



Housing Agency

Annual Report

01 January 2014 to 31 December 2014

Housing and Sustainable Communities Agency

Operating as 'Housing Agency'

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1. Board and Staff Information

Board

The Housing Agency is managed by a full time Board consisting of a chairperson and seven members:

Board Member	Organisation	Appointment / Resignation
Conor Skehan	Chairperson	Appointed January 2013
Peter Carey	Kildare County Council	Resigned October 2014
Clodagh Henehan	South Dublin County Council	Resigned April 2015
Michael Layde	Department of the Environment, Community and Local Government (DoECLG).	Retired August 2014
Donal McManus	Irish Council for Social Housing	Appointed January 2013
Bairbre NicAongusa	Department of the Environment, Community and Local Government (DoECLG).	Appointed September 2014
Dermot Nolan	Department of Public Expenditure and Reform	Appointed January 2013
Tony O' Brien	Management Consultant	Appointed July 2013
John O' Connor	Chief Executive Officer, Housing Agency	Appointed January 2013
Eugene Cummins	Roscommon County Council	Appointed November 2014
Lorraine Lynch	Wicklow County Council	Appointed May 2015

Staff

The Housing Agency has a staff of 36 providing housing management, research and technical services.

1. Board and Staff Information (cont'd)

Committees

Audit & Risk Committee

The Housing Agency Audit and Risk Committee are comprised of three Board members and 1 other member, the Internal Audit Officer. The members are as follows:

Committee Member	Organisation	Appointment / Resignation
Clodagh Henehan	Chairperson	Resigned April 2015
Tony O'Brien	Management Consultant	Appointed July 2013
Donal McManus	Irish Council for Social Housing	Appointed January 2013
Katherine Banks	Housing Agency	Retired July 2014
Caroline Gill	Pyrite Resolution Board	Appointed April 2014
Jim Baneham	Housing Agency	Appointed December 2014

2. Chairperson's Statement

At the outset, I would like to sincerely thank the Board and staff of the Housing Agency for their support throughout 2014.

I would also like to thank the staff of the Department of Environment, Community and Local Government (DoECLG).

The Agency works to deliver housing and housing services to citizens. We collaborate with the Department of the Environment, Community and Local Government, local authorities, approved housing bodies and the private sector to do so.

Our vision is that everyone should be able to live in good quality, affordable homes in sustainable communities. We are driven by an understanding of the central role that housing plays in people's quality of life and life chances.

Housing is so important to all of us. We have to get it right to have a sustainable economy and community.

The Housing Agency has a wide range of expertise and has become a crucial actor in the area of supply and demand in the delivery of housing throughout Ireland.

We are dedicated to providing quality and flexible services to the housing sector by striving to encourage, achieve and support good practice, creativity, innovation and value for money.

2. Chairpersons Statement (cont'd)

Board Attendance at meetings

A total of 11 board meetings were held throughout 2014. The following table outlines the attendance of each member at meetings held during their membership period. Board members are not in receipt of fees for sitting on the board of the Agency, and no expenses were paid in respect of 2014.

Board Member	Attendance	Fees	Expenses
Conor Skehan	100%	Nil	Nil
John O' Connor	100%	Nil	Nil
Tony O'Brien	100%	Nil	Nil
Donal McManus	91%	Nil	Nil
Michael Layde (retired August 2014)	86%	Nil	Nil
Clodagh Henehan	73%	Nil	Nil
Peter Carey (resigned October 2014)	67%	Nil	Nil
Dermot Nolan	91%	Nil	Nil

Salary of the Chief Executive

The Chief Executive's salary for 2014 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 (DoECLG). The Chief Executive is part of a Local Government model public sector defined benefit superannuation scheme.

Finally, I wish to express my sincere thanks to each Board member, the Housing Agency committees and particularly John O'Connor and his excellent staff. I wish to thank the Minister for the Environment, Community and Local Government, Mr Alan Kelly T.D., his predecessor Mr. Phil Hogan T.D., and Minister of State at the Department of Environment, Community and Local Government (DoECLG), Mr Paudie Coffey T.D., his predecessor Ms. Jan O' Sullivan T.D., and officials of the Department for their support in the operation of the Housing Agency, along with all the Local Authorities for all their co-operation and assistance.


Conor Skehan
Chairperson

3. Chief Executive's Statement

The Housing Agency was set-up on an administrative basis in 2010, as an interim measure pending the introduction of legislation to establish the Agency on a statutory footing. As an administrative set-up it was limited in the range of activities which it can undertake in its own right. To provide a legal framework to undertake functions in the interim, a company was set up called Housing and Sustainable Communities Ltd (HSC Ltd) in 2010.

The Housing Agency was formerly established on a statutory basis 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.

The Housing and Sustainable Communities Agency (Housing Agency) was formed following a government decision to rationalise three housing related state Agency's to incorporate a range of key expertise in this field and make one leading Housing Agency to assist the Department of Environment, Community and Local Government (DoECLG), Local Authorities and Approved Housing Bodies in undertaking their housing functions. The Agencies rationalised were the Affordable Homes Partnership (AHP), the Centre for Housing Research and the National Building Agency Limited (NBA).

In 2015, Housing and Sustainable Communities Ltd (HSC Ltd) will be voluntarily struck off the Companies Register. Work is ongoing to prioritise the wind up of the National Building Agency. The National Building Agency Limited (NBA) is still in existence as there are a large number of employees waiting to be formerly redeployed throughout the public sector. It is expected that this company will also be wound up in 2015.

The main achievements of the organisation in 2014 were:

- **Establishment**

In its second full year of operations following its establishment in 2012, the Housing Agency has been clearly recognised as an Agency with a significant role in relation to housing generally, and specifically social housing. The Housing Agency is a key body which has strong expertise and knowledge in the housing area.

- **Social Housing Supply**

The Housing Agency provided a range of services and supports to the Department of Environment, Community and Local Government (DoECLG), Local Authorities and Approved Housing Bodies in respect the supply of social housing. One big achievement was the delivery of 472 homes in 2014 through the Housing Agency and NAMA. The Housing Agency liaised with NAMA to identify suitable properties throughout the country for use as social housing.

- **Regulation of Approved Housing Bodies**

The Department of Environment, Community and Local Government (DoECLG), appointed the Housing Agency as the interim body in respect of regulation of Approved Housing Bodies. By the end of 2014, 174 Approved Housing Bodies had signed up to the voluntary code, with the first assessments underway.

3. Chief Executive's Statement (cont'd)

- **Pyrite Remediation Scheme**

A government decision was made in January 2013, to establish the Pyrite Resolution Board (PRB) on an administrative basis. The Department of Environment, Community and Local Government (DoECLG), 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.

