



An Bord Réitigh um Pirít
Pyrite Resolution Board

Pyrite Resolution Board

Annual Report 2019

To the Minister of Housing, Planning and Local Government

In accordance with Section 9(4) of the Pyrite Resolution Act 2013, the Pyrite Resolution Board herewith presents its Annual Report for the year ending 31 December 2019

Mandate

The Pyrite Resolution Board (PRB) was established by the Minister for Housing, Planning and Local Government, following the commencement of the Pyrite Resolution Act 2013 on 10 January 2014, to make a scheme for the remediation of damage to certain dwellings caused by pyritic heave and to direct and oversee the effective implementation of a programme of remediation works for affected dwellings. The Pyrite Remediation Scheme (the Scheme) constitutes the framework for the application of the provisions contained in the Act. The Scheme was made by the Board on 12 February 2014, amended on 5 February 2015, and amended in July 2019.

Mission Statement

To procure the remediation of certain dwellings with damage caused by pyritic heave of hardcore under floor slabs in a fair, efficient, transparent and cost effective manner.

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Statement of the Chairman

In accordance with section 9(4) of the *Pyrite Resolution Act 2013*, I am pleased to submit to the Minister of Housing, Planning and Local Government this Report on the performance by the Pyrite Resolution Board (PRB) of its functions under the Act during the year 2019. This is the PRB's sixth Annual Report since it was first established on a statutory basis in January 2014.

The Pyrite Resolution Act 2013 makes provision for an Exchequer-funded scheme to facilitate the remediation of houses and apartments suffering significant damage, due to pyritic heave of floors, where the owners have no other practicable options for redress. The Act mandated to the PRB to draw up a Scheme for the remediation of significant pyritic damage to dwellings, to accept applications from affected homeowners and to direct and oversee the implementation of a pyrite remediation programme.

The Act sets out the respective functions of the PRB and the Housing Agency. Under the Act, the responsibility for the testing of dwellings and the execution of remediation works is assigned to the Housing Agency. Also in accordance with the Act, the Exchequer funding provided for pyrite remediation purposes (including the expenses of the PRB) are routed through the Housing Agency and the audited Financial Statements relating to such funds are contained in the Housing Agency's Annual Report. I am pleased to say that the two bodies continue to work together efficiently and effectively.

During 2019, the Board consisted of the Chairman, Mr. Jack Keyes (appointed in August 2017), Dr. Derek Sinnott (appointed in September 2016), Mr. Alec Flood (appointed in December 2016), Ms. Caroline Gill who was both a Board Member and Chairperson of the Audit and Risk committee (re-appointed to the Board in January 2017) and Mr. Sean Balfe (re-appointed to the Board in January 2017).

In 2019, the Board carried out a review of all applications in relation to Section 15(3) of the Pyrite Resolution Act 2013. This section provides that a person is not entitled to apply for inclusion in the Scheme in respect of a dwelling purchased on or after 12

December 2013 where they knew or ought to have known that the dwelling was constructed using hardcore containing reactive pyrite. Subject to information provided by the applicant, the Board review applications where the homeowner bought their dwelling after 12 December 2013 on a case by case basis.

In July 2019, the Scheme was amended to reflect the rising costs for alternative accommodation for homeowners when the remediation works are being carried out to their home. The monthly limit for vouched costs for alternative accommodation that Scheme participants can recoup from the Scheme was changed from €1,000 to €1,500 (including VAT) subject to an overall limit of €4,500 (including VAT) per dwelling.

In August 2019, consultancy firm Mazars undertook an independent Value for Money Review of the Pyrite Remediation Scheme, leading to the conclusion that the PRB, in close collaboration with the Housing Agency, delivers very good results in terms of value for money. The researchers concluded that the objectives of the Scheme are being met, that this is being done in an economic, efficient and effective manner, and that on that basis, value for money has been achieved. The researchers also found that the Scheme addresses consumer detriment because dwellings remediated under the Scheme have recovered their market value.

Each year, the PRB carries out a customer satisfaction survey under applicants whose homes have been remediated recently. The homeowners survey that was carried out in December 2019 showed high satisfaction rates with regard to the overall process of pyrite remediation, the assistance provided by administrative staff, project managers, consultant engineers and contractors, and the guidance provided by the PRB website.

By the end of 2019 the number of applications received was 2592; of these 2110 were approved for inclusion in the Scheme. Of this figure, 1890 dwellings were remediated and works contracts were in place for a further 220 dwellings. Expenditure under the Scheme in 2019 generally matched the financial allocation made available by the Department of Housing, Planning, and Local Government. During 2019, 512 remediated dwellings were returned to the homeowners before the end of the year.

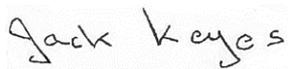
The PRB continues to receive a steady stream of applications. In 2019 the PRB received 336 applications, equalling an average of 28 applications per month, which was slightly higher than the number of applications in 2018, being 293.

The PRB and the Housing Agency are acutely aware at all times of the difficulties and stress which have been endured by homeowners whose homes have been damaged by pyrite. We have set out to provide a service to them that is sympathetic and transparent and that will, ultimately, restore properly habitable homes to them in the shortest time possible. Our aim is to work closely and in full consultation with homeowners at all times. The remediation programme is managed in an orderly manner. This means that some applicants have to wait longer than others. In this regard, I would like to thank all applicants under the Scheme for their patience and understanding. With a few exceptions, it has generally been possible to hand back completed houses to homeowners within the targeted 12 week timeframe and in some cases houses have been returned to homeowners in a shorter timeframe.

