the DECLG, the Housing Agency has played an important role in the implementation of the HAP scheme along with Limerick City and County Council who have acted as a shared transactional services hub for all participating local authorities. The Agency has drafted template documentation, provided training to local authorities and provided a central advisory service and other supports for participating local authorities in conjunction with the DECLG and the Limerick Hub.

It is envisaged that the HAP scheme will be made available on a national basis during 2016.

“ A total of 157 units purchased in trust by the Housing Agency from AIB and Bank of Ireland were handed over to local authorities in 2015.”

Incremental Tenant Purchase Scheme

The Housing Agency provided support and assistance to the DECLG in the implementation of the new Incremental Tenant Purchase Scheme which commenced operation on the 1st January 2016. The scheme will allow tenants of most existing local authority houses to purchase their dwellings at a discounted rate subject to terms and conditions. The Agency worked with the DECLG on developing guidance and related scheme documentation and continues to provide support to local authorities during the implementation of the scheme.

Local Authority House Purchase Loans

The Housing Agency provides a central shared underwriting service for local authorities nationwide. 465 loan applications were underwritten during 2015.

Purchase of Housing in Trust for Local Authorities

During 2015, the Agency engaged with a number of lending institutions regarding the purchase, on a portfolio basis, of buy-to-let properties that the lenders had appointed receivers to due to unsustainable mortgages. All of the properties in question were being repossessed with a view to sale to pay down mortgage loans and the Agency sought to purchase a number of these properties for use as social housing. The Agency acted as a central coordinating body between the lending institutions and local authorities in these purchases and as the contracting entity, acting in trust for the relevant local authorities.

A total of 157 units purchased in trust by the Housing Agency from AIB and Bank of Ireland were handed over to local authorities in 2015.

Amendments to Part V of the Planning and Development Acts

The Urban Regeneration and Housing Act 2015 introduced amendments to Part V of the Planning and Development Acts which requires private developers to make provision for social housing in new residential developments. The amendments mean that developers with scheme of 10 or more dwellings will generally be required to make 10% of their development available for social housing use. It also rescinds an earlier provision which allowed developers to make financial contributions to local authorities in lieu of the provision of land or dwellings.

The Agency assisted the DECLG in the drafting of the amended legislation and has also assisted the DECLG with drafting Circulars and guidance documents. As with other areas of activity, the Agency provides support to local authorities in implementing the amendments.

Affordable Rental

During 2015, the Agency provided support to the DECLG regarding the drafting of an Affordable Rental scheme. The scheme is still being developed and is intended to allow eligible households access rental accommodation at a subsidised rate. The scheme will be independent of existing social housing supports. In Budget 2016, €10m was set aside to fund a pilot of this scheme.



Mortgage Support Services

Mortgage to Rent

The Housing Agency acts as the national coordinator and driver of the Mortgage to Rent (MTR) Scheme. The Housing Agency negotiated a protocol between all stakeholders to the Scheme and this was finalised in November 2015. In the third quarter of 2015, the eligibility criteria was expanded to increase the valuation thresholds of the properties and to allow cases with limited positive equity be considered for inclusion.

A total of 3,181 cases were submitted to the end of December 2015. Of the 3,181 cases submitted, 2,347 were ineligible or terminated during the process. Agreement on the sale could not be agreed on a further 49 cases. Of the remaining cases submitted, 147 were completed and 619 were being actively progressed at year end.

Mortgage Arrears Resolution Process

The Housing Agency's involvement in training and advice on the Mortgage Arrears Resolution Process for Local Authorities continued in 2015, with an information day held in Tullamore on the 4th of November. The session addressed issues on accounting, Mortgage to Rent and Shared Ownership. Almost 100 housing practitioners attended this information session.

Local Authority Mortgage to Rent (MARP) has been extended nationally and the Housing Agency provides assistance and advice on the process to Local Authorities and continues to assist the Department of Environment, Community and Local Government in policy development with an examination of the expansion of the eligibility criteria.

Two *Regional Loan Networks* are in existence, the South East and Midland, the latter established in conjunction with the Housing Agency in 2015. The Housing Agency in association with the Department of Environment, Community and Local Government provides advice and information to the groups on all MARP related issues.

National Housing Strategy for People with a Disability

The Housing Agency are the implementation body for the National Housing Strategy for People with a Disability. In November 2015, the Housing Subgroup chaired by the Housing Agency held its 25th meeting. The group has worked on delivering on a number of the Priority Actions set out in the Implementation Framework for the Strategy; this includes the establishment of a Housing and Disability Steering Group (HDSG) in each of the Local Authority Administration Areas. In 2015, the HDSGs began the preparation of their Strategic Plans for People with a Disability. These will be completed by the end of the second quarter of 2016.

Priority: Regulation of Approved Housing Bodies



The Regulation Office was established within the Housing Agency in 2014 as the Agency was given responsibility, on an interim basis, for regulating Approved Housing Bodies (AHBs). AHB regulation is based on a Voluntary Regulation Code (the Code): *Building for the Future – A Voluntary Regulation Code for Approved Housing Bodies in Ireland*.

The mission of the Regulation Office is to protect social housing assets and ensure quality services to tenants by regulating well-governed, well-managed and financially viable AHBs. The Regulation Office oversees the assessment of AHBs in respect of their financial viability, governance and management, and compliance with the Regulatory Framework. The Office also provides advice and recommendations on implementing the Regulatory Framework.



What are Approved Housing Bodies?

Approved Housing Bodies (AHBs) are not-for-profit organisations (such as Housing Associations and Co-Operatives) that provide and manage social rented housing. There are over 500 Approved Housing Bodies (AHBs) in Ireland with stock of nearly 30,000 homes.

Approved Housing Bodies (AHBs) are central to the Government's planned social housing provision for the coming years, with a view to the sector expanding significantly and playing a lead role in the delivery and supply of new social housing.



“The mission of the Regulation Office is to protect social housing assets and ensure quality services to tenants by regulating well-governed, well-managed and financially viable AHBs.”

Progress

2015 saw the Agency continue to develop the regulatory framework with the initial roll-out of a Financial Standard and Assessment Framework for the Regulation of Approved Housing Bodies in Ireland. This was launched in July 2015 and nine of the larger AHBs committed to participate in the first phase of assessment under this framework.

Also launched in July was the first annual report of the Regulation Office which set out details of the progress made in implementing the Code and, for the first time, provided information on the structure and performance of the AHB sector.

The annual report indicated that almost 200 Approved Housing Bodies (AHBs) were signed up to the Code and this number continued to grow during 2015, with more AHBs engaging with the Regulation Office. Full details of the work of the Regulation Office was published in its separate annual report in October 2016.



03

Provide a range of resolution services to address national housing issues

Priority: Pyrite resolution

The Pyrite Remediation Scheme was established to remediate dwellings that have been significantly damaged as a result of pyritic heave caused by the swelling of hard-core under ground floor slabs.

A Government decision was made in December 2012 to establish the Pyrite Resolution Board (PRB) on an administrative basis. The Department of the Environment, Community and Local Government (DECLG), directed the Housing Agency to provide the Pyrite Resolution Board (PRB) with the administrative supports in order to undertake its functions, this included the implementation of the scheme and the business design process.

The Pyrite Resolution Board accepts applications under the Pyrite Remediation Scheme and oversees the implementation of the pyrite remediation programme for approved dwellings. It determines the scale of the programme and what dwellings are to be remediated.

The Housing Agency implements the Pyrite Remediation Scheme (PRS). The Agency also assesses, verifies pyritic damage and makes recommendations on applications referred to it by the PRB. The Housing

Agency engages engineering consultants and building contractors to carry out the remediation work to houses damaged by pyrite.

The Housing Agency also provides administrative and other supports, including the management of the income and expenditure for the scheme.

Pyrite Remediation in 2015

Since the launch of the scheme on 26th February 2014, 955 applications have been submitted, spread across 37 developments containing multiple and 63 single applications. In 2015, the Housing Agency worked on the implementation of the scheme, working within the consultant and contractor framework panels and liaising with home owners. At the end of 2015, a total of 744 homes were included in the scheme and the applicants notified accordingly. In total, 153 dwellings were remediated. Works contracts were in place for 10 projects totalling 184 dwellings. The tendering and pre-contract stage was under way for 4 projects, totalling 104 dwellings and engineers commenced preparing Remedial Works Plans for 4 projects totalling 246 dwellings.

03 Provide a range of resolution services to address national housing issues /continued



Pyrite remediation work in 2015

Priority: Land aggregation

The Land Aggregation Scheme was introduced in 2010 as part of revised arrangements for the funding of land for social housing purposes. The primary purpose of the Scheme was to assist in the gradual unwinding of loans taken out by housing authorities to purchase land for the social and affordable housing investment programme.