Part 4 of the Pyrite Resolution Act 2013 outlines the functions of the Housing Agency. The Housing Agency's core role is the implementation of the Pyrite Remediation Scheme (PRS). In essence the Housing Agency engages engineering consultants and building contractors to carry out the remediation work to houses damaged by pyrite. The Housing Agency also provide administrative and other supports. This includes the management of the income and expenditure for the scheme.

In 2014, the Housing Agency worked on the implementation of the scheme, including the establishment of consultant and contractor frameworks and liaison with homeowners. The first project commenced in September 2014. This pilot project included the remediation of four properties and was completed successfully in November 2014.

- **Mortgage to Rent**

The Housing Agency is the centralised body for the Mortgage to Rent schemes for both lending institutions and Local Authorities. Mortgage to Rent (MTR) is one of the resolutions being offered by lending institutions to their customers where it has been deemed that their mortgage is unsustainable.

Work Programme

The overall work programme of the Housing Agency is a diverse programme, with a number of key streams. The Agency has four core sections; these are the Research section; the Housing Supply and Mortgages section; the Regulation Office and the Technical Services team.

The Housing Agency provides a multi-disciplinary approach to housing in supporting the Department of Environment, Community and Local Government (DoECLG), Local Authorities and Approved Housing Bodies through research and analysis; support in respect of Housing supply; regulation of Approved Housing Bodes; support in respect of housing management, and design and procurement services for building programmes and construction of social housing.

3. Chief Executive's Statement (cont'd)

Research and Corporate Services

The Research and Corporate Services section has two key aspects within it:

1. The Corporate Services section; and
2. The Research Services Section.

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, information communications technology, communications and facilities management including welfare, health and safety.

The Research Service section provides data analysis and research services and procures research and evaluation services for the Department of Environment, Community and Local Government (DoECLG), the Private Residential Tenancies Board (PRTB) and the Dublin Region Homeless Executive (DRHE). Research carried out in 2014 included:

Housing Demand: The Housing Agency undertook a body of research in respect of the future outlook of the housing market, to help identify the housing supply required over the next 6 years. Housing Supply and Requirements in Ireland's Urban Settlements 2014-2018, was published in April 2014.

Traveller Accommodation: The Housing Agency also carried out a body of research in respect of Traveller Accommodation.

Supports to other Public bodies: Other research work was undertaken by the Housing Agency on behalf of other housing related state bodies during 2014, specifically the Dublin Regional Homeless Executive (DRHE) and the Private Residential Tenancies Board (PRTB). These projects covered Rent Stability; the Future of the Private Rented Sector and Landlords Attitudes to the Housing Assistance Payment (HAP)

National Housing Framework: Construction 2020 set out an action in relation to establishing a National Housing Framework and placing it on a statutory footing. The idea behind the Framework is to ensure a balanced approach in which the supply of housing is matched with projected demand, and in which imbalances can be identified and rectified at an early stage.

An Inception Report was produced in July 2014 setting out the approach to be followed. The Agency commenced work on a draft of the first National Housing Framework, which was prepared by the end of 2014. The National Housing Framework (National Statement of Supply and Demand for 2014, and Outlook for 2015 - 2017) was published in July 2015.

3. Chief Executive's Statement (cont'd)

Housing Supply and Mortgage Supports

Social Housing Strategy: Five Work Stream working groups have been established by the Department of Environment, Community and Local Government (DoECLG), under the Social Housing Strategy (SHS). The Agency has representatives on 3 of these groups, which are:

- 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 Agency is engaged in general support work for the Social Housing Strategy (SHS) including analysing housing need data used to calculate overall housing delivery targets in the Social Housing Strategy (SHS) to generate annual target delivery numbers on a Local Authority basis. The Housing Agency will also be involved in the mapping of social housing need on a national level, and in mapping all Local Authority owned land in conjunction with the Code of Conduct on Mortgage Arrears (CCMA) and the Office of Public Works (OPW). The Housing Agency is also involved in developing an assessment matrix for the selection and prioritisation of the most appropriate lands for development.

Social Housing Leasing: 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.

Capital Advance Leasing Facility (CALF): The Housing Agency carries out financial assessments of applications submitted to the Department of Environment, Community and Local Government (DoECLG) from Approved Housing Bodies. Work continues on the financial appraisal of Capital Advance Leasing Facility (CALF) submissions. A total of 30 Capital Advance Leasing Facility (CALF) projects were assessed in 2014 which included a total of 602 dwellings with a total capital cost of approx. €79 million. This compares to 25 projects with 331 units and a total capital cost of approx. €30 million in 2013. Assessments in 2014 saw a trend towards construction or renovation projects which were relatively rare in previous years.

National Asset Management Agency (NAMA) Properties: The Housing Agency continued to work with the Department of Environment, Community and Local Government (DoECLG) and the National Asset Management Agency (NAMA) throughout 2014 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. The target for 2014 was to get an additional 500 properties to complete or contracted stage and efforts are continuing to ensure that as many suitable properties as possible are secured. During 2014, a total of 472 properties were either completed or contracted out of a target of 500. The target for 2015 is for at least another 500 properties completed or contracted.

3. Chief Executive's Statement (cont'd)

The table below sets out the status of properties in terms of complete, contracted and under negotiation or consideration as at the end of December 2014.

Status	2014	Total up to 31 st December 2014	Apartments	Houses
Complete	319	811	516	295
Contracted	153	257	195	62
Under Negotiation	0	450	250	200
Under Consideration	0	875	348	527

Demand has been confirmed by the Local Authorities for 2,214 of the properties that NAMA has made available. Another 179 properties are being evaluated, potentially bringing the total that may be deemed suitable to 2,393. Local Authorities have confirmed that 2,135 properties are considered unsuitable by reference to sustainable planning and housing policy, or are located in areas with no demand. A further 1,225 properties have been sold or privately let by the owners or receivers.

Housing Assistance Payment (HAP): On the 17th December 2013, the Government approved as a priority the drafting of required legislation for introducing Housing Assistance Payment (HAP). The Housing Agency was represented on both the Housing Assistance Payment (HAP), Oversight Group and also, on the Project Board. The Housing Agency has also been identified as having a key role in a number of the work-streams. The Secretary General requested the Housing Agency to prioritise Housing Assistance Payment (HAP) within its work programme. The Housing Agency had a key role in the business process design and in that regard, assisted the Department of Environment, Community and Local Government (DoECLG) to help inform the drafting of the legislation process. The Housing Agency also undertook assessment of the design of a deposit protection scheme for HAP; the development of eligibility criteria for Housing Assistance Payment (HAP); analysis work on rents and housing needs data to determine the impact of varying the income limits on entry to Housing Assistance Payment (HAP) and social housing supports and social impact assessment for Housing Assistance Payment (HAP).