The Board has a small number of staff supplied from existing staff within the Department of Housing, Planning and Local Government and the Housing Agency. The Board does not employ any staff directly. Some administrative, ICT and legal services are provided by, or through, the Housing Agency.

I wish to thank each of my fellow Board Members for their commitment and contribution to the work of the PRB during the year. I also wish to thank Ms. Annet Busweiler for her diligent work as Board Secretary, and both Ciara McCoy and Enda Gordon who acted temporarily as Board Secretary. I wish to thank Ms. Ciara Galvin for her contribution to the PRB Audit and Risk Committee. In particular, I would like to pay tribute to Aidan O'Connor as the General Manager and wish to thank him for his contribution during 2019. I am also grateful to the Chairman, the Board, the Chief Executive and staff of the Housing Agency for their constructive cooperation.

Finally, I thank the Minister for Housing, Planning and Local Government, Mr. Eoghan Murphy, T.D. and the Minister of State, Damien English, T.D. and their officials in the Department for their on-going interest and support for the PRB and its activities.



Jack Keyes

Jack Keyes

Chairman

Statement of General Manager

The total number of applications for remediation received under the Pyrite Resolution Scheme (the Scheme), as per the Pyrite Resolution Act 2013 (the Act), up to the end of 2019 was 2592 in total. Of those, 336 applications for remediation were received during 2019. This is generally in line with expectations, although it is noted that the rate of new applications has been maintained at a consistent level. New applications have come predominantly from developments where remediation work has, or is about to commence.

The original geographical scope of the Scheme was limited to the areas identified in the Pyrite Panel report of June 2012, i.e. the counties of Meath, Kildare and Offaly and the administrative areas of Fingal County Council and Dublin City Council. During 2014, reports were received of pyritic heave in a number of houses in two estates in the administrative areas area of South Dublin and Dun Laoghaire-Rathdown County Councils. On investigation the Pyrite Resolution Board (PRB) was satisfied that damage attributable to pyritic heave was present in dwellings in those developments and recommended to the Minister an amendment of the Scheme to include those areas. The Minister approved an amendment of the Scheme to include both the administrative areas of South Dublin and the Dún Laoghaire–Rathdown County Councils. This amendment came into effect on 5 February 2015.

On a high level, the Pyrite Remediation Scheme is implemented as follows – I refer to section 4 in the Board Members’ Report for a detailed explanation of the various steps in the process. Staff of the Pyrite Resolution Board (PRB) consider the eligibility of the applications received. In accordance with the Assessment & Verification Process, the Housing Agency makes a recommendation to the PRB as to whether or not a dwelling should be included in the Pyrite Remediation Scheme. Once a dwelling is included in the Scheme, the Housing Agency implements the remediation process and undertakes the procurement of professional services and the remediation contracts.

Individual applications when approved are grouped into projects in order to secure maximum efficiencies consistent with the need to ensure that the works are not unnecessarily prolonged for the homeowners. The Pyrite Remediation Scheme makes provision for the ordering and prioritisation of works. The PRB and the Housing Agency have put in place procedures for the creation of an orderly schedule of projects to be progressed up to and through the construction phase. Procedures are also in place for dealing with cases of particular urgency or hardship on a priority basis. We want the scheme to operate in an open, transparent and objective manner.

To ensure value for money, framework panels have been set up for building professionals and for building contractors following open tendering procedures and contracts for individual projects are subject to further tendering from these panels. In general, projects have proceeded very satisfactorily with the great majority coming in on time, within projected budgets and with works completed to a high standard. The average all in cost of remediation is €65,000 per dwelling. There can be significant variation in costs, with one-off houses generally having larger ground floor areas being the most expensive.

The process of programming, surveying damage, specification of works, tendering and awarding of works contracts, scheduling of works, vacation of dwellings, commencement and completion of works and reoccupation of dwellings progressed satisfactorily over the year. Delays and added costs have arisen principally where defects, other than those arising from pyritic heave, were exposed during construction work. On the basis of experience, procedures were reviewed and modified to anticipate, minimize and manage such situations to avoid delays and added costs as far as possible.

Payments to applicants for vouched costs for building condition assessments, removal and storage costs have also been made in accordance with the terms of the Scheme.

The PRB and the Housing Agency have in place *Governance and Procedural Arrangements for the Pyrite Resolution Board and Housing Agency* in relation to the

remediation of dwellings under the Pyrite Remediation Scheme, having regard to the assignment of functional responsibilities in the Pyrite Resolution Act. The successful operation of the Scheme requires a high degree of cooperation between the Boards, management and staff of the two bodies. Informal and formal collaboration is required at all levels to ensure the smooth, efficient and effective delivery of the remediation programme. Early consultation leading to agreed solutions is encouraged and expected.

In June 2014, an agreement was signed regarding HomeBond's contribution towards technical and project management services, under the direction and supervision of the Pyrite Resolution Board and/or the Housing Agency, to the value of €2 million. The Supplemental Agreement with HomeBond dated 4th December 2015 for dealing with structural defects not related to pyritic heave will also defray part of the cost of construction works in some cases. It is acknowledged that HomeBond's contribution towards the testing and remediation programme has been an integral and effective part of the process. Further discussions will take place with a view to achieving and expediting the original agreed contribution.