Applications to the value of some €163 million in loans were accepted into the Land Aggregation Scheme in respect of 73 sites with a total area of approx. 246 hectares (ha).

The figure of €163m includes €111m in respect of 47 sites with an aggregated area of some 173 hectares. The loans on these sites were fully redeemed by local authorities with funding recouped from the Department of the Environment, Community and Local Government, under the original terms of the Scheme.

The remaining €52 million in respect of 26 sites with an aggregated area of some 14 hectares is in the form of annuity loans, for which local authorities are making repayments to the Housing Finance Agency. Such annuity repayments are recoupable from the Department of the Environment, Community and Local Government subject to the local authority complying with the terms of the Scheme.

A review of the Scheme was carried out in 2013. The review concluded with the issuance of Circular 35/2013 on 11 December 2013, notifying local authorities of the discontinuance of the Scheme in respect of new applications.

Progress

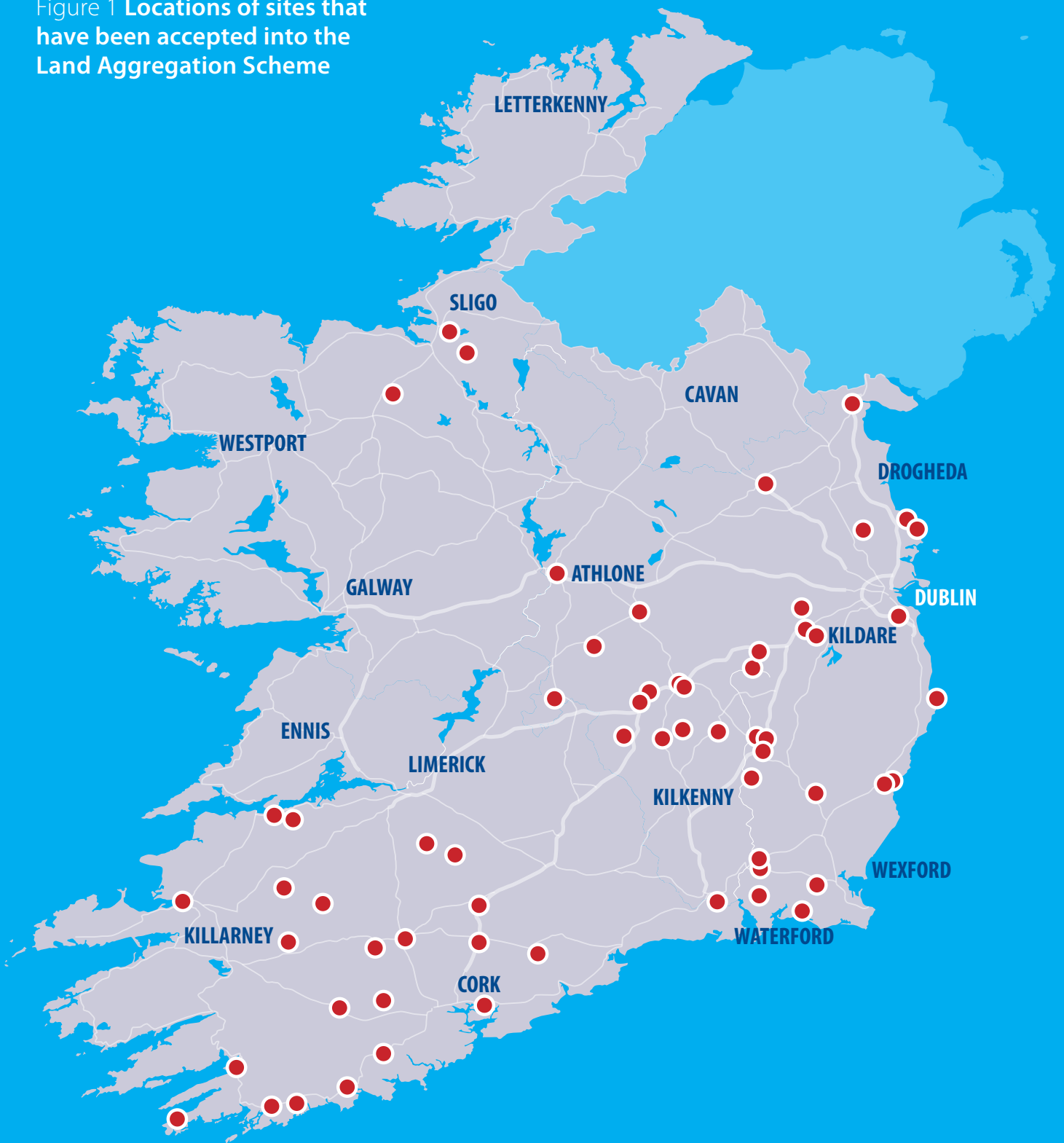
Under the scheme, local authorities must transfer land accepted into the Land Aggregation Scheme to the Agency. The Housing Agency is responsible for managing the transfer process including all technical and legal aspects. Of the 73 sites accepted into the Scheme, 67 have now fully transferred to the ownership of the Agency. The remaining 6 sites are at an advanced stage in the transfer process.

The focus of the Scheme has now shifted to the management and future utilisation of the lands included in the Scheme.

The Housing Agency is the primary body with responsibility for bringing forward recommendations for the optimum utilisation of Land Aggregation Scheme lands in consultation with relevant local authorities and subject to Ministerial approval.

The Social Housing Strategy commits to providing 35,000 new social housing units at an estimated cost of €3.8 billion over the next few years. As a consequence opportunities for the development of Land Aggregation Scheme lands are now available. A number of Land Aggregation Scheme sites are currently under consideration by the Housing Agency for development under the provisions of the Social Housing Strategy.

Figure 1 Locations of sites that have been accepted into the Land Aggregation Scheme



Priority: Regeneration and refurbishment

The Agency provides architectural, engineering, planning, project management, procurement and quantity surveyors services to support local authorities and approved housing bodies in the delivery of social housing.

It aims to promote and deliver well-designed buildings and places that enhance the quality of life for individuals and communities.

The Agency provides expert, practical advice on housing and place-making to local authorities, voluntary bodies, and other state bodies concerned with the maintenance of and provision of housing. It manage all stages of projects from feasibility studies, brief formulation, developed design, procurement, cost control, contract administration, and project management through to completed project delivery.

The following services were provided in 2015:

Cork City Council

Cork North West Quarter Regeneration (CNWQR – Phase 1b). This project involved design, procurement and project management services for 29 dwellings currently under construction.

The team also provided quantity surveying and cost consultancy services to Cork City Council for a number of local authority housing schemes including:

- Group Scheme at Hollyhill
– 16 units and a community centre
- Infill houses at Mahon
– 2 units at commencement stage
- Infill houses at Tory Top Road
– 1 unit in construction stage
- Gerald Griffin Street/Burke Avenue
– 40 units at pre-planning stage
- Deanrock – 64 units at pre-planning stage
- Cork North West Quarter Regeneration (CNWQR – Phase 2a) at pre-planning stage

For the Cork Northwest Regeneration project, the Agency prepared a design guide and provided on-going project management, client advisory and quantity surveying services.

It also engaged in the preparation of Capital Appraisals for development of lands in Cork City Council ownership.

Monaghan County Council

Monaghan County Council was assisted with the successful delivery and handover of a refurbished housing scheme and extensive associated site works within time and approved budget (Mullaghmatt Phase 3).

The Agency continue to be involved with Mullaghmatt Phase 4. Procurement, project management and design services for refurbishment of local authority dwellings and associated site works are being provided.

In Bree Castleblaney, the Agency provided design and project management services for 8 dwellings.

Kerry County Council

In Tralee, the Agency prepared a Part 8 application for public realm works. Design and project management services were provided for four dwellings for Traveller accommodation, 11 dwellings on Mitchel's Crescent and two dwellings at Urban Terrace.

Louth County Council

Louth County Council was assisted with the Dundalk Sports Centre through the provision of design and project management service for demolition and extension to existing sports centre.

Kildare County Council

The Housing Agency team provided expert support to Kildare County Council. The team contributed professional procurement support in order to assist in the development of framework for design consultants on local authority housing programme.

Other local authorities

Support was provided to other local authorities through the provision of Condition and Voids Surveys and the technical assessment of Disability Access Certificates applications.

The team provided planning support to Limerick City and County Council and technical support services to Wexford County Council.