The Housing Agency also provided assistance to Local Authorities in the implementation of the pilot scheme, and the implementation of the national roll-out of this scheme, through a training seminar and a suite of documentation relevant to the programme.

Part V Reforms: The Housing Agency assisted the Department of Environment, Community and Local Government (DoECLG) in reforming Part V of the Planning and Development Act. The Housing Agency carried out a review of Part V and submitted recommendations in respect of informing future amendments to legislation. The Department of Environment, Community and Local Government (DoECLG) prepared draft legislation in 2014. At the end of 2014, the Heads of the Bill received approval from Government, with the aim of the legislation being enacted in Q2 of 2015.

3. Chief Executive's Statement (cont'd)

Underwriting Service to Local Authorities: The Housing Agency provides a centralised shared services unit which carries out the underwriting services in respect of house purchase loans submitted to Local Authorities nationally. There are two types of Local Authority house purchase loans, as follows:-

- House Purchase Loan: A total of 537 House Purchase Loan applications were received in 2014. The number of applications recommended for approval and decline was 30% and 70% respectively. 255 applications were received between January 2015 and the end of June 2015 of which almost 38% were recommended for approval.
- Home Choice Loan: 11 Home Choice Loan applications were received in 2014. 3 applications were recommended for approval.

Mortgage Arrears Resolution Process (MARP): The Housing Agency assisted the Department of Environment, Community and Local Government (DoECLG) on the review and update of the Guide to Local Authorities on dealing with mortgage arrears in line with the new Code of Conduct on Mortgage Arrears (CCMA) from the Central Bank. The Housing Agency prepared and has made available through the Housing Manual a suite of template letters and documents, including a Borrower Information Booklet for use in the Mortgage Arrears Resolution Process (MARP). The Housing Agency also acts as advisors to the Local Authorities on mortgage matters, and acts as a knowledge bank for the dissemination of information including matters on Personal Insolvency.

Regulation of Approved Housing Bodies and Housing Management Services

The Regulation Office undertakes the Regulation of Approved Housing Bodies and the support to Local Authorities in housing management.

Interim regulatory of Approved Housing Bodies: In February 2014, the Housing Agency was given responsibility for regulating Approved Housing Bodies (AHBs). 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 over 27,000 homes.

The Housing Agency established a Regulation Office to manage regulation of the sector and reports to an interim Regulatory Committee appointed by the Minister. Regulation of the sector is currently based on a Voluntary Regulation Code "***Building for the Future - A Voluntary Regulation Code for Approved Housing Bodies in Ireland***".

Interim regulatory of Approved Housing Bodies (cont'd): It is intended that a statutory based regulatory framework will be in place by 2016. The voluntary framework will be developed further in the lead up to 2016, starting with the development of a Financial Standard and Assessment Framework for the Regulation of Approved Housing Bodies in Ireland.

3. Chief Executive's Statement (cont'd)

The Government's Housing Policy places Approved Housing Bodies (AHBs) at the heart of social housing provision in 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.

A total of Approved Housing Bodies (AHBs) signed up to the Code at the end 2014 was 174. This is approximately 80% of housing stock that is supplied from the voluntary sector.

Local Authority Housing Management Services:

New Rents Framework: The Regulation Office carried out analysis for the Department of Environment, Community and Local Government (DoECLG) in respect of the new rents framework. A document was prepared with the results of this analysis based on 2014/2015 rents data, which will help inform the submission to the Minister for the Environment, Community and Local Government. The commencement date for the regulations is still expected to be 1st July 2015. If the Minister for the Environment, Community and Local Government approves the regulations, the Housing Agency will have an intense period of work to prepare guidance and training for all the housing practitioners.

Housing (Miscellaneous Provisions) Act 2014: The Housing Miscellaneous Provisions Act 2014 includes provisions regarding Housing Assistance Payment (HAP), Tenant Purchase, Termination of Tenancies and the new tenant purchase arrangement, along with some other amendments to the 2009 Housing Act. The Housing Agency drafted a briefing note on these changes to circulate to authorities on these changes to ensure they were fully informed on the legislation.

Councillor Training: The Housing Agency assisted the Association of Irish Local Government (AILG) with the provision of training to Councillors nationally, on the issue of housing at three regional seminars over the course of October. The training covered a broad range of topics including, the legal responsibilities of housing authorities, supply options and the qualification criteria for social housing. The events were useful in terms of hearing about issues on the ground, and providing context and clarification on how some elements of how the social housing system operates.

Choice Based Lettings: The Regulation Office worked with Cork City on Choice Based Lettings focus group, which examines the potential introduction of Choice Based Lettings in Cork City. This forum is made up of a number of stakeholders including Councillors, and local Approved Housing Bodies (AHBs) and is a useful mechanism to explore the business processes for Choice Based Lettings prior to roll out and development of supporting IT. The model here may be useful to use elsewhere, as one of the key actions of social housing strategy if the further expansion of Choice Based Lettings.

3. Chief Executive's Statement (cont'd)

Technical Services

The Agency provided assistance to Local Authorities with refurbishment and regeneration schemes, particularly in Cork.

Regeneration Projects: Technical and professional support is being provided for to Cork City Council and Tralee Town Council in respect of their respective regeneration projects. Cork City Council is regenerating the Northwest Quarter; the Housing Agency is assisting Cork City Council in relation to the implementation of the Cork City Northwest Quarter Regeneration (CNWQR) plan; and in the provision of full design and project management services for Stage 1b Cork Northwest Quarter Regeneration.

In respect of Tralee Town Council, the Agency continued to provide architectural and engineering services in relation to the Urban Terrace, Tralee, and also provision of support and assistance in relation to the housing and a community & sports centre on Mitchells Road, Tralee.

Refurbishment Projects: The Housing Agency has responsibility for the design and project management of the following refurbishment projects in North Tipperary County Council, Derrynaflan, which consists of 33 houses; and in Monaghan County Council on Mullaghmat Remedial Works Phase 3. This consists of the upgrading of 21 dwellings and associated site works in Mullaghmat for Monaghan County Council. The Housing Agency is administering the contract on behalf of Monaghan County Council, and acting as Project Supervisor Design Process (Health and Safety).