The legislation provides that the PRB may recover from any party with a liability, and the capacity, all or part of the costs associated with remediating a dwelling under the Scheme. It is a condition of eligibility under the Scheme that the Applicant gives his/her consent to the institution by the PRB of legal proceedings relating to loss arising from the act or default of any person that causes significant pyritic damage to the dwelling. While the PRB does not consider the initiation of legal proceeding to be a practicable option for all homeowners, it is taking action, where considered appropriate, to pursue builders and / or developers for a contribution towards the costs of the works.

In addition to such contributions, where a dwelling has been included in the Scheme but the work has not commenced and the scheme participant receives a payment other than under the Scheme, as a condition for continued inclusion in the Scheme, the Scheme participant is required to pay the amount received to the PRB within a specified time period. Further actions and negotiations are on-going.

The need for constant review of communications is recognised by both the PRB and the Housing Agency. A dedicated contact email address is in place for members of the Oireachtas. Members of the public can contact the Board by telephone or email, details of which along with all aspects of the scheme, are displayed on the PRB website.

The ongoing review of all aspects of the Scheme has been influenced by feedback from applicants and the issues raised via the complaints procedure, appeals received, representations from public representatives and through engagement with the Department of Housing, Planning and Local Government, contractors, legal advisers, auditors and others.



Aidan O'Connor

General Manager

Board Members' Report

The members of the Pyrite Resolution Board present their Annual Report for the year ended 31 December 2019.

1. Principal Activities

The *Pyrite Resolution Act 2013* provides for the making of a Pyrite Remediation Scheme (the Scheme), for certain dwellings affected by pyrite. The Scheme was made by the Board following the approval of the Minister. The Board also directs and oversees the implementation of the Pyrite Remediation Scheme in accordance with the terms of the scheme.

The Minister approved an amendment of the Scheme to include both the South Dublin and the Dún Laoghaire–Rathdown County Council areas. This amendment came into effect on 5 February 2015.

In broad terms:

- The Pyrite Resolution Board (PRB) accepts and validates applications under the Scheme and oversees the implementation of the pyrite remediation programme for approved dwellings. The scale of the programme is determined by the availability of funding and other factors.
- The Housing Agency, subject to the direction of PRB, remediates approved dwellings affected by pyrite and implements the pyrite remediation scheme. The Housing Agency also assesses and makes recommendations to the PRB on applications from homeowners for inclusion in the scheme.

2. The Board Membership

The Board comprises of 4 Members and the Chairman.

Jack Keyes, Chairman

(Chartered Engineer and former County Manager, Cavan County Council was appointed to the Board on 3rd of August, 2017)

Sean Balfe

(Director of Sustainability and the Built Environment, National Standards Authority of Ireland was re-appointed to the Board 10th January 2017)

Caroline Gill

(Practising Barrister, formerly Insurance Ombudsman and Deputy Financial Services Ombudsman was re-appointed to the Board 10th January 2017)

Dr Derek Sinnott

(Head of Department of the Built Environment at Waterford Institute of Technology was re-appointed to the Board on the 2nd September 2019)

Alec Flood

(Practising Barrister and Chartered Engineer was re-appointed to the Board on the 29th December 2019)

Board Secretary

Up to 1st July 2019, staff of the Housing Agency were acting as PRB Board Secretary. As of 1st July 2019, Annet Busweiler was appointed as PRB Board Secretary.

The day to day management and administration of the PRB's functions are delegated to the General Manager, supported by staff assigned from the Department of Housing, Planning and Local Government and the Housing Agency.

Secretarial, administrative, ICT, legal services and other services are provided to the Board by or through the Housing Agency.

The Governance and Procedural Arrangements for the Pyrite Resolution Board and

Housing Agency document formalises the arrangements between the PRB and the Housing Agency and sets out the arrangements agreed between the two bodies in relation to the remediation of dwellings under the Scheme having regard to the assignment of functional responsibilities in the *Pyrite Resolution Act 2013*.

3. Functions of the Board

Section 9 of the *Pyrite Resolution Act 2013* sets out the functions of the Pyrite Resolution Board. The principal functions are summarised below:

- (a) The making of a scheme of pyrite remediation under section 13;
- (b) The receipt and determination of applications under the Scheme;
- (c) Direction and oversight of the implementation of the pyrite remediation scheme;
- (d) Approval of budgets for the scheme under Section 23 of the Act;
- (e) Determining appeals under Section 27 of the Act;
- (f) Providing information in relation to pyrite and significant pyritic damage.

At the end of every 3 month period, the Board provides the Minister with a report outlining progress with regard to the implementation of the Pyrite Remediation Scheme in accordance with Section 9(5) of the Act.

4. Responsibilities of the Board

The Board has adopted a schedule of the functions and business of the Pyrite Resolution Board that are reserved for decisions by the Board itself in accordance with the document entitled *Matters Reserved for Board Decision*. This ensures that the Board manages the direction and control of the strategic actions and other activities of the PRB.