Approved Housing Bodies (with referral from Irish Council for Social Housing)

In 2015, the Agency provided consultancy procurement services to the following approved housing bodies:

- Edel House for Good Shepherd
– Women and children refuge
- Charleville Social Housing Services (6 units)
- Rosscarbery Social Housing Association (9 units)
- Coiste Tithe Laoire Teo, Macroom (3 units)
- Tramore Voluntary Housing Association (18 units)

The Agency also provided planning support to the Department of the Environment, Community and Local Government and assisted the National Disability Authority by providing them with a cost analyses of lifetime housing.

The Agency, in consultation with the Department of the Environment, Community and Local Government, local authorities, approved housing bodies and other stakeholders, is currently determining how best the technical team might continue to support local authorities and approved housing bodies. It is intended that, in the future, the primary focus will be on facilitating project development and providing advice and support through the provision of a range of technical support and advisory services, particularly at the stage prior to the appointment of design teams. The Agency continues to provide support through to completion of housing and associated projects.

Community Liaison

The Housing Agency engaged the services of an Independent Community Liaison Officer (ICLO) in Sligo who works in the East City Regeneration (Cranmore and environs). This service was introduced at the request of the Department of the Environment, Community and Local Government in 2011, to assist with participation in the regeneration master-planning process. The ICLO works independently with residents, community representatives and stakeholders in the regeneration area to support, facilitate, and empower local communities and to ensure their voice is heard and represented throughout the five stage Regeneration master-planning process.

Work in 2015 focused on supporting residents' organisations and community groups to engage with the planning process and facilitate resident feedback as the regeneration planning process progressed.

A community fact finding trip to Tralee was also organised by the ICLO with the support of the Cranmore Regeneration Office, to overview regeneration work at that location, talk to stakeholders and bring this learning back to Sligo.



“One significant success of 2015 was the acquisition of over 150 homes on behalf of local authorities nationwide.”



04

Be a knowledge centre for housing policy and practice

Priority: Housing research

The Housing Agency provides data analysis and research services and procures research and evaluation. Research carried out in 2015 included:

National Statement of Housing Supply and Demand 2014 and Outlook for 2015-17:

Action 1 of the *Construction 2020* committed to the development of a National Housing Statement on Supply and Demand. The Agency produced the first such report and it was published in July 2015.

The National Statement provides key data and analysis on the housing supply and demand trends in Ireland as well as an overview of future housing requirements. The report showed that while the housing sector is showing signs of recovery, the pace of demand is growing faster than supply.

Family Experiences of Pathways into Homelessness

In the context of growing concern about the number of families presenting to homeless services, the Agency received a request from the Department of the Environment, Community and Local Government (DECLG) to commission a qualitative research study to focus on the experiences of these families and their pathways into homelessness, with a view to informing policy responses. The research involved interviews with 30 homeless families and was published in September 2015. Most of those interviewed had previously lived in the private rented sector where rents had become unaffordable. The research reports on the impact homelessness had on these families and their housing aspirations.



Summary of data

from the National Statement of Housing Supply and Demand 2014 and Outlook for 2015-17



Supply

The average supply required per year from 2015-17 is

20,916 homes

Demand

Demand for housing will continue to increase as **population is highest for 150 years at**

4.6 million



Dublin
+9.6%

Outside Dublin
+5.3%

Affordability

is an issue for households in the Greater Dublin Area, especially for renters and single person households

Rental levels have decreased in the period 2007-2014 with a gradual increase in 2014



€260,000
(up from €220,264 in 2013)

€152,500
(up from €140,000 in 2013)

Household Size



The average household size in the country has fallen over the last 9 years, from an average of

3.04 in 2002 to 2.77 in 2011

It will fall further to **2.67 by 2018**

The Residential Land Availability Survey shows the total area of available zoned land nationally is capable of supporting over

414,000 housing units



The Agency also undertook research to provide an estimate of the number of people using Non-Section 10 homeless accommodation (to get a more accurate overall homeless figure). This project was undertaken at the request of the National Homeless Consultative Committee.

Housing Practitioners Conference 2015

The theme of this year's housing practitioners conference was *Delivering the Social Housing Strategy*. Jointly organised with the Institute of Public Administration and officially opened by Minister Alan Kelly TD, it attracted 140 delegates and included presentations on implementing the Strategy, housing supply and financing, a sustainable rental sector and social housing reform.

Effective Void Management in Ireland – A Good Practice Toolkit

In partnership with the Chartered Institute of Housing (Ireland), the Agency published good practice guidelines on Effective Void Management (management of empty social housing). The guidelines were distributed nationally to all housing practitioners and a training course was developed as part of the dissemination plan.

Progress on Unfinished Developments

In December 2015, the Agency jointly published the fourth annual report on unfinished developments with the DECLG. There has been a 75% decrease in the number of unfinished developments over 5 years, 324 developments were resolved in 2015.

Traveller Accommodation

At the request of the National Traveller Accommodation Consultative Committee, the Agency commissioned research on the experience of Travellers in the private rented sector. RSM McClure Watters (now PACEC) were the successful bidders for this research project and work was ongoing at end 2015.

Dublin Housing Strategy Coordination

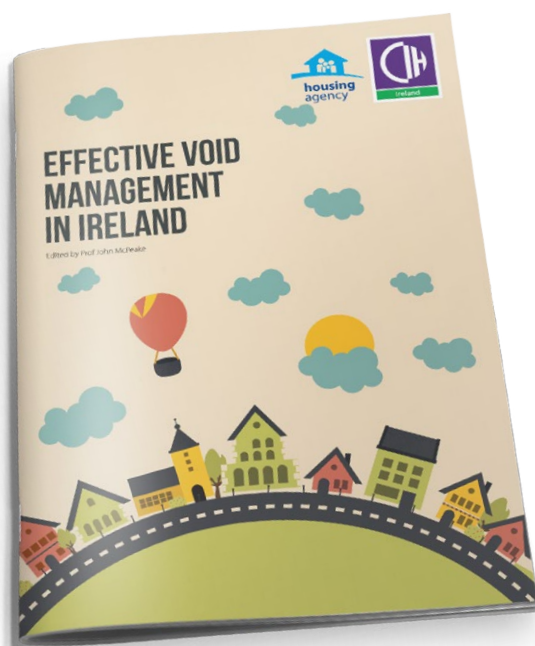
At the request of the DECLG, the Agency requested tenders to prepare a paper on the housing strategy elements of the 4 Dublin local authorities. McCutcheon Halley Walsh were the successful bidders and work commenced to review existing practices across the four Dublin local authorities and to consider the value and potential for enhanced coordination in the preparation of housing strategies in the four areas. This work was nearing completion by end 2015.

Future Housing Needs of an Ageing Population

In December 2015, the Agency requested tenders for a study to report on the current and future housing needs of an ageing population in Ireland. The project will involve a literature and policy review, a national survey, design workshops and a final report. This work will commence in 2016 and is being undertaken in partnership with the Ireland Smart Ageing Exchange (ISAX).

Supports to other Public bodies:

Other research work was undertaken by the Housing Agency on behalf of other housing related state bodies during 2015, specifically the Dublin Region Homeless Executive (DRHE) and the Private Residential Tenancies Board (PRTB) and the National Oversight and Audit Commission (NOAC). These projects covered homeless data analysis, the drafting of a private rented sector research funding programme and collation of local authority data.



Priority: Support for Housing Practitioners

The Regulation Office continues to handle all queries from local authority housing practitioners in relation to social housing policies. The majority of these queries are housing management related e.g. rents, assessments and allocations. The following are some of the key work areas we are undertaking:

Assessment of Housing Need

In 2015, the Agency worked with the Department of the Environment, Community and Local Government and Local Government Management Agency (LGMA) to develop the methodology and technical specifications for the Summary of Social Housing Assessments 2016. The Regulation Office developed an initial guidance document intended to accompany the formal Regulations and Circular due to be issued in 2016 to local authorities.



Housing Manual

The Housing Manual continues to act as an important resource for local authority practitioners. At present, of the 1,000 registered users, 700 are based in local authorities.

The Housing Manual is managed by staff in the Regulation Office and is updated with latest circulars, content from workshops and seminars and gives overall information about various housing policies and schemes, including those relating to housing management, supply and pathways to home ownership.

Corporate Services

The Corporate Services section manages all essential supports to the organisation and structures to assist the Board in effectively delivering on its vision, mandate and goals. These include corporate governance and secretariat, financial control and accounting, human resources and workforce planning, information communications technology, communications and facilities management including welfare, health and safety.

“ In the Housing Agency, we believe affordable, sustainable and decent accommodation must be a national goal. We are driven by an understanding of the central role that housing plays in people’s quality of life and life changes.”