Other Shared Service Projects: The Housing Agency is also providing technical services to the following Local Authorities:

- Traveller Accommodation, Cork – Provision of quantity surveying services to Cork City Council.
- Ballybay Flood Relief – Provision of engineering services for flood relief scheme in Ballybay County Monaghan.
- Procurement of design team for Good Shepherd Services Ltd (Approved Housing Body (AHB)).
- Review of Existing Regeneration Master plan for Tralee for Kerry County Council.
- Design and Project Management of an extension to a Sports Centre for Dundalk Town Council. The contract value is approximately €1.8 million. A contractor has been appointed and work is progressing on site. The contract period is 46 weeks.

3. Chief Executive's Statement (cont'd)

Final Accounts and related work: The Housing Agency also carried out work to finalise accounts on projects and handed these over to the clients. These were the new Library Wexford, Cliona Park Moyross, housing at Mitchell's Crescent Tralee, two refurbishment projects in North Tipperary, and the Boardwalk New Ross, Co. Wexford and a housing refurbishment project for Fingal County Council.

Condition Surveys: The Housing Agency provides audit and inspection services of existing housing units as part of the implementation of the Government's housing policy (i.e. social leasing) to local authorities. This work is ongoing in the Dublin region.

Disability / Access Related: The Housing Agency also provides technical services in respect of disabilities and access. They include:

- Assessment of applications for Disability Access Certificates (DACs) as a shared service to Dublin City Council. This work is ongoing.
- Preparation of life cycle costs for the Centre for Excellence in Universal Design (CEUD) in liaison with the Department of Environment, Community and Local Government (DoECLG) in relation to the design and costing of Universal Design homes.
- Preparation of a document that identifies the key features and space standards required to achieve Universal Design standards for both Local Authority and private dwellings.

Resolution Supports

The Housing Agency was also requested to provide support in a number of areas outside of its core functions. These are

- **Unfinished Housing Developments:**
The Agency continued to work with the Department of Environment, Community and Local Government (DoECLG) in respect of the Unfinished Housing Developments, with significant progress being made in resolving the developments. An annual survey is carried out in relation to this. The 2014 survey found that there are less than 1,000 estates remaining which are unresolved.

In 2010, there were 2,846 developments unresolved, at the end of 2014, there were 992. The completed and unoccupied figures have reduced from 23,000 in 2010 to 4,653 in 2014.

3. Chief Executive's Statement (cont'd)

Resolution Supports (cont'd)

- **Mortgage to Rent (MTR):**

A total of 2,598 cases had been submitted by lenders to the end of 2014. A further 331 cases were submitted in January 2015 bringing the total number of cases to 2,929. The status of these applications to the end of June 2015 is set out below:

Unsuccessful	Borrower Consent Required	Active	Sale Not Agreed	Completed
2,053	111	616	45	104

Of the 2,629 cases submitted, 2,053 were ineligible or terminated during the process. Agreement on the sale could not be agreed in 45 cases. Of the remaining cases submitted, 68 have been completed, 111 are currently with the lenders who are seeking the consent of borrowers to share information and for the carrying out of an independent valuation, and the remaining 616 are actively being progressed.

- **Housing Strategy for People with a Disability:**

The Housing Agency is responsible for the Project Management of the Implementation of the National Housing Strategy for People with a Disability. This involves the development of guidance, policies and protocols to assist in the delivery of the 80 Priority Actions set out in the Implementation Framework. The Housing Agency chairs and administers the National Housing Subgroup responsible for the oversight of the progress on the implementation. The Agency works closely with Service Providers, Approved Housing Bodies (AHBs) and other stakeholders to try to progress the access of mainstream housing options for people with a disability, including identifying and trying to resolve issues. The Housing Agency has facilitated the establishment of over 19 of the Housing and Disability Steering Groups that will promote the implementation of the national policy at local level in a new inclusive manner. The Housing Agency is also working closely with the Health Service Executive (HSE) and other stakeholders on delivering the housing elements of the Report of the Congregated Settings Working Group.

- **Pyrite Remediation Services:**

The Housing Agency is remediating pyritic effected homes that have been accepted into the scheme by the Pyrite Resolution Board. At the end of 2014, there were approximately 300 dwellings accepted into the scheme. The pilot project of the scheme was undertaken successfully in late 2014, with four homes remediated.

3. Chief Executive's Statement (cont'd)

Prompt Payments

On behalf of the Board, I acknowledge our responsibility for ensuring compliance with the Prompt Payments of Accounts Act 1997. Under Government decision in 2011, the Housing Agency was required to make payment of all invoices within 15 days. The performance of the Agency from the implementation of this policy in 2014 is outlined below.


Details	Number	Value (€)	Percentage (%) of total invoices paid	Percentage (%) of the total amount paid
Total invoices paid to 31 December 2014	1,362	€3,709,082	100%	100%
Number of invoices paid within 15 days	1,344	€3,643,533	98.68%	98.3%
Number of invoices paid within 16 days to 30 days	12	€19,353	0.88%	0.5%
Number of invoices paid in excess of 30 days	6	€46,196	0.44%	1.2%
Number of invoices disputed in year to 31 December 2014	0	0	0%	0.0%
Total	1,362	€3,709,082	100%	100%

On behalf of the Board, I acknowledge our responsibility for ensuring full compliance with all Government Policy and Corporate Governance Guidance as set by Government. I am satisfied that the Housing Agency is compliant with the travel policy set by the Government, and I would like to affirm that all travel taken was in line with this policy.

Conclusion

This is a time of significant change for the country and these changes have an impact on housing provision. The "Social Housing Strategy 2020: Support, Supply and Reform" launched by Government in November 2014, sets out a firm plan for the next 6 years to increase the supply of social housing. The Agency looks forward to being a strong support to the DECLG, Local Authorities and Approved Housing Bodies in implementing the Strategy over the coming years, and helping to deliver housing for people in greatest need

I would like to thank the Board and staff of the Housing Agency for their support throughout 2014. I would also like to, thank the staff of the Department of Environment, Community and Local Government (DoECLG)


John O'Connor
Chief Executive Officer

29/01/2016

4. Statement of Responsibilities of the Board

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 Finance, all proper and usual accounts of all the moneys received or expended by it, and in particular, to keep all such special accounts as the Minister with the consent of the Minister for Finance 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 judgments 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;
- Disclose and explain any material departures from applicable accounting standards

The Board is responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of the Housing Agency, 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 11/11/2016

5. Statement of Internal Financial Control

Responsibility for System of Internal Financial Control

On behalf of the Board, I acknowledge our responsibility for ensuring that an appropriate system of internal financial control is maintained and operated.

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 Board 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 Board 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 of periodic and annual financial reports which compare financial performance against forecasts;
- Setting targets to measure financial and other performance.