The Board oversees the Pyrite Remediation Scheme, which operates as follows:

- At **Stage 1: Application & Validation**, the PRB considers the validity of the application from the homeowner. The validation process essentially has two elements to it:

- i. Assessment of applications for compliance with the eligibility criteria (including assessment of ‘practicable alternative options’).
- ii. An audit of the Building Condition Assessment (BCA) to ensure that the dwellings have the requisite level of damage.

At the end of this stage, the applicant is notified of the decision to refer the application to the Housing Agency for the Assessment, Verification Recommendation Process or of the decision refuse the application. A refusal may be appealed.

- **Stage 2: Assessment, Verification and Recommendation Process**, which is undertaken by the Housing Agency, establishes that the damage recorded in the Building Condition Assessment is attributable to pyritic heave. Damage Verification, i.e. confirmation of damage attributable to pyritic heave, may be based on an individual dwelling or associated dwellings. Associated dwellings may thus be verified on the basis of comparable damage and/or earlier tests with similar results.
- The Housing Agency has established a methodology in relation to a testing programme for cases where earlier test results are not available. HomeBond organise testing on behalf of the Housing Agency as required. The testing of the hardcore material is in accordance with *I.S. 398-1:2017 Reactive pyrite in sub-floor hardcore material Part 1: Testing and categorisation protocol*.
- The Housing Agency furnishes the PRB with a recommendation and the reasons for the inclusion of a dwelling into the Scheme, or its exclusion from the Scheme, and the applicant is notified of the PRB’s decision. A decision to exclude a dwelling from the Scheme may be appealed.
- If the dwelling is included in the Scheme, the applicant is referred to as a ‘scheme participant’ thereafter. A Scheme Participant may then recoup the vouched cost of the Building Condition Assessment Report, subject to a maximum limit of €500

(including VAT). The Scheme Participant is contacted regarding the arrangements for the recoupment at this stage.

- **Stage 3: Remedial Works Plan:** After Stage 2 the application then moves into Stage 3: Remedial Works Plan. After seeking tenders, the Housing Agency appoints an engineer from the *Framework Agreement for Construction Design Professional Services (Chartered Engineer, Architect, Building Surveyor) for Pyrite Remediation Scheme* (a panel of Design Professionals already qualified to carry out this type of work); to prepare a remedial works plan and specification for the remediation of the dwelling. The Scheme Participant is consulted in relation to the remedial works plan.
- **Stage 4: Tendering and Tender Analysis:** Once the documentation prepared by the engineer in Stage 3 is complete, the application moves to Stage 4: Tendering and Tender Analysis. The tender for the Remedial Works Contract is issued to the *Framework Agreement for Works Contractor for Remediation of Dwellings affected by Pyrite Damage under the Pyrite Remediation Scheme* (a panel of Contractors already qualified to carry out this type of work) for return in 4-5 weeks. The Scheme Participants are sent the Homeowner's Agreement at this stage.
- **Stage 5: Decision to Contract:** The Housing Agency reports to the PRB on the tenders received for the Remedial Works Contract and recommends a Works Contractor for the award of the contract. The PRB issues approval to proceed with awarding the Contract, or otherwise, following consideration of the overall budget and programme.
- **Stage 6: Dwelling Remediation:** The contractor remediates the dwelling in accordance with the remediation contract and *I.S. 398-2: 2013: Reactive pyrite in the sub-floor hardcore material – Part 2: Methodology for remediation works* under the supervision of the engineer appointed by the Housing Agency.
- **Certification:** On completion, the works are certified in accordance with *I.S. 398-2: 2013: Reactive pyrite in the sub-floor hardcore material – Part 2: Methodology for*

remediation works and claims for the payment of vouched costs (storage/accommodation) incurred by the Scheme Participant, which satisfy the conditions of the scheme, will be approved for payment when the works are completed and certified.

- **Stage 7: Retention Period:** The engineer will assess defects associated with the remedial works, which are notified to the Housing Agency in writing by the Scheme Participant within a period of 11 months from the date of the Certificate of Remediation. The Housing Agency agrees to repair any defects, which arise within this period, as a result of the Remedial Works only.
- **Stage 8: Application Closure:** The application is considered closed after the retention period of 11 months or once the particular defects, if any, are repaired.
- A Project Manager liaises between a Scheme Participant and the Housing Agency, the engineer and the contractor to enable the remediation works to be planned and carried out as economically and efficiently as possible.

Payment of Costs

The Scheme covers the cost of remediation works and associated professional costs. In addition, the following costs incurred by the applicant may be recovered under the Scheme:

- The vouched cost (including VAT) of procuring the initial Building Condition Assessment from a competent person, subject to an overall maximum limit of €500, provided the dwelling is approved for inclusion in the Scheme following the Verification Process;
- The vouched costs for the temporary removal, storage and return of furniture, household appliances and effects in order to facilitate the remediation, subject to an upper limit of €2,500 (including VAT);

- The vouched costs for alternative accommodation of the household in order to facilitate the remediation, subject to an upper limit of €4,500 (including VAT). Please note that as of 25th July 2019, the Pyrite Remediation Scheme was amended. Prior to that date, the vouched costs for alternative accommodation of the household in order to facilitate the remediation were subject to an upper limit of €3,000 (including VAT).
- The Pyrite Resolution Board permits that the temporary removal and storage allowance can be combined with the alternative accommodation allowance to cover accommodation cost only up to a maximum limit of €5,500. Please note that as of 25th July 2019, the Pyrite Remediation Scheme was amended. As of that date, the maximum limit for the combined cost of temporary removal and storage and alternative accommodation allowance is €7,000 (including VAT).