05

Financial statements

Board members' responsibilities

Financial Statements

Section 11(1) of the Housing and Sustainable Communities Agency (Housing Agency) Establishment Order, SI No. 264 of 2012 requires the Housing Agency to keep, in such form as may be approved by the Minister with the consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of all the monies received or expended by it, and in particular, to keep all such special accounts as the Minister with the consent of the Minister for Public Expenditure and Reform may from time to time direct.

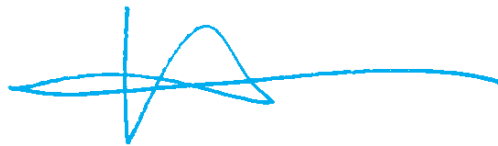
Section 25 of the Pyrite Resolution Act, 2013 requires the Housing Agency to prepare financial statements annually and to submit them to the Comptroller and Auditor General for audit.

In preparing these statements the Housing Agency is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare financial statements on a going concern basis unless it is inappropriate to presume that the Board will continue in operation;
- State whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standard.

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

Signed on behalf of the board



Conor Skehan
Chairman



John O'Connor
Chief Executive Officer

Date: 20th December 2016

Statement of internal financial control

System of Internal Financial Control

The Board is responsible for the Housing and Sustainable Communities Agency's system of internal financial control. The system can only 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 would be detected in a timely period.

Key Control Procedures

The Agency has taken steps to ensure an appropriate control environment by:

- Clearly defining management responsibilities where procuring services and goods to achieve the best value possible to the Housing Agency;
- Establishing controls and procedures to ensure compliance with national and EU procurement requirements;
- Establishing formal procedures for reporting significant control failures and ensuring appropriate corrective action.

The Agency has established processes to identify and evaluate business risks by:

- Identifying the nature, extent and financial implication of risks facing the body including the extent and categories which it regards as acceptable;
- Assessing the likelihood of identified risks occurring;
- Assessing the body's ability to manage and mitigate the risks that do occur;
- Assessing the costs of operating particular controls relative to the benefit obtained.

The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties and a system of delegation and accountability.

In particular, it includes:

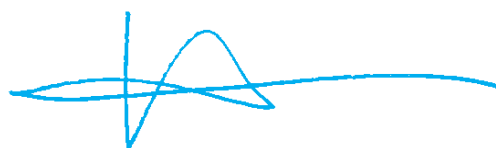
- A budgeting system with an annual budget which is reviewed and agreed by the Board;
- Reviews by the Board with periodic and annual financial reports which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance.

The Audit and Risk Committee met regularly under formal terms of reference. The Housing Agency outsources its internal audit function, but also has an Internal Audit Officer to carry out regular arbitrary checks. The Committee has the power to review any matters relating to the internal control systems and the Internal Audit Officer.

Review of Internal Financial Controls

I confirm that the Board carried out a review of the effectiveness of the system of internal financial controls in respect of 2015.

I am satisfied that the Housing Agency complied with all the relevant policies and guidance that governs the Housing Agency and adhered to guidance set down by the Department of Public Expenditure and Reform (DPER) in relation to governance. It has been noted that there were some areas under procurement where standard processes were not fully complied with. The Housing Agency is committed to continually improving its procurement procedures, and measures to address this issue are being implemented.



Conor Skehan
Chairman

Date: 20th December 2016

Comptroller and Auditor General Report for presentation to the House of the Oireachtas

Housing and Sustainable Communities Agency

I have audited the financial statements of the Housing and Sustainable Communities Agency for the year ended 31 December 2015, as provided under the Housing and Sustainable Communities Agency (Establishment) Order 2012 and Section 25 of the Pyrite Resolution Act 2013, in relation to monies received and expended by it under both the Order and the Act. The financial statements comprise the statement of income and expenditure, the statement of comprehensive income, the statement of financial position, the statement of changes in reserves, the statement of cash flows and the related notes. The financial statements have been prepared in the form prescribed under Section 11 of the Order and Section 25 of the 2013 Act, and in accordance with generally accepted accounting practice.

Responsibilities of the Members of the Agency

The Agency is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and to report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of Audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- Whether the accounting policies are appropriate to the Agency's circumstances, and have been consistently applied and adequately disclosed;
- The reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- The overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of the audit.
Housing Agency Page 7 of 31

In addition, I read the Agency's annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the Financial Statements

In my opinion, the financial statements:

- Give a true and fair view of the assets, liabilities and financial position of the Agency at 31 December 2015 and of its income and expenditure for 2015; and
- Have been properly prepared in accordance with generally accepted accounting practice.

In my opinion, the accounting records of the Agency were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

Matters on which I report exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find:

- Any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- The information given in the Agency's annual report is not consistent with the related financial statements or with the knowledge acquired by me in the course of performing the audit, or
- The statement on internal financial control does not reflect the Agency's compliance with the Code of Practice for the Governance of State Bodies, or
- There are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.



Patricia Sheehan
For and behalf of the Comptroller
and Auditor General

Date: 23rd December 2016

Statement of accounting policies

10.1 Establishment of the Housing Agency

The Housing Agency was formerly established on a statutory basis on 01 August 2012 (Establishment Day) under the Housing and Sustainable Communities Agency (Establishment) Order 2012 (S.I. No. 264 of 2012). This establishment followed on from the enactment of the Local Government (Miscellaneous Provisions) Act 2012. Article 5 of the Establishment Order sets out the functions of the Agency as follows:

- (a) shared and central services;
- (b) research, advisory, information and training services;
- (c) consultancy, technical and strategic planning services;
- (d) procurement services;
- (e) agency services;
- (f) at the request of the Minister, the preparation, holding, arrangement and publication of indices of residential property, including indices in relation to residential housing sales and residential property rents;
- (g) the arrangement, coordination and provision of social and economic regeneration, including the development and improvement of land and infrastructure; and
- (h) the coordination of and contribution to the resolution of issues relating to unfinished housing developments.

The Housing Agency operated through the Housing and Sustainable Communities Limited (HSC Ltd) from 2011 to May 2013, whilst awaiting its formal establishment by statutory instrument. Housing and Sustainable Communities Limited (HSC Ltd) is a subsidiary of the National Building Agency Limited (NBA). During 2013, all of the assets and liabilities of Housing and Sustainable Communities Limited (HSC Ltd) were transferred to the Housing Agency. The Housing Agency succeeded in, and continues the function, responsibility and the role of Housing and Sustainable Communities Limited (HSC Ltd). The HSC Ltd was officially struck off on 06th March 2016.

Included in the assets transferred were development Lands (note 9) and lands held under the Land Aggregation Scheme (note 14).

The Pyrite Resolution Board was established on the 10 January 2014 under the Pyrite Resolution Act 2013. The key functions of the Board are to make a scheme for pyrite remediation and implement and oversee the scheme.

Under the Act the Housing Agency's role is essentially to administer the scheme and make payments on behalf of the Pyrite Resolution Board. The CEO of the Housing Agency is accountable to Oireachtas Committees in respect of the Pyrite Resolution Board's accounts and expenditure.

10.2 Basis of Preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The statements are in a form approved by the Minister for Public Expenditure and Reform, and by the Minister for the Environment, Community and Local Government. Information on the impact of first-time adoption of FRS102 is given in note 12(a).

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.

The following principal accounting policies have been applied.

10.3 Going Concern

The financial statements are prepared on the going concern basis.

10.4 Income Policy

Income represents Department of the Environment, Community and Local Government (DoECLG) 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 Environment and Local Government advances funds to the Housing Agency in relation to costs incurred by it in relation to the Pyrite remediation scheme. Income recognised in the financial statements is matched with the expenditure incurred in the period. Where expenditure in the period exceeds the grant amount actually drawn down, the amounts due from the Department are recognised as a debtor. The Agency recognises an amount as committed income where it has drawn down amounts in excess of expenditure.

Income from professional fees represents gross income less value added tax (VAT) of work performed during the period.

Fee income is recognised in respect of work completed, not yet invoiced. The value is calculated based on the percentage completion of the work, and includes direct costs and profit. The amount due is recognised as accrued income and included as an asset.

10.5 Tangible Fixed Assets and Depreciation

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:

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

10.6 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. These

were transferred into the Housing Agency in 2013 at their open market value. The total value of these at the time of transfer was €1,441,247 (note 9).

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 Environment, Community and Local Government (DoECLG).

10.7 Land Aggregation Scheme

The Land Aggregation Scheme was developed by the Department of the Environment, Community and Local Government (DoECLG) in 2010, to alleviate the financial burden of local authorities redeeming loans from the Housing Finance Agency (HFA), where anticipated development had not proceeded and where loans had fallen due for payment.