The Audit and Risk Committee met regularly under formal terms of reference. It reviewed the annual financial statements and accounting policies. 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.

5. Statement of Internal Financial Control (cont'd)

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 the 12 month financial period ended 31 December 2014.

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.



Conor Skehan
Chairperson

29/01/2016
Date



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Housing and Sustainable Communities Agency

I have audited the financial statements of the Housing and Sustainable Communities Agency for the period ended 31 December 2014, as provided for in Section 11 of 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, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the income and expenditure account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement 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 in Ireland

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 of the state of the Agency's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and 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 audit.

In addition, I read the Agency's annual report to identify material inconsistencies with the audited financial statements. 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, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Agency's affairs at 31 December 2014 and of its income and expenditure for 2014.

In my opinion, proper books of account have been kept by the Agency. The financial statements are in agreement with the books of account.

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted 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
- 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
- I find 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

Seamus McCarthy
Comptroller and Auditor General
8 February 2016

7. Statement of Accounting Policies

7.1 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, co-ordination 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). An application will be made in 2015 to the Companies Registration Office (CRO) to have HSC Ltd voluntary struck off.

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.

7. Statement of Accounting Policies (cont'd)

7.2 Basis of Preparation

The financial statements have been prepared under the accruals basis of accounting in accordance with generally accepted accounting principles and under the historic cost convention. Financial Reporting Standards as recommended by the recognised accountancy bodies are adopted as they become operative. 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.

7.3 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 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 includes direct costs and profit. The amount due is recognised as accrued income and included as an asset.

7.4 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

7. Statement of Accounting Policies (cont'd)

7.5 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).

7.6 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.

7. Statement of Accounting Policies (cont'd)

7.6 Land Aggregation Scheme (cont'd)

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 2014, a total of 15 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 49, (Note 14).

7.7 Pensions

The Housing Agency operates a defined benefit scheme which is funded on a pay as you go basis from moneys 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

7.8 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.

7.9 Currency

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

**Income and Expenditure Account
For 12 months to 31 December 2014**

<u>Income</u>	Notes	12 Months 2014 €	17 Months 2013 €
	1		
Oireachtas Recurrent Grant	1.1	2,600,000	1,577,444
NBA Wind Down	1.1	-	200,000
Pyrite Recoupments	1.1	-	120,567
Pyrite Fund	1.1	796,968	-
Other Recoupments	1.1	449,119	175,851
Fee Income	1.2	282,383	648,633
Recoupment NBA Pay Costs	1.3	1,119,528	1,112,832
Recoupment of Expenses Other State Bodies	1.4	444,144	562,602
Rental Income	1.5	63,316	20,050
Other Income	1.6	50,077	12,295
Deposit Interest Receivable		5,602	-
Net Deferred Funding for Pensions	15(c)	300,000	6,000
		<u>6,111,137</u>	<u>4,436,274</u>
 <u>Expenditure</u>			
Personnel Costs	2	3,432,662	2,825,425
Office Administration Costs	3	396,334	286,634
Legal and Professional Fees	4	698,454	679,630
Pyrite Remediation Scheme	6	796,968	118,045
Depreciation	7	30,244	10,492
Other Costs		-	51,625
Pension Costs	15(a)	241,075	6,000
		<u>5,595,737</u>	<u>3,977,851</u>
 Surplus for the year		<u>515,400</u>	<u>458,423</u>

There were no recognised gains and losses other than those disclosed in the income and expenditure account

The Accounting Policies and Notes 1 to 20 form part of the Financial Statements.

Signed on behalf of the Board by


Conor Skehan
Chairperson

Date

29/12/2016


John O'Connor
Chief Executive Officer

**Statement of Total Recognised Gains and Losses
For 12 months to 31 December 2014**

	Notes	12 Months 2014 €	17 Months 2013 €
Surplus for the Period	12	515,400	458,423
Actuarial Gain / (Loss) on Pension Liabilities	15(c)	30,000	(554,000)
Deferred Pension Funding	15(c)	<u>(30,000)</u>	<u>554,000</u>
Total Recognised Gain for the Period		<u>515,400</u>	<u>458,423</u>

The Accounting Policies and Notes 1 to 20 form part of the Financial Statements.

Signed on behalf of the Board by:



Conor Skehan
Chairperson



John O'Connor
Chief Executive Officer

29/01/2016
Date

Balance Sheet as at 31 December 2014

		12 Months 2014		17 Months 2013	
Notes	€	€	€	€	
Fixed assets					
Tangible Assets	7		257,076		262,941
Current assets					
Accrued Income	8	176,118		198,299	
Development Lands	9	1,441,247		1,441,247	
Debtors	10	292,715		323,898	
Lands Held Under Aggregation Scheme	14	49		34	
Cash At Bank And In Hand		4,035,259		669,258	
		5,945,388		2,632,736	
Current Liabilities					
Creditors	11	(3,323,897)		(532,510)	
Net Current Assets			2,621,491		2,100,226
Total Assets less Current Liabilities			2,878,567		2,363,167
before Pensions					
Deferred Pension Funding	15(c)	830,000		560,000	
Pension Liabilities	15(c)	(830,000)		(560,000)	
Total Assets less Current Liabilities			2,878,567		2,363,167
Capital and Reserves					
Capital Contribution	12		515,400		1,904,744
Revenue Reserves	12		2,363,167		458,423
			2,878,567		2,363,167

The Accounting Policies and Notes 1 to 20 form part of the Financial Statements.

The financial statements were approved by the Board on _____ and signed on its behalf by:



 Conor Skehan
 Chairperson



 John O'Connor
 Chief Executive Officer



 Date

Cash flow Statement
For 12 Months to 31 December 2014

	Notes	12 Months 2014 €	17 Months 2013 €
Reconciliation of Net Movement for the Year to Net Cash Inflow from Operating Activities			
Operating surplus for year	12	515,400	458,423
Depreciation	7	30,244	10,492
Bank Interest Earned		(5,602)	-
Transfer (from) / to Capital Account	12	-	1,804,744
Decrease / (Increase) in Stocks		22,167	(1,839,680)
Decrease / (Increase) in Debtors		31,183	(323,898)
Increase / (Decrease) in Creditors		2,791,387	532,510
Net Cash Inflow/ (Outflow) from Operating Activities		3,384,778	942,691
Cash Flow Statement			
Net Cash Inflow/ (Outflow) From Operating Activities		3,384,778	942,691
Investing Activities			
Payments to Acquire Tangible Fixed Assets	7	(24,379)	(239,478)
Transfer of Tangible Fixed Assets From HSC Ltd	7	-	(33,955)
Financing Activities			
Bank Interest Earned		5,602	-
Increase / (Decrease) in Cash		3,366,001	669,258
Reconciliation of Net Cash Flow to Movements in Net Funds			
Net Funds at 01 January 2014		669,258	-
Net Funds at 31 December 2014		4,035,259	669,258
Increase / (Decrease) in Cash		3,366,001	669,258

The Accounting Policies and Notes 1 to 20 form part of the Financial Statements

Signed on behalf of the Board by


Conor Skehan
Chairperson


John O'Connor
Chief Executive Officer


Date

Notes to the Financial Statements

For the 12 month period ended 31 December 2014

1 Income

1.1 Oireachtas Grant

The Housing Agency was formally 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), and receives funding from the Department of the Environment, Community and Local Government (DoECLG). The Department of the Environment, Community and Local Government (DoECLG) provides an annual state grant to the Housing Agency to support the work undertaken.