Guide for Scheme Participants

The Housing Agency has issued a guide to provide further information to applicants, referred to as Scheme Participants, whose dwellings have been included in the Pyrite Remediation Scheme. This guide is also published on the PRB's website.

Construction Design Professionals and Contractors

The Housing Agency carried out a public procurement process to establish Framework Agreements for Construction Design Professionals in 2018. There are 3 engineering firms on the Framework Panel for Construction Design Professionals and this commenced on 26th March 2018 for 2 years, with the option to extend for a further two year period.

The Housing Agency conducted a public procurement process to establish Framework Agreements for Works Contractors to carry out the remediation works. There are 5 contracting companies on the Framework Panel for Works in Lot 1 (7 Dwellings and more) and this commenced 18th May 2018 for 24 months, with the option to extend for a further two 12 month terms.

There are 5 contracting companies on the Framework Panel for Works in Lot 2 (6 Dwellings and fewer) and this commenced 25th July 2018 for 24 months, with the option to extend for a further two 12 month terms.

5. Attendance, Remuneration and Expenses and at Board Meetings

The Board normally meets at monthly intervals (excluding August) to conduct business. A total of 11 Board Meetings were held in 2019. As part of the 11 Board meetings all Board Members also attend 4 Audit and Risk Committee Meetings which were held throughout 2019. The table below shows the schedule of Board and Audit & Risk Committee meetings which took place throughout 2019.

Date	Time
25 th January	11.00 am
28 th February	11.00 am
28 th March (Includes Audit & Risk Committee)	11.00 am
7 th May	11.00 am
29 th May (Includes Audit & Risk Committee)	10.00 am
27 th June	11.00 am
25 th July	11.00 am
26 th September (Includes Audit & Risk Committee)	10.00 am
1 st November	11.00 am
28 th November	11.00 am
19 th December (Includes Audit & Risk Committee)	10.00 am

The attendance, remuneration and expenses associated with each Board Member is presented in the following table:

Board Member	Attendance	Remuneration	Expenses
Jack Keyes	10	€8,978.00	€4,898.25
Caroline Gill	11	€2,200.00	Nil
Sean Balfe *	09	Nil	Nil
Alec Flood	10	€2,000.00	Nil
Dr Derek Sinnott *	09	Nil	€2,777.39

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

Caroline Gill also attends the Housing Agency's Audit Committee Meetings on behalf of the Pyrite Resolution Board.

The Board and its staff comply in all respects with the circulars issued by the Department of Public Expenditure and Reform in relation to travel and subsistence allowances.

The General Manager was paid at the Senior Engineer rate of the Local Authority Pay Scale. His remuneration has been approved by the Department of Housing, Planning and Local Government and the Department of Public Expenditure and Reform.

6. Code of Conduct, Disclosure and Ethics

A Code of Business Conduct is in place for the Board Members, General Manager and staff from the Department of Housing, Planning and Local Government and the Housing Agency involved in the implementation of the Scheme. The Code of Conduct provides the framework against which the business of the Pyrite Resolution Board can be run in a legal and ethical manner while upholding the values of the Board. Staff also comply with Departmental Guidelines with respect to business conduct. A review of compliance with the requirements of the legislation and of the Code of Business Conduct was carried out by the Audit and Risk Committee. Board Members comply with the obligations imposed by the *Ethics in Public Office Act 1995* and the *Standards in Public Office Act 2001*

through a Declaration of Interest at the beginning of each Board Meeting.

The Pyrite Resolution Board has a Protected Disclosures Policy and Procedure in place which applies to all workers of the Pyrite Resolution Board including contractors, consultants, Board staff, former employees and interns/trainees. During 2019, the Pyrite Resolution Board received no protected disclosure reports.

7. Services provided by HomeBond

Technical and Project Management Services

In June 2014, an agreement was signed between the Chairman of the Pyrite Resolution Board and the Chairman of HomeBond regarding HomeBond's contribution towards technical and project management services relating to the implementation of the Pyrite Remediation Scheme, under the direction and supervision of the Pyrite Resolution Board, to the value of €2 million. This agreement is being implemented to the satisfaction of the Board.

The HomeBond Supplemental Agreement

A Supplemental Agreement with HomeBond dated 4th December 2015 deals with structural defects not related to pyritic heave which are identified prior to, or during, the course of pyrite remediation works and that affect the structural stability of the dwelling. The structural defects not related to pyritic heave will be remedied before they are covered over during the works. In such cases, HomeBond will, under the Supplemental Agreement, make an appropriate contribution towards the cost of such structural works.

8. Procurement

The Board is satisfied that all national and EU requirements relating to public procurement have been complied with.

9. Strategy and Business Plan

The Pyrite Resolution Board's Strategy in relation to the pyrite remediation programme

was approved by the Board in September 2018 and covers the period 2019 – 2021. The Pyrite Resolution Board’s Business Plan was approved by the Board in November 2019 and also covers the period 2019 – 2021.

10. Review of the Business

Commentaries on performance during the year ended 31 December 2019, including information on recent events and future developments, are contained in the Chairman’s Report and the General Manager’s Report.