Under the scheme, local authorities could be considered to transfer residential development land on which there were outstanding Housing Finance Agency (HFA) loans to the Housing Agency. Land was transferred to the Housing Agency for a nominal fee of €1.

The Housing Agency carried out the assessment of any lands proposed under the scheme, and issued a recommendation to the Department of the Environment, Community and Local Government (DoECLG) for a decision to be made as to whether the lands should be included in the scheme. Only land which had reasonable residential development potential and which there were no plans to develop in the short to medium term could be transferred.

Properties transferred to the Housing Agency under the Land Aggregation Scheme are held in trust on behalf of the Department of the Environment, Community and Local Government (DoECLG). The Housing Agency is responsible for the management and maintenance of the lands transferred under the scheme. The Housing Agency does not have the authority to dispose of or develop a site, without Ministerial sanction.

As the land acquired by the Housing Agency under the land aggregation scheme for nominal consideration is not held beneficially it is therefore included at nil value in these financial statements.

During the 12-month period to 31 December 2015, a total of 20 sites were transferred to the Housing

Agency from local authorities, bringing the overall total of sites held by the Housing Agency under the Land Aggregation Scheme to 59, (Note 14).

10.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

10.9 Bank

Cash is represented by deposits with financial institutions.

10.10 Financial instruments

The Agency only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original

effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Agency would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

10.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

10.12 Pensions

The Housing Agency operates a defined benefit scheme which is funded on a pay as you go basis from monies available to it. Statutory Instrument (S.I No 246 of 2012) gave effect to the Housing Agency and an application has been made for a superannuation scheme for the Housing Agency as provided in the establishment order.

10.13 Capital Account

The Capital account represents the unamortised portion of income applied for capital purposes. Fixed assets are funded from grant income and amortised in line with depreciation.

10.14 Currency

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

Judgments in applying accounting policies and key sources of estimation uncertainty

Going Concern

The Board has prepared budgets and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the Agency's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the board considers it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the Agency was unable to continue as a going concern.

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, estimates of residual values. The board regularly review these useful lives and change 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.

“Throughout 2015, we continually highlighted the importance of achieving a sustainable balance between the supply and demand for housing as a key policy issue and an important component of maintaining our financial stability.”



Statement of Income and Expenditure

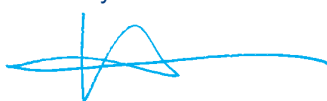
For the Year Ended 31 December 2015

<u>Income</u>	Notes 3	2015 €	2014 €
Oireachtas Recurrent Grant	3.1	3,490,000	2,600,000
Oireachtas Recurrent Grant - Water Services Investment Programme	3.1	107,098	-
Oireachtas Recurrent Grant- Research	3.1	3,362	-
Pyrite Fund	3.1	10,452,120	796,968
Pyrite Remediation - Other Income		484,000	-
Staff & Services supplied by Homebond		232,283	103,566
Other Recoupments		-	449,119
Fee Income	3.2	452,744	282,383
Recoupment National Building Agency Pay Costs	3.3	1,039,563	1,119,528
Recoupment of Expenses from Other State Bodies	3.4	254,628	444,144
Rental Income	3.5	58,476	63,316
Other Income	3.6	15,060	50,077
Deposit Interest Receivable		4,126	5,602
Net Deferred Funding for Pensions	17(c)	<u>280,000</u>	<u>300,000</u>
Total Income		<u>16,873,460</u>	<u>6,214,703</u>
 <u>Expenditure</u>			
Personnel Costs	4	3,272,901	3,432,662
Office Administration Costs	5	546,539	396,335
Legal & Professional Fees	6	800,119	698,454
Pyrite Remediation Scheme	7	10,452,121	796,968
Payment to the Exchequer	7.7	484,000	-
Homebond staff & services	7.6	232,283	103,566
Depreciation	8	39,631	30,244
Pension Costs	17(a)	213,497	241,075
National Building Agency	19	121,888	-
Bad Debt Provision		<u>107,973</u>	
Total Expenditure		<u>16,270,952</u>	<u>5,699,304</u>
 Surplus for the year		<u>602,508</u>	<u>515,400</u>

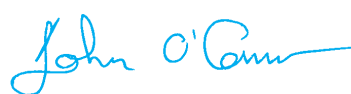
All amounts relate to continuing operations.

Notes to 1 to 21 form part of these Financial Statements.

The financial statements were approved by the Board on 25 October 2016 and signed on behalf of the Board by:



Conor Skehan
Chairperson
Date: 20/12/2016



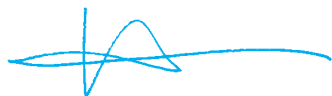
John O'Connor
Chief Executive Officer

Statement of Comprehensive Income

For Year ended 31 December 2015	Notes	2015 €	2014 €
Surplus for the year		602,508	515,400
Actuarial Gain/ (Loss) on Pension Liabilities	17(b)	(338,000)	30,000
Deferred Pension Funding	17(c)	<u>338,000</u>	<u>(30,000)</u>
Total comprehensive income for the year		<u>602,508</u>	<u>515,400</u>

Notes 1 to 21 form part of the Financial Statements.

The financial statements were approved by the Board on 25 October 2016 and signed on behalf of the Board by:



Conor Skehan
Chairperson
Date: 20/12/2016



John O' Connor
Chief Executive Officer

Statement of Financial Position as at 31 December 2015

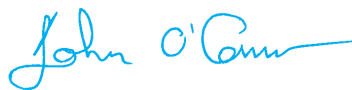
Tangible Fixed Assets	Notes	€	2015 €	€	2014 €
Property, Plant and Equipment	8		447,966		257,076
Current Assets					
Accrued Income	9	64,528		176,118	
Development Lands	10	1,441,247		1,441,247	
Receivables	11	1,106,679		292,715	
Lands Held Under Aggregation Scheme	15	73		49	
Cash and Cash Equivalents	12	<u>5,212,498</u>		<u>4,035,259</u>	
		7,825,025		5,945,388	
Current Liabilities					
Payables	13	<u>(4,791,916)</u>		<u>(3,323,897)</u>	
Net Current Assets			<u>3,033,109</u>		<u>2,621,491</u>
Total Assets less Current Liabilities before Retirement Benefits					
			<u>3,481,075</u>		<u>2,878,567</u>
Retirement Benefit Funding Asset	17(c)	1,448,000		830,000	
Retirement Benefit Obligations	17(b)	<u>(1,448,000)</u>		<u>(830,000)</u>	
Net Assets			<u>3,481,075</u>		<u>2,878,567</u>
Capital and Reserves					
Capital Contribution			1,944,145		1,944,125
Revenue Reserves			1,536,930		934,442
			<u>3,481,075</u>		<u>2,878,567</u>

Notes 1 to 21 form part of the Financial Statements.

The Financial Statements were approved by the Board on 25 October 2016 and signed on its behalf by:



Conor Skehan
Chairperson



John O'Connor
Chief Executive Officer

Date: 20/12/2016

Statement of Changes in Equity

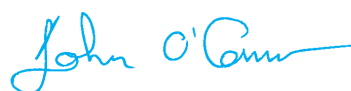
Reserves	Capital Contribution €	Retained Earnings €	Total Reserves €
At 01 January 2015	1,944,125	934,442	2,878,567
Comprehensive income for the year			
Surplus for the year	-	602,508	602,508
Land transferred under the Land Aggregation	20	(20)	-
Total Comprehensive income for the year	20	602,488	602,508
At 31 December 2015	1,944,145	1,536,930	3,481,075
	Capital Contribution €	Retained Earnings €	Total Reserves €
At 01 January 2014	1,904,744	458,423	2,363,167
Comprehensive income for the year			
Surplus for the year	-	515,400	515,400
Land transferred under the Land Aggregation	15	(15)	-
Other comprehensive income for the year	39,366	(39,366)	-
Total comprehensive income for the year	39,381	476,019	515,400
At 31 December 2014	1,944,125	934,442	2,878,567

Notes 1 to 21 form part of the Financial Statements

The financial statements were approved by the Board on 25 October 2016 and signed on behalf of the Board by:



Conor Skehan
Chairperson



John O'Connor
Chief Executive Officer


Date: 20/12/2016

Statement of Cash Flows

	Notes	2015 €	2014 €
Reconciliation of Net Movement for the Year to Net Cash Inflow from Operating Activities			
Operating surplus for year		602,508	515,400
Depreciation	8	39,631	30,244
Bank Interest Earned		(4,126)	(5,602)
Transfer (from) / to Capital Account		-	-
Decrease/ (Increase) in other current assets		111,566	22,165
Decrease/ (Increase) in Receivables		(813,965)	31,183
Increase / (Decrease) in Payables		1,468,020	2,791,388
Net Cash generated from Operating Activities		1,403,635	3,384,778
Cash Flow Statement			
Net Cash Inflow/ (Outflow) From Operating Activities		1,403,635	3,384,778
Cash Flows from Investing Activities			
Purchase of Property, Plant & Equipment	8	(230,522)	(24,379)
Net Cash from financing activities		4,126	5,602
Bank Interest Received			
Increase / (Decrease) in Cash and cash equivalents		1,177,239	3,366,001
Reconciliation of Net Cash Flow to Movements in Net Funds			
Cash and cash equivalents at 01 January 2015		4,035,259	669,258
Cash and cash equivalents at 31 December 2015		5,212,498	4,035,259
Increase / (Decrease) in Cash and cash equivalents		1,177,239	3,366,001

Notes 1 to 21 form part of the Financial Statements.