The Housing Agency receives grant funding from the Department of Environment and Local Government in relation to the Agency's administration of the Pyrite Resolution Scheme on behalf of the Pyrite Resolution Board (See Accounting policy 7.3)

The Department of the Environment, Community and Local Government (DoECLG) 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 Environment, Community & Local Government

	12 Months 2014	17 Months 2013
	€	€
Grant	2,600,000	1,577,444
The National Building Agency (NBA) wind down	-	200,000
Pyrite Recoupments	-	120,567
Pyrite - Pyrite Resolution Board	796,968	-
Other Recoupments	449,119	175,851
Pyrite Recoupments	-	120,567

1.2 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 (note 8)

	12 Months 2014	17 Months 2013
	€	€
Fee Income	282,383	648,633

Notes to the Financial Statements (cont'd)

For the 12 month period ended 31 December 2014

1 Income (cont'd)

1.3 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. It is expected that each member of the National Building Agency Limited (NBA) staff will be formally redeployed in 2015.

	12 Months 2014	17 Months 2013
	€	€
Recoupment of The National Building Agency Limited (NBA)	1,119,528	1,112,832

1.4 Recoupment of Expenses 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.

	12 Months 2014	17 Months 2013
	€	€
Recoupment of Expenses From Other State Bodies	444,144	562,602

1.5 Rental Income

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

	12 Months 2014	17 Months 2013
	€	€
Rental Income	63,316	20,050

1.6 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. In 2014 a refund of Corporation Tax of €39,366 was received by the Housing Agency. This refund was attributable to Housing and Sustainable Communities Limited (HSC Ltd). This refund was not identified as a debtor balance when the assets and liabilities of Housing and Sustainable Communities Limited (HSC Ltd) were being transferred to the Housing Agency in 2013. An addition to the capital contribution fund has been made to account for the transfer of this additional asset, see (note 12).

Notes to the Financial Statements (cont'd)

For the 12 month period ended 31 December 2014

1	Income (cont/d)	12 Months 2014 €	17 Months 2013 €
	Other Income	50,077	12,295
2	Employees and Board Members	12 Months 2014 €	17 Months 2013 €
(a)	Number of employees		
	The average number of employees during the year was:	36	36
(b)	Employment costs		
	Wages and salaries	1,779,044	1,246,231
	Social Welfare costs	151,603	95,514
	Other pension costs	107,506	65,374
	Costs in respect of NBA assigned staff	1,166,187	1,199,355
	Social welfare Costs in respect of NBA assigned staff	111,145	121,905
		<u>3,315,485</u>	<u>2,728,379</u>
	Travel and Other Staff Costs	<u>117,177</u>	<u>97,046</u>
		<u>3,432,662</u>	<u>2,825,425</u>
(c)	Pension Related Deduction		
	During the year pension related deductions of €80,651 were deducted from staff and paid over to the Department of the Environment, Community and Local Government (DoECLG).		
(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 2014.		
(e)	Chief Executive's Remuneration		
	The Chief Executive's salary for 2014 was €117,603. This is based on the scale for Manager Level 5, plus 7.5% expenses which amounted to €8,820. This also reflects the reduction in salary under the Financial Emergency Measures in the Public Interest (No.2) Act 2009 (8%), and the Haddington Road Agreement 2013 (6.5%). The Chief Executive is part of a Local Government model public sector defined benefit superannuation scheme.		

Notes to the Financial Statements (cont'd)

For the 12 month period ended 31 December 2014

3 Administration Costs	12 Months 2014	17 Months 2013
	€	€
Rent Payable	8,072	3,938
Rates	35,538	31,464
Insurance	49,632	30,993
Light and Heat	17,972	27,285
Cleaning	15,914	7,132
Repair and Maintenance	5,027	5,129
Printing Postage and Stationary	25,598	18,196
Communications	60,310	6,332
Information Communications Technology	104,809	91,290
Premises Costs	5,473	14,864
Bank Charges	901	483
Meeting and Kitchen Costs	20,775	11,995
General Expenses	11,530	8,731
Local Authority Training	25,183	18,450
Tender Deposits	-	1,400
Foley Scholarship	9,600	8,952
	<u>396,334</u>	<u>286,634</u>
4 Legal and Professional Fees	12 Months 2014	17 Months 2013
	€	€
Legal and Professional	621,486	589,300
Accountancy	57,694	62,200
Audit	10,300	10,300
Internal Audit	8,974	17,830
	<u>698,454</u>	<u>679,630</u>
5 Other Costs	12 Months 2014	17 Months 2013
	€	€
Other Costs	-	51,625
	<u>-</u>	<u>51,625</u>

Notes to the Financial Statements (cont'd)

For the 12 month period ended 31 December 2014

6 Pyrite Remediation Scheme Costs	12 Months	17 Months
	2014	2013
	€	€
Pay Costs	187,827	84,595
Consultants	145,380	-
Contractors	144,371	-
Homeowner Payments	142,756	-
Legal and Professional	100,524	15,445
Information Communications Technology	72,110	11,476
Other admin costs	4,000	6,529
	<u>796,968</u>	<u>118,045</u>

During the period ended 31 December 2013, the Housing Agency made a provision of €51,625 in respect of remediation and legal costs on its land holdings.

Income

6.1 DECLG Pyrite Remediation Scheme

The funding of pyrite remediation works is from voted Exchequer expenditure allocated by the Department of Environment, Community and Local Government. The Pyrite Resolution Board approves expenditure profiles by the Housing Agency in respect of costs, commitments and expenses.

Expenditure

6.2 Information Communication Technology

The ICT costs incurred in 2014 related to the creation of the online application and tracking system. The PRB only accepts applications in electronic format through this system. It also allows scheme applicants to track the progress of their application.