11. Corporate Governance

The Board is committed to maintaining the highest standards of corporate governance. During 2019, the Board complied with the *Code of Practice for the Governance of State Bodies 2016* issued by the Department of Public Expenditure and Reform. The Code of Practice is designed to ensure that both commercial and non-commercial State bodies meet the highest standards of corporate governance. It provides a framework for the application of best practice and is intended to take account of developments in respect of oversight, reporting requirements and the appointment of Board members. The Code is based on the underlying principles of good governance: accountability, transparency, probity and a focus on the sustainable success of the organisation over the longer term.

In addition, the Board adhered to various other legislative requirements, such as the *Ethics in Public Office Act 1995*, *Standards in Public Office Act 2001*, the *Protected Disclosures Act 2014*, the *Freedom of Information Acts 1997, 2003 and 2014*, and the *Data Protection Act/GDPR*.

In 2019, the Board discussed the outcomes of the Board Self-assessment evaluation that was carried out in December 2018 and agreed on follow-up actions.

In November 2019, the Board adopted a Governance Programme. The Governance Programme is a structured approach to review the documents that together form the PRB’s Governance Framework over the period of a year.

In 2019, the Board reviewed:

- Governance and Procedural Arrangements for the Pyrite Resolution Board and Housing Agency
- Matters Reserved for Board Decision
- Delegated Powers
- Confidentiality Policy
- Conflict of Interest Policy

In this regard, the Board continues to work on its governance policies and procedures to identify any compliance issues that may arise.

12. Audit & Risk Committee

The Audit & Risk Committee assists the Board in fulfilling its oversight responsibilities and operates to the Board's approved Terms of Reference, which were reviewed and updated in 2017. The Committee meets quarterly.

The members of the Audit & Risk Committee are:

- Caroline Gill (Chair)
- Alec Flood
- Sean Balfe
- Derek Sinnott
- Jack Keyes
- Tony O'Brien (external member with experience in financial accounting)

The Chair of the PRB Audit & Risk Committee (Caroline Gill) is a member of the Housing Agency Audit & Risk Committee, and the Chair of the Housing Agency (Tony O'Brien) is a member of the PRB Audit & Risk Committee.

The Board has in place a risk management system that identifies the critical risks to which it is exposed and ensures that appropriate risk mitigation measures are taken and then provides assurance that the chosen responses are effective.

The Board has adopted a Risk Management Business Plan and a Risk Management Policy and Framework. The Risk Management Business Plan and the Risk Register are approved by the Board regularly.

The risks are periodically reviewed by the Audit & Risk Committee and where relevant, proposals have been made to the Board regarding amendment and enhancement of the Risk Register.

Activity Levels

The table below gives the status of applications at year end 2019. These figures comprise of the combined total from the launch date to year end 2019.

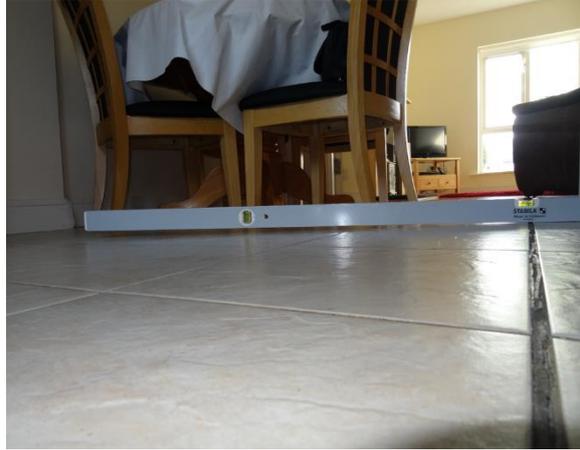
Status of Applications at Year End	Combined Total
In Validation Process	191
Validated and awaiting verification	110
Included in the Scheme	146
➤ Planning/scheduling	46
➤ Preparation of Specification & Tender	87
➤ Tendering & Tendering Analysis	13
Remediation Works	74
Works Completed & Certified	1890
Closed	181
Total Applications	2592

The 181 figure is broken down as follows:

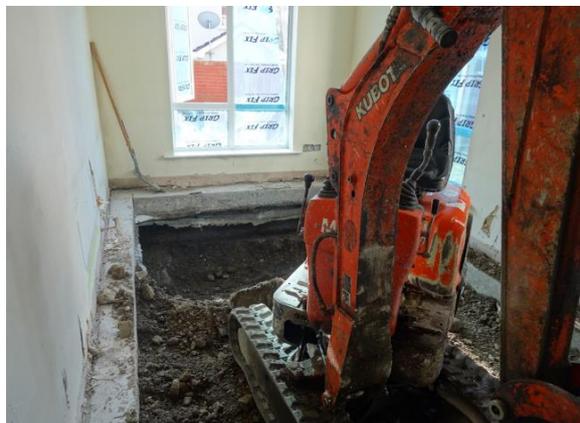
- 130 applications did not meet the eligibility criteria;
- 20 applications were duplicate applications;
- 6 applications were withdrawn by the applicants;
- 3 applications were closed on the basis of a change of ownership;
- 15 applicants did not provide a Building Condition Assessment;
- 4 applications related to dwellings that were remediated by third parties;
- 3 applications were closed because they were from developers and covered multiple apartments.