The financial statements were approved by the Board on 25 October 2016 and signed on behalf of the Board by:



Conor Skehan
Chairperson



John O'Connor
Chief Executive Officer

Date: 20/12/2016

Notes to the Financial Statements

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 were 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 co-ordination of, and contribution to, the resolution of issues relating to unfinished housing developments.

The Housing Agency operated through the Housing and Sustainable Communities Limited (HSC) pending its establishment on a statutory basis. The assets and liabilities of HSC were transferred to the Housing Agency in 2013. The assets transferred included development lands (Note 10) and lands held under the Land Aggregation Scheme (Note 15).

Additional Functions

The Pyrite Resolution Board - The Board was established on 10 January 2014 under the Pyrite Resolution Act 2013. The key functions of the Board 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, Planning, Community and Local Government and expenditure incurred in relation to pyrite remediation.

Regulation Office for Approved Housing Bodies - From 2014, the Housing Agency has been given responsibility, on an interim basis, for regulating Approved Housing Bodies (AHBs). The Housing Agency has established a Regulation Office to support this work and reports to an interim Regulatory Committee appointed by the Minister. Regulation of the sector is based on a Voluntary Regulation Code: Building for the Future- a voluntary regulation code for AHBs in Ireland.

Assisting local authorities in purchasing housing - From July 2015, the Housing Agency also purchased houses from liquidators/receivers on behalf of local authorities. See Note 16.

1.2 Statement of Compliance

The financial statements of the Agency for the year ended 31 December 2015 have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Ireland issued by Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

These are the Housing Agency's first set of financial statements prepared in accordance with FRS 102. The date of transition is 1 January 2014. The transition to FRS 102 has not affected its reported financial position or financial performance. The statements are in a form approved by the Minister for Public Expenditure and Reform, and by the Minister for Housing, Planning, Community and Local Government.

1.3 Basis of Preparation

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Ireland. These statements are in a form approved by the Minister for Public Expenditure and Reform, and by the Minister for Housing, Planning, Community and Local Government.

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.

The following principal accounting policies have been applied.

1.4 Going Concern

The financial statements are prepared on the going concern basis.

1.5 Income Policy

Income represents Department of Housing, Planning, Community and Local Government (DHPCLG) 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, Planning, Community and Local Government (DHPCLG) advance funds to the Housing Agency in relation to costs incurred by it in relation to the Pyrite remediation scheme. Income is recognised on an accruals basis. Income recognised in the financial statements is matched with the expenditure incurred in the period. Where expenditure in the period exceeds the grant amount actually drawn down, the amounts due from the Department are recognised as a debtor. The Agency recognises an amount as

deferred income where it has drawn down amounts in excess of expenditure.

Income from professional fees represents gross income, less value added tax (VAT), of work performed during the period.

Fee income is recognised in respect of work completed, not yet invoiced. The value is calculated based on the percentage completion of the work, and included direct costs and profit. The amount due is recognised as accrued income and included as an asset.

1.6 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost includes all costs that are directly attributable to bringing the asset into working for its intended use.

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

Fixtures, Fittings and Equipment	-12.5% Straight Line
Land and Buildings	-2% Straight Line
Computer Equipment	-20% Straight Line

1.7 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. These were transferred into the Housing Agency in 2013 at their open market value. The total value of these at the time of transfer was €1,441,247 (Note 10). The Housing Agency continues to recognise these lands at the 2013 market values.

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 utilized 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, Planning, Community and Local Government.

1.8 Land Aggregation Scheme

The land aggregation scheme was established in 2010. Under the scheme, local authorities could for a nominal fee transfer residential development land on which there were outstanding Housing Finance Agency loans to the Housing Agency. The scheme closed in December 2013 and at that time the Department had approved the transfer of 73 sites with a total area of 247 hectares. At 31 December 2015, all approved sites have been transferred to the Housing Agency.

The Housing Agency is responsible for the management and maintenance of the lands transferred under the scheme. The Housing Agency does not have the authority to dispose of or develop a site without Ministerial sanction.

The Agency is unable to reliably value its site holdings pending completion of its proposals for future use of the sites and the receipt of Ministerial sanction thereon. As a result, properties were transferred to the Housing Agency under the Land Aggregation Scheme are held at a nominal value of €1 per site transferred (Note 15).

1.9 Receivables

Short term debtors are measured at transaction price, less any impairment.

1.10 Cash and Cash Equivalents

Cash is represented by deposits with financial institutions.

1.11 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 expense.

1.12 Payables

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.13 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 which is funded on a pay-as-you-go basis from monies provided by the Department of Housing, Planning, Community and Local Government 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, Planning, Community and Local Government with the consent of the Minister for Public Expenditure and Reform.

The Housing Agency also operates the Single Public Service 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.

Pension costs reflect pension benefits earned by employees, and are shown net of staff

pension contributions which are remitted to the Department of Housing, Planning, Community and Local Government. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

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

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

1.14 Capital Amount

The Capital account represents the unamortised portion of income applied for capital purposes. Fixed assets are funded from grant income and amortised in line with depreciation.

1.15 Currency

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

2. Critical Accounting Judgements and Estimates

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 balance sheet 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.

Impairment of Property, Plant and Equipment

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.

Depreciation and Residual Values

The Directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings and have concluded that asset lives and residual values are appropriate.

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, morality 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 pension 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. Income

3.1 Oireachtas Grant

The Housing Agency receives funding from the Department of Housing, Planning, Community and Local Government as follows:

- (i) Annual state grant to the Housing Agency to support the work undertaken.
- (ii) Funding in relation to the Agency's administration of the Pyrite Resolution Scheme on behalf of the Pyrite Resolution Board (see policy 1.1)
- (iii) Water Services Investment Programme – the provision of major water and wastewater schemes to meet key environmental and economic objectives.
- (iv) Research

The Department of Housing, Planning, Community and Local Government also requested the Housing Agency to undertake work that was outside of the service level agreement, which incurred additional costs. The recoupment of these costs was agreed upon.

Grants received from Department of Housing, Planning, Community and Local Government Vote 34

	2015	2014
	€	€
Grant (Subhead A.9.3.1 & A.9.3.2)	3,490,000	2,600,000
Grant- water Services Investment Programme (Subhead B.3.1.1.2)	107,098	-
Grant- Research (Subhead A.9.2.1.1)	3,362	-
Pyrite- Pyrite Resolution Board (Subhead A.9.5.1)	<u>10,452,120</u>	<u>796,968</u>
	<u>14,052,580</u>	<u>3,396,968</u>

3.2 Fee Income

Fee Income represents charges to clients (local authorities or other state bodies) in respect of services undertaken by the Housing Agency, including research services, architectural services, quantity surveying services and inspection services. It also includes Accrued Income invoiced during the period.

	2015	2014
	€	€
Fee Income	452,744	282,383

3.3 Recoupment of National Building Agency Limited (NBA) Pay Costs

The National Building Agency Limited (NBA) is being wound down and its employees have been transferred to other state bodies. In many cases these employees have not been formally redeployed. As an interim measure, these employees are being paid by the Housing Agency. The costs of these payments are recouped from the relevant state bodies on a monthly basis. The deployment of the National Building Agency Limited (NBA) staff has been completed in 2016.

	2015	2014
	€	€
Recoupment of The National Building Agency Limited (NBA) Pay Costs	1,039,563	1,119,528

3.4 Recoupment of expenses from Other State Bodies

This relates to a number of items such as recoupment of pay costs for staff seconded to other state bodies and recoupment of costs in respect of work undertaken on behalf of another state body.

2015	2014
------	------

	€	€
Recoupment of Expenses from Other State Bodies	254,628	444,144

3.5 Rental Income

Rental Income comprises of rents received in relation to land assets held by the Housing Agency.