6.3 Legal and Professional Costs

Legal and Professional costs were incurred in 2014 in respect of legal work on contracts templates and litigation cases the PRB had entered into 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.

6.4 Consultants

The category of consultants covers the expenditure incurred in respect of the consultant engineers engaged to undertake the design of the remediation works and for building contractors to carry out the works in accordance with the required standards. The Housing Agency established a framework for procurement of these services.

6.5 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.

Notes to the Financial Statements (cont'd)

For the 12 month period ended 31 December 2014

6.6 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 & contents subject to a maximum limit of €2,500 (including VAT) per dwelling.

Notes to the Financial Statements (cont'd)

For the 12 month period ended 31 December 2014

7 Fixed Assets	Fixtures fittings and equipment	Buildings	Computer Equipment	Total
	€	€	€	€
Cost				
Opening Balance at 01 January 2014	37,001	165,972	70,460	273,433
Additions at Cost	-	-	24,379	24,379
Balance at 31 December 2014	<u>37,001</u>	<u>165,972</u>	<u>94,839</u>	<u>297,812</u>
Depreciation				
Opening Balance at 01 January 2014	5,703	2,757	2,032	10,492
Depreciation for the Period	3,541	3,319	23,384	30,244
Balance at 31 December 2014	<u>9,244</u>	<u>6,076</u>	<u>25,416</u>	<u>40,736</u>
Net Book Value				
At 31 December 2014	<u>27,757</u>	<u>159,896</u>	<u>69,423</u>	<u>257,076</u>
At 31 December 2013	<u>31,298</u>	<u>163,215</u>	<u>68,428</u>	<u>262,941</u>
8 Accrued Income			12 Months 2014	17 Months 2013
			€	€
Opening of Accrued Income			198,299	290,512
Income Invoiced up to 31 December 2014			(90,090)	(250,883)
Accrual for Completed Work Not Invoiced at 31 December 2014			67,909	158,670
Accrued Income at 31 December 2014			<u>176,118</u>	<u>198,299</u>

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

Notes to the Financial Statements (cont'd)

For the 12 month period ended 31 December 2014

9 Development Lands	12 Months 2014	17 Months 2013
	€	€
Development Lands	1,441,247	1,441,247
	<u>1,441,247</u>	<u>1,441,247</u>

Development lands held by the Housing Agency comprise 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.

10 Debtors	12 Months 2014	17 Months 2013
	€	€
Trade Debtors	186,711	246,198
Other Debtors	71,206	36,834
Prepayments	34,798	40,866
	<u>292,715</u>	<u>323,898</u>

11 Creditors: amounts falling due within one year	12 Months 2014	17 Months 2013
	€	€
Trade Creditors	(95,289)	(6,112)
Other Creditors	(104,435)	(109,313)
11 (a) Harcourt Liability	(1,475,990)	(196,406)
Accruals	(183,742)	(182,745)
PAYE/PRSI	(37,725)	(33,781)
Value Added Tax	(27,155)	(4,153)
Pyrite Fund Deferred Income	(1,399,561)	-
	<u>(3,323,897)</u>	<u>(532,510)</u>

Notes to the Financial Statements (cont'd)

For the 12 month period ended 31 December 2014

(a) Other Creditors

All liabilities of the Affordable Homes Partnership (AHP) at 31 December 2010 were taken over by the Department of the Environment, Community and Local Government (DoECLG) 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 the Environment, Community and Local Government (DoECLG), 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 the Environment, Community and Local Government (DoECLG) and the Office of Public Works (OPW), advanced monies to the Housing Agency. Following instruction from the Department of the Environment, Community and Local Government (DoECLG) and the Office of Public Works (OPW), these monies were paid onto the beneficiary. The Housing Agency, through its bank account, facilitated the receipt and payments of these monies to the ultimate beneficiary. In providing this facility, the Housing Agency did not charge any fees or commissions to any party concerned.

As of 31 December 2014, the sum of €1,475,990 remains with the Housing Agency in respect of this liability. This amount is held at the direction of the Department of the Environment, Community and Local Government (DoECLG). At 31 December 2014, the Housing Agency has no other liabilities to any party in respect of this matter.

	12 Months 2014 €	17 Months 2013 €
Funds held by Housing Agency at 1st January	196,406	-
Funds advanced by OPW	4,669,377	11,553,793
Paid to beneficiary during the period	<u>3,389,793</u>	<u>11,357,387</u>
Funds on hand at end of period	<u>1,475,990</u>	<u>196,406</u>

Notes to the Financial Statements (cont'd)

For the 12 month period ended 31 December 2014

12 Reserves	Capital Contribution	Income and Expenditure Account	Total
	€	€	€
At 01 January 2014	1,904,744	458,423	2,363,167
Surplus for Period to 31 December 2014	-	515,400	515,400
*Capital Introduced	39,366	(39,366)	-
Land transferred under the Land Aggregation	15	(15)	-
At 31 December 2014	<u>1,944,125</u>	<u>934,442</u>	<u>2,878,567</u>

*The capital contribution relates to the transfer of an amount of €39,366 being a corporation tax refund received in 2014 in relation to the Housing and Sustainable Communities Limited.

13 Reconciliation of Movements in Reserves	12 Months 2014	17 Months 2013
	€	€
Surplus for the Period	476,034	458,423
Capital contributions	<u>39,366</u>	<u>1,904,744</u>
Net Addition to Reserves	515,400	2,363,167
Opening Reserves	2,363,167	-
Closing Reserves	<u>2,878,567</u>	<u>2,363,167</u>

Notes to the Financial Statements (cont'd)

For the 12 month period ended 31 December 2014

14 Lands Held under Aggregation Scheme	12 Months	17 Months
	2014	2013
Cost	€	€
Lands Held Under Aggregation Scheme	49	34
	<u>49</u>	<u>34</u>

The Land Aggregation Scheme (LAG) provided that housing authorities nationally could transfer lands to the Housing Agency, subject to approval from the Minister of the Department of the Environment, Community and Local Government (DoECLG), following the redemption of the outstanding loans on the land from the Housing Finance Agency (HFA). Funding to pay the loan was made available to each housing authority by the Department of the Environment, Community and Local Government (DoECLG).

The terms of the scheme were revised in 2012 when loans were converted into a standard annuity with a term of up to 25 years and the Department of the Environment, Community and Local Government (DoECLG) would recoup the full cost of the capital and interest annuity payments. The land aggregation scheme was discontinued in December 2013, with no further applications being accepted due to budgetary constraints. A total of 73 sites were accepted into the scheme prior to its discontinuation. The Housing Agency holds these properties in trust and at the direction of the Minister of the Department of the Environment, Community and Local Government (DoECLG). The Housing Agency is responsible for the management and maintenance of these sites.