Before, during and after remediation

Before Remediation



During Remediation



During Remediation



After Remediation



Appeals to the Board

Appeals to the Board can arise following:

- The refusal of an application after Stage 1: Validation Process;
- The exclusion of a Dwelling from the Scheme after Stage 2: Assessment, Verification and Recommendation Process.

Appeals Procedure

The Board has prescribed procedures under Section 27 of the Pyrite Resolution Act 2013 for the hearing and determination of appeals against decisions made by Decision Makers appointed by the PRB, on applications for the inclusion of dwellings in the Scheme. These can be found in both the Submit an Application section and the Customer Care section on the Board's website.

A total of 36 valid appeals have been submitted since the inception of the Scheme, 2 of which were received in 2019. These appeals both related to dwellings recording a damage condition rating of 1. One of these two appeals has subsequently been withdrawn and in the case of the second appeal, the Board upheld the decision of the Decision Maker to refuse the application.

Statement on Internal Control

Scope of Responsibility

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

Purpose of the System of Internal Control

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

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in the Pyrite Resolution Board for the year ended 31 December 2019.

Capacity to Handle Risk

The Pyrite Resolution Board has an Audit and Risk Committee (ARC) comprising four Board members and one external member with experience in financial accounting, one of whom is the Chair. The ARC met four times in 2019.

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

The ARC has developed a risk management policy which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff who are expected to work within The Pyrite Resolution Board's risk management policies, to alert the General Manager on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

Risk and Control Framework

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

A risk register is in place which identifies the key risks facing the Pyrite Resolution Board and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the ARC on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

I confirm that a control environment containing the following elements is in place:

- procedures for all key business processes have been documented,
- Matters Reserved for Board Decision have been defined,
- there are systems aimed at ensuring the security of the information and communication technology systems.

Section 25 of the Pyrite Resolution Act 2013 provides that all monies received or expended under the Act shall be accounted for by the Housing Agency.

I confirm that:

- a Service Level Agreement (Governance and Procedural Arrangements Agreement) with the Housing Agency is in place;
- the PRB receives monthly reports on relevant matters from the management of the Housing Agency; and
- the Chair of the PRB Audit Committee is a member of the Housing Agency's Audit and Risk Committee, through which the PRB has access to relevant Housing Agency internal audit reviews and controls and also to the Housing Agency's external audit, which is carried out by the Comptroller and Auditor General.

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to

management and the Board, where relevant, in a timely way. I confirm that the following ongoing monitoring system is in place:

- the Board regularly reviews periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

Procurement

The PRB procurement function is provided by the Housing Agency.

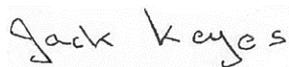
Review of Effectiveness

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

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

Internal Control Issues

No weaknesses in internal control were identified in relation to 2019.



Jack Keyes
Chairman
20th May 2020

Income & Expenditure

Section 25 of the Pyrite Resolution Act 2013 provides that all monies received or expended under the Act shall be accounted for by the Housing Agency. Such accounts must be submitted each year to the Minister by the Agency after audit by the Comptroller & Auditor General and laid before the House of the Oireachtas.

Accordingly, this report does not contain financial statements in relation to receipts and expenditure in relation to pyrite remediation. These will be included in the Housing Agency's Annual Report and Accounts.

The funding of pyrite remediation works is from voted Exchequer expenditure allocated by the Department of Housing, Planning and Local Government. The PRB approves expenditure profiles by the Housing Agency in respect of costs, commitments and expenses. Expenditure is kept within the limits set and the sums sanctioned by the Department. The PRB and the Housing Agency adhere to the relevant aspects of the Public Spending Code.

The financial reporting requirements of the Pyrite Resolution Board under the Code of Practice for the Governance of State Bodies 2016 are covered in the Housing Agency Annual Report.

A sum of €32 million was announced under Budget 2019 to fund the operation of the pyrite remediation scheme this year. Of this sum, €30,000,000 was drawn down. The total expenditure on the pyrite remediation programme in 2019 amounted to €31,372,385. This included a figure of €669,072 for Pay & Admin Costs, which are funded under the Housing Agency allocation.

Expenditure can be broken down as follows:

Pay & Admin Costs*	€ 669,072
Construction Design Managers	€ 1,520,078
Works Contractors	€ 26,252,739
Homeowner's Payments	€ 2,848,765
Legal & Professional	€ 56,322
Other Administration Costs	€ 25,409
Total Expenditure	€ 31,372,385

* Funded under the Housing Agency allocation.

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

Pay & Admin Costs

These represent staff salaries and other expenses, together with the expenses of the Members of the Pyrite Resolution Board. The Housing Agency receives specific funding from the Department of Housing, Planning and Local Government to cover expenditure that it specifically incurs for the Pyrite Remediation Scheme.

Homeowner's payments

Homeowners who have been accepted into the scheme are entitled to

- (1) claim back a maximum of €500 for a Building Condition Assessment.
- (2) refunds for vouched alternative accommodation subject to a maximum limit of €4,500 (including VAT) per dwelling. Please note that as of 25th July 2019, the Pyrite Remediation Scheme was amended. Prior to that date, homeowners were entitled to refunds for vouched alternative accommodation subject to a maximum limit of €3,000 (including VAT) per dwelling.
- (3) refunds for vouched costs for removal, storage and return of furniture & contents subject to a maximum limit of €2,500 (including VAT) per dwelling.