	2015	2014
	€	€
Rental Income	58,476	63,316

3.6 Other Income

This primarily relates to movement in respect of the income provided by the National Building Agency Limited (NBA) to cover the costs of the Foley Scholarship that transferred to the Housing Agency.

	2015	2014
	€	€
Other Income	15,060	50,078

4. Employees and Board Members

	2015	2014
	€	€
(a) Number of Employees		
The average number of employees during the year was:	31	35
(b) Employment Costs		
Wages and Salaries	1,782,234	1,779,044
Social Welfare Costs	160,833	151,603
Other pension Costs	56,725	107,506
Costs in respect of NBA assigned staff	989,290	1,166,187
Social Welfare Costs in respect of NBA assigned staff	<u>166,238</u>	<u>111,145</u>
	<u>3,155,320</u>	<u>3,315,485</u>
Travel and Other Staff Costs	<u>117,581</u>	<u>117,177</u>
	<u>3,272,901</u>	<u>3,432,662</u>
(c) Pension Related Deduction		
During the year pension related deductions of €63,968 were deducted from staff and paid over to the Department of Housing, Planning, Community and Local Government		

4. Employees and Board Members (cont'd)

(d) Board Members Emoluments

Board members are not in receipt of fees for sitting on the Board of the Housing Agency, and no expenses were paid in respect of the 12 month period 31 December 2015

(e) Chief Executive's Remuneration

The Chief Executive's salary for 2015 was €117,603. This is based on the Local Government scale for Manager Level 5, plus 7.5% expenses which amounted to €8,820. This also reflects the reduction in salary under Financial Emergency Measures in the Public Interest (No.2) Act 2009 (8%), and the Haddington Road Agreement 2013 (6.5%). The Chief Executive pension is part of a Local Government model public sector defined benefit superannuation scheme.

(f) Salary Bands

The following is the information required for disclosure under FRS 102:

Salary	No of Staff	
	2015	2014
Under €60,000	16	21
€60,000-70,000	5	5
€70,000-80,000	7	6
€80,000-90,000	0	1
€90,000-100,000	2	1
€110,000-120,000	1	1

5. Administration Costs

	2015	2014
	€	€
Rent Payable	4,843	8,072
Rates	36,462	35,538
Insurance	47,312	49,632
Light and Heat	22,531	17,972
Cleaning	16,345	15,914
Repair and Maintenance	20,289	5,027
Printing Postage and Stationary	48,558	25,598
Communications	143,141	60,310
Information Communications Technology	86,583	104,810
Premises Costs	26,243	5,473
Bank Charges	1,258	901
Meeting and Kitchen Costs	18,971	20,775
General Expenses	2,925	11,530
Local Authority Training	-	25,183
Foley Scholarship / Educational Support	71,078	9,600
	<u>546,539</u>	<u>396,335</u>

6. Legal and Professional Fees

	2015	2014
	€	€
Legal and Professional	693,738	621,486
Accountancy	85,363	57,694
Audit	12,900	10,300
Internal Audit	<u>8,118</u>	<u>8,974</u>
	<u>800,119</u>	<u>698,454</u>

7. Pyrite Remediation Scheme

Pyrite Remediation Scheme	2015	2014
	€	€
Opening Balance	1,399,561	0
Amount Received	10,000,001	2,196,529
Expenditure	<u>(10,452,121)</u>	<u>(796,968)</u>
Closing Balance	<u>947,441</u>	<u>1,399,561</u>

Costs	2015	2014
	€	€
Pay Costs	218,610	187,827
Construction Consultants	747,808	145,380
Work Contractors	8,019,491	144,371
Homeowner Payments	1,214,338	142,756
Legal and Professional	225,374	100,523
Information Communication Technology	13,864	72,110
Other Admin Costs	<u>12,636</u>	<u>4,000</u>
	<u>10,452,121</u>	<u>796,968</u>

Expenditure

7.1 Information Communication Technology

The ICT costs incurred in 2015 related to the creation of the online application and tracking system. This related to applications for pyrite remediation. The Pyrite Resolution Board only accepts applicants in electronic format through this system. It also allows scheme applicants to track the progress of their application.

7.2 Legal and Professional Costs

Legal and Professional costs were incurred in 2015 in respect of legal work on contracts templates and litigation cases the Pyrite Resolution Board has entered in to where it considered it appropriate, to pursue builders and / or developers for a contribution towards the costs of the works. Other professional services were in respect of outsourced resources.

7.3 Construction Consultants

Expenditure in relation to Construction Consultants includes the costs incurred in respect of Consultant Design Professionals engaged to undertake the design and management of remediation works and to ensure that the works are carried out in accordance with the required standards. The Housing Agency has established a framework for the procurement of these services.

7.4 Works Contractors

This item comprises of costs incurred in respect of building contractors engaged to undertake the remediation of pyritic effected homes approved into the scheme.

7.5 Homeowner Payments

Homeowners are initially entitled to claim back a maximum of €500 for a Building Condition Assessment. Homeowners who have been accepted into the scheme are also entitled to (1) refunds for vouched alternative accommodation subject to a maximum limit of €3,000 (including VAT) per dwelling; (2) refunds for vouched costs for removal, storage and return of furniture and contents subject to a maximum limit of €2,500 (including VAT) per dwelling.

7.6 Homebond

The Pyrite Board has entered into an agreement with Homebond, whereby the latter is to provide staff and services to the Board to the value of €2 million. In 2015, the value of such staff and services provided was estimated at €232,283.

7.7 Other

Under the Pyrite Resolution Act 2013, the Pyrite Remediation Board has an obligation to recover from any party with a liability and the capacity, all or part of the costs remediating dwellings. In 2015, the Agency received a total of €484,000 from these third parties as a contribution to pyrite costs. These monies were remitted directly to the Department of Housing, Planning, Community and Local Government.

8. Property, Plant and Equipment

Property, Plant and Equipment	Fixtures, Fittings and Equipment	Buildings	Computer Equipment	-
2015	€	€	€	
Cost				
Opening Balance at 01 January 2015	37,001	165,972	94,839	29
Additions at Cost	75,276	107,283	47,963	23
Balance at 31 December 2015	<u>112,277</u>	<u>273,255</u>	<u>142,802</u>	<u>52</u>
Depreciation				
Opening Balance at 01 January 2015	9,244	6,076	25,416	4
Depreciation for the Period	8,164	3,830	27,637	3
Balance at 31 December 2015	<u>17,408</u>	<u>9,906</u>	<u>53,053</u>	<u>8</u>
Net Book Value				
At 31 December 2015	<u>94,869</u>	<u>263,349</u>	<u>89,749</u>	<u>44</u>
At 31 December 2014	<u>27,757</u>	<u>159,896</u>	<u>69,423</u>	<u>25</u>
2014	€	€	€	
Cost				
Opening Balance at 01 January 2014	37,001	165,972	70,460	27
Additions at Cost	-	-	24,379	2
Balance at 31 December 2014	<u>37,001</u>	<u>165,972</u>	<u>94,839</u>	<u>29</u>
Depreciation				
Opening Balance at 01 January 2014	5,703	2,757	2,032	1
Depreciation for the Period	3,541	3,319	23,384	3
Balance at 31 December 2014	<u>9,244</u>	<u>6,076</u>	<u>25,416</u>	<u>4</u>
Net Book Value				
At 31 December 2014	<u>27,757</u>	<u>159,896</u>	<u>69,423</u>	<u>25</u>
At 31 December 2013	<u>31,298</u>	<u>163,215</u>	<u>68,428</u>	<u>26</u>

9. Accrued Income

	2015	2014
	€	€
Opening of Accrued Income	176,118	198,299
Income Invoiced up to 31 December 2015	(111,591)	(90,090)
Accrual for Completed Work Not Invoiced at 31 December 2015	-	67,909
Accrued Income at 31 December 2015	<u>64,527</u>	<u>176,118</u>

Accrued Income comprises work carried out but not yet invoiced as fee income.

10. Development Lands

	2015	2014
	€	€
Development Lands	<u>1,441,247</u>	<u>1,441,247</u>
	<u>1,441,247</u>	<u>1,441,247</u>

Development Lands held by the Housing Agency comprise of eight sites which were transferred from Housing and Sustainable Communities Limited (HSC Ltd) during 2013. The market value of these lands as at 06 March 2013 was €736,822. This valuation was carried out by Sherry Fitzgerald Limited, Auctioneers and Valuers during 2013.

An additional five sites transferred from the National Building Agency Limited (NBA) directly to the Housing Agency in 2013. The value of these lands as at 06 March 2013 was €741,501. This valuation was carried out by Sherry Fitzgerald Limited during 2013. Disposal costs of 5% of the market value of these lands were accrued in the accounts of the NBA prior to the transfer giving a residual market value of €704,426.