During 2014, 15 Lands were transferred to the Housing Agency under the Land Aggregation Scheme bringing the total of sites held by the Housing Agency at the 31st December 2014 to 49. A further 24 sites are in the process of being transferred. The Housing Agency holds these properties in trust and at the direction of the Minister of the Department of the Environment, Community and Local Government (DoECLG).

Notes to the Financial Statements (cont'd)

For the 12 month period ended 31 December 2014

14 Lands Held under Aggregation Scheme (cont'd)

No.	Sites
1, 2	Cartontroy-Kilnafaddoge & Lissywollen,
3	Ballintogher
4	Tubbercurry
5	Hampton, Balbriggan
6	Ballyhahill
7	Gibbet Hill
8	Castletown
9	Portlaoise Road, Mountrath
10	Golflinks Road Rathdowney
11	Woodbrook, Mountrath
12	Adj. to Cemetery Ballinakill
13	Shinrone
14	Enniskerry Road, Sandyford
15	Hillview, Ballynerrin
16	Mountcollins
17	Glin
18	Knocklong
19	Bruff
20	Parish Field, Bunclody
21	Hospital Hill, Bunclody
22	Meelin
23	Taghmon
24	Knocknagree
25	Carrick on Bannow
26	Creagh B Demesne, Gorey
27	Townpark, Tallow
28	Ballyard, Tralee
29	Tinryland
30	Hacketstown Carlow
31	Hacketstown Skerries
32	Garristown Fingal
33	Oakwood Macroom
34	Colleras Goleen
35	Ballyowen Gorey
36	Cappamore, Limerick
37	Lisdoonvarna, Clare
38	Hewittsland, New Ross, Wexford
39	Doonane, Laois

Notes to the Financial Statements (cont'd)

For the 12 month period ended 31 December 2014

14 Lands Held under Aggregation Scheme (cont'd)

No.	Sites
40	Gofflinks Road, Rathdowney, (2nd Field) Laois
41	Old Knockmay Road, Portlaoise
42	Lombardstown, Cork
43	Carrigtwohill
44	Kilcormac (Kyleboher), Offaly
45	Derry Road, Durrow, Laois
46	Cloughmacsimon, Bandon, Cork
47	Ballinode, Sligo
48	Collins Lane, Tullamore, Offaly
49	Duntahane Road, Fermoy, Cork

15 Pension Scheme

(a)	Analysis of Total Pension Costs Charged to Expenditure	12 Months 2014	17 Months 2013
		€	€
	Current Service Costs	270,000	3,000
	Interest on Pension Scheme Liabilities	30,000	3,000
	Employee Contributions	(58,925)	-
		<u>241,075</u>	<u>6,000</u>
(b)	Analysis of the Movement in the Pension Liability During the Year	12 Months 2014	17 Months 2013
		€	€
	Opening Liability at 01 January 2014	560,000	-
	Pension Liability Due to Transfer of Staff	-	554,000
	Current Service Cost	270,000	3,000
	Interest Cost	30,000	3,000
	Actuarial Loss / (Gain)	(30,000)	-
	Net Pension Liability at 31 December 2014	<u>830,000</u>	<u>560,000</u>

Notes to the Financial Statements (cont'd)

For the 12 month period ended 31 December 2014

15 Pension Scheme (cont'd)

(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 15 (d), and a number of past events. These events include the statutory basis for the establishment of the superannuation 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:

	12 Months 2014	17 Months 2013
	€	€
Funding Recoverable In Respect of Current Period Pension Costs	300,000	6,000
State Grant Applied to Pay Pensioners	0	0
	<u>300,000</u>	<u>6,000</u>
 Scheme Liability	 830,000	 560,000
Actuarial Loss / (Gain) on Pension Liabilities	(30,000)	504,000
Percentage of the Scheme Liabilities	4.00%	90.00%

The cumulative actuarial loss recognised in the Statement of Total Recognised Gains and Losses amounted to €30,000 (2013: €504,000).

(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 deceased staff of the Housing Agency as at 31 December 2014. This valuation was carried out by a qualified independent actuary for the purposes of the accounting standard Financial Reporting Standard No. 17 – Retirement Benefits (FRS 17).

Notes to the Financial Statements (cont'd)

For the 12 month period ended 31 December 2014

15 Pension Scheme (cont'd)

The principal financial assumptions used were:

Valuation Method	12 Months 2014	17 Months 2013
Discount Rate	5.50%	5.50%
Rate of Increase In Salaries	4.00%	4.00%
Rate of Increase In Pensions	4.00%	4.00%
Inflation	2.00%	2.00%

Average Life Expectancy Used To Determine Liabilities	12 Months 2014	17 Months 2013
Male Aged 65	22	22
Female Aged 65	25	25

Average Future Life Expectancy According to the Mortality Tables Used to Determine The Pension Liabilities.

16 Commitments

On behalf of the Department of the Environment, Community and Local Government (DoECLG) the Housing Agency undertakes the remediation of pyritic affected homes. At 31 December 2014, the Pyrite Resolution Board had received 299 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.

Notes to the Financial Statements (cont'd)

For the 12 month period ended 31 December 2014

16 Commitments (cont'd)

At the 31 December 2014, the Housing Agency had the following contractual commitments and obligations in relation to the Pyrite Remediation Scheme (PRS).

Consultants	12 Months 2014
	€
Total Value of Consultants Contracts at 31 December 2014	539,926
Total Value of Payments on Account to 31 December 2014	145,380
Outstanding Contractual Commitments to Consultants at 31 December 2014	<u>394,546</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.

Contractors	12 Months 2014
	€
Total Value of Contractors Contracts at 31 December 2014	148,072
Total Value of Payments on Account to 31 December 2014	144,371
Outstanding Contractual Commitments to Contractors at 31 December 2014	<u>3,701</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.

The above estimated value of all payments to homeowners at 31 December 2014 is based on the maximum allowable claim that a homeowner may make, i.e. €6,000.

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

The Agency is required to adhere to the requirements 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.

18 Conflict of Interest

Doody Crowley Limited is engaged as both internal auditors and accountants for the Housing Agency and the Pyrite Resolution Board. Separate engagement partners are involved in each assignment.

Notes to the Financial Statements (cont'd)

For the 12 month period ended 31 December 2014

19 Accounting periods

The current accounts are for a 12-month period ending 31 December 2014. The comparative figures are for an accounting period of 17 months, from the period commencing 01 August 2012 until the year ended 31 December 2013.

20 Approval of Financial Statements

The board of directors approved these financial statements for issue on 19th January 2016.