Contributions

There was some offset against the public expenditure incurred as a result of the contributions secured in accordance with the Pyrite Resolution Act 2013. These monies were paid over to the Minister of Housing, Planning, and Local Government.

Section 12 Contributions

In accordance with Section 12 of the Pyrite Resolution Act 2013, the PRB has continued to seek to recover from any party, with a liability, and capacity, all or part of the costs of remediating dwellings. In 2019, the PRB has received one payment (€2,000) under Section 12 of the Act.

Section 20 Contributions

In accordance with Section 20 of the Pyrite Resolution Act 2013, where a dwelling has been included in the Scheme but the work has not commenced and the scheme participant receives a payment other than under the Scheme, as a condition for continued inclusion in the Scheme, the Scheme participant is required to pay the amount received to the PRB within a specified time period. In 2019, the PRB has received no contributions under Section 20 of the Act.

Contractual Commitments at Year End

Contractual commitments on 31 December 2019 are as follows:

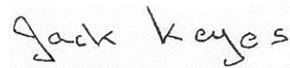
Construction Project Managers	€6,532,291
Works Contractors	€108,141,714

The Housing Agency submits budgets for its expenditure under the Act to the Board for approval. The Board may either approve the budget without modification or approve of the budget with such modifications as it thinks fit to make. Any departure from the budget as approved by the Board under this section may take place only with the prior approval of the Board. The Housing Agency reports on a regular basis to the PRB on actual and committed expenditure.

This report was approved by the Board and is signed on its behalf by



Aidan O'Connor
General Manager
20th May 2020



Jack Keyes
Chairman
20th May 2020

Appendix A - Applications Submitted in 2019 by County/Area

Local Authority	Applications	County/Area	Applications
Dublin City Council	5	Dublin	168
Dún Laoghaire-Rathdown Co. Co.	5	Balbriggan	54
Fingal County Council	190	Blackrock	1
Kildare County Council	17	Skerries	1
Meath County Council	108	Donabate	2
Offaly County Council	1	Malahide	1
South Dublin County Council	10	Lucan	9
Grand Total	336	Lusk	52
		Rush	34
		Swords	14
		Dublin 1	1
		Glasnevin	1
		Dublin 8	1
		Merchants Quay	1
		Dublin 9	1
		Drumcondra	1
		Dublin 11	6
		Meakstown	6
		Dublin 13	2
		Balgriffin	2
		Dublin 15	24
		Ashtown	1
		Blanchardstown	1
		Castleknock	1
		Clonsilla	2
		Mulhuddart	19
		Dublin 16	5
		Ballinteer	5
		Kildare	17
		Kilcock	2
		Leixlip	14
		Maynooth	1
		Meath	110
		Ashbourne	43
		Dunboyne	53
		Dunshaughlin	3

Enfield	8
Navan	1
Rathmoylan	1
Summerhill	1
Offaly	1
<hr/>	
Edenderry	1
Grand Total	336

Appendix B - Applications Submitted from Launch Date to Year End

Local Authority	Applications
Dublin City Council	35
Dún Laoghaire-Rathdown Co.Co.	31
Fingal County Council	1733
Kildare County Council	62
Meath County Council	667
Offaly County Council	29
South Dublin County Council	35
Grand Total	2592

Stage	Applications
1. Application & Validation	191
2. Damage Assessment/Verification	110
3. Planning/Scheduling & RWP Preparation	133
4. Tendering & Tender Analysis	13
5. Decision to Contract	0
6. Dwelling Remediation	74
7. Retention Period – 12 Months	639
8. Application Closed	1432
Grand Total	2592

County/Area	Applications
Dublin	1482
Balbriggan	445
Ballyboughal	5
Blackrock	1
Blanchardstown	1
Donabate	77
garristown	1
Glenageary	2
Kinsealy	17
Lucan	21
Lusk	580
Malahide	5
Naul	1
Newcastle	13
Oldtown	1
Portmarnock	2
Rush	271
Skerries	3
Sutton	1
Swords	35
Dublin 1	1
Glasnevin	1
Dublin 11	14
Cappagh	1
Finglas	2
Meakstown	11
Dublin 13	6
Balgriffin	5
Kilbarrack	1
Dublin 14	1
Churchtown	1
Dublin 15	239
Ashtown	9
Blanchardstown	24
Castleknock	33
Clonsilla	9
Hollystown	4
Mulhuddart	158
Ongar	2
Dublin 16	28
Ballinteer	28
Dublin 5	3
Harmonstown	1
Raheny	2

Dublin 6	1
Harolds Cross	1
Dublin 8	9
Heytesbury Street	7
The Coombe	2
Dublin 9	48
Ballymun	1
Drumcondra	1
Glasnevin	1
Santry	45
Kildare	62
Donadea	1
Enfield	2
Kilcock	9
Leixlip	34
Maynooth	16
Meath	669
Ashbourne	388
Ballivor	1
Clonalvy	1
Drumree	1
Dunboyne	131
Dunshaughlin	29
Enfield	84
Kilbride	1
Kilmessan	3
Kinnegad	1
Navan	8
Rathmolyon	5
Ratoath	4
Robinstown	1
Summerhill	9
The Ward	1
Trim	1
Offaly	29
Edenderry	29
Grand Total	2592