11. Receivables

	2015	2014
	€	€
Trade Receivables	388,502	186,711
Other Receivables	635,649	71,206
Prepayments	<u>82,528</u>	<u>34,798</u>
	<u>1,106,679</u>	<u>292,715</u>

12. Cash and Cash Equivalents

	2015	2014
	€	€
Cash at Bank	4,813,326	3,836,011
Deposit Account	399,173	198,555
Petty Cash	-	694
	<u>5,212,498</u>	<u>4,035,259</u>

13. Payables: amounts falling due within one year

	2015	2014
	€	€
(a) Payables		
Trade Payables	(40,436)	(95,289)
Other Payables	(123,680)	(31,174)
Harcourt Liability – 13 (b)	(196,406)	(1,549,252)
Accruals	(2,130,755)	(183,741)
PAYE/PRSI	(76,588)	(37,725)
Value Added Tax	(1,008,869)	(27,155)
Withholding Tax	(36,986)	-
Pyrite Fund Deferred Income	(947,441)	(1,399,561)
Income Tax Refund	(3,155)	-
Pension Contribution	<u>(227,601)</u>	-
	<u>(4,791,916)</u>	<u>(3,323,897)</u>

(b) Harcourt Liability

All liability of the Affordable Housing Homes Partnership (AHP) at 31 December 2010 were taken over by the Department of Housing, Planning, Community and Local Government 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, Planning, Community and Local Government, the Office of Public Works (OPW), 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, Planning, Community and Local Government and the Office of Public Works (OPW), advanced monies to the Housing Agency. Following instruction from the Department of Housing, Planning, Community and Local Government and the Office of Public Works (OPW), these monies were paid on to 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.

As of 31 December 2015, the sum of €196,406 remains with the Housing Agency in respect of this liability. This amount is held at the direction of the Department of Housing, Planning, Community and Local Government. At 31 December 2015, the Housing Agency has no other liabilities to any party in respect of this matter.

	2015	2014
	€	€
Funds held by Housing Agency at 1 st January	1,475,990	196,406
Funds advanced by OPW	-	4,669,377
Paid to beneficiary during the period	<u>(1,279,584)</u>	<u>(3,389,793)</u>
Funds on hand at end of period	<u>196,406</u>	<u>1,475,990</u>

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

The Agency is required to adhere to the requirement of the Ethics in Public Offices Act 1995 and 2001 and procedures in accordance with these and they have been adhered to 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. Lands Held under Aggregation Scheme

	2015	2014
	€	€
Lands Held Under Aggregation Scheme	<u>73</u>	<u>49</u>
Total	<u>73</u>	<u>49</u>

As outlined in accounting policy Note. 1, lands transferred under the land aggregation scheme are recognised at a nominal value of €1 per site transferred.

Following the transfer of the land from local authorities, the Housing Agency is required to prepare a report and implement a strategy for the management, utilisation and ultimate development of the land in question, including valuation in the event of proposed land disposal.

The initial focus of the scheme was to transfer the sites from the individual local authorities to the Housing Agency. To date, a small number of development plans have been proposed and approved. The individual sites will be valued once a development plan is implemented and the relevant site is disposed.

16. Assisting local authorities in purchasing housing

The Housing Agency was asked to be a central point for local authorities for purchasing properties from receivers/lenders as receivers/lenders were not prepared to engage with 20 plus local authorities. The Housing Agency has purchased over 150 homes in bulk from lending institutions on behalf of local authorities nationwide. The properties are not Housing Agency stock. 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 relevant portfolios.

Funding received from local authorities	23,859,500
Amounts paid to banks on behalf of local authorities	22,161,500
Monies held at 31 December 2015 to complete purchases	**1,698,000
** Included in Accruals	
Amounts paid by the Housing Agency in relation to conveyancing costs, stamp duty, local property tax	469,975
Amount due from Department of Housing, Planning, Community and Local Government at 31 December 2015	469,975

17. Pension Scheme

(a) Analysis of Total Pension Costs Charged to Expenditure

	2015	2014
	€	€
Current Service Costs	234,000	270,000
Interest on Pension Scheme Liabilities	46,000	30,000
Employee Contributions	<u>(66,503)</u>	<u>(58,925)</u>
	<u>213,497</u>	<u>241,075</u>

(b) Analysis of the Movement in the Pension Liability During the Year

	2015	2014
	€	€
Opening Liability at 01 January 2015	830,000	560,000
Pension Liability due to transfer of staff	-	0
Current Service Cost	234,000	270,000
Interest Cost	46,000	30,000
Actuarial Loss / (Gain)	<u>338,000</u>	<u>(30,000)</u>
Net Pension Liability at 31 December 2015	<u>1,448,000</u>	<u>830,000</u>

(c) Deferred Funding for Pensions

The Housing Agency recognises these amounts as an asset corresponding to the unfunded deferred liability for pensions on the basis of the set of assumptions described in note 17 (d), and a number of past events. These events include the statutory basis for the establishment of the scheme, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process.

The Housing Agency has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The Net Deferred Funding for pensions recognised in the Income and Expenditure Account was as follows:

17 Pension Scheme (cont'd)

	2015	2014
	€	€
Funding recoverable in Respect of Current Period Pension Costs	280,000	300,000
State Grant Applied to Pay Pensioners	-	-
	<u>280,000</u>	<u>300,000</u>
Scheme Liability	1,448,000	830,000
Actuarial Loss / (Gain) on Pension Liabilities	338,000	(30,000)
Percentage of the Scheme Liabilities	23.34%	4.00%
The cumulative actuarial loss recognised in the Statement of Total Recognised Gains and Losses amounted €338,000 (2014: €30,000)		

(d) General Description of the Scheme

The Housing Agency operates unfunded defined benefit superannuation schemes for staff. Superannuation entitlements arising under the schemes are paid out of current income and are charged to the Income and Expenditure Account, net of employee superannuation contributions, in the year in which they become payable.

The results set out below are based on an actuarial valuation of the pension liabilities in respect of serving, retired and decreased staff of the Housing Agency as at 31 December 2015. This valuation was carried out by a qualified independent actuary for the purposes of the accounting standard Financial Reporting Standard No. 102 – Retirement Benefits.

The principal financial assumptions used were:

Valuation Method	2015	2014
Discount Rate	2.55%	5.50%
Rate of Increase in Salaries	2.65%	4.00%
Future State Pension Increase	1.65%	0.00%
Future Pension Increases	2.15%	4.00%
Inflation	2.15%	2.00%

Average Life Expectancy Used to Determine Liabilities	2015	2014
Male Aged 65	21	22
Female Aged 65	24	25
Average Future Life Expectancy According to the Mortality Tables Used to Determine the Pension Liabilities.		

18. Commitments

On behalf of the Department of Housing, Planning, Community and Local Government, the Housing Agency undertakes the remediation of pyritic affected homes. At 31 December 2015, the Pyrite Resolution Board had received 958 claims under the Pyrite Resolution 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. The Pyrite Resolution Board estimates that the total costs of the remediation scheme will amount to €60 million. At the 31 December 2015, the Housing Agency has the following contractual commitments and obligations in relation to the Pyrite Remediation Scheme (PRS).

Construction Consultants	2015
	€
Total Value of Consultants Contracts at 31 December 2015	1,569,918
Total Value of Payments on Account to 31 December 2015	747,808
Outstanding Contractual Commitments to Consultants at 31 December 2015	<u>822,110</u>

The Housing Agency is not eligible to recoup VAT and therefore all amounts are inclusive of VAT. Payments to consultants are accounted for as paid.

Works Contractors	2015
	€
Total Value of Contractors Contracts at 31 December 2015	13,446,097
Total Value of Payments on Account to 31 December 2015	8,019,491
Outstanding Contractual Commitments to Contractors at 31 December 2015	<u>5,426,606</u>

The Housing Agency is not eligible to recoup VAT and therefore all amounts are inclusive of VAT. Payments to contractors are accounted for as paid.

19. National Building Agency

In 2015, the Agency, on direction from the Department of Public Expenditure and Reform, provided €121,888 to the National Building Agency (NBA) to ensure that the NBA's bank funds were maintained at €1.5 million, such funds being ring fenced for future pay over to the Exchequer.

20. Conflict of Interest

PFK O'Connor, Leddy & Holmes Limited (formerly Doody Crowley Limited) were engaged as both internal auditors and accountants for the Housing Agency in 2015. A procurement was undertaken and Deloitte were appointed internal auditors in February 2016.

21. Approval of Financial Statements

The Board of Directors approved these financial statements for issue on 25 October 2016.





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