



An Bord Réitigh um Pirít
Pyrite Resolution Board

Pyrite Resolution Board

Annual Report 2021

To the Minister of Housing, Local Government and Heritage

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 2021

Mandate

The Pyrite Resolution Board (PRB) was established by the Minister for Housing, Local Government and Heritage, 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 with amendments made to the Scheme in February 2015, July 2019 and September 2020.

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, Local Government and Heritage this Report on the performance by the Pyrite Resolution Board (PRB) of its functions under the Act during the year 2021. This is the PRB's eighth 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.

In 2021, the Board consisted of the Chairman, Mr. Jack Keyes (reappointed in August 2020 and stepped down April 2021), Dr Derek Sinnott (reappointed in September 2019 and appointed interim Chair May 2021), Mr. Alec Flood who was both a Board Member and Chairperson of the Audit and Risk committee (reappointed in December 2019), Ms. Lydia Bunni (appointed to the Board in September 2020) and Mr. Kevin McCrave (appointed to the Board in September 2020).

Each year, the PRB carries out a customer satisfaction survey with homeowners whose homes have been remediated recently. The homeowners survey that was carried out in July 2021 showed high satisfaction rates with regard to the guidance provided on the

PRB website, overall process of pyrite remediation, assistance provided by administrative staff, project managers, consultant engineers and contractors.

By the end of 2021 the number of applications received was 3063; of these 2530 were approved for inclusion in the Scheme. Of this figure, 2292 dwellings were remediated and works contracts were in place for a further 121 dwellings. Expenditure under the Scheme in 2021 was lower than the financial allocation made available by the Department of Housing, Local Government and Heritage. This was due to the impact of Covid-19 on the implementation of the Scheme. The PRB adhered to all government guidelines issued in relation to Covid-19.

The PRB continues to receive a steady stream of applications. In 2021 the PRB received 279 applications, an increase from 193 in 2020. By the end of 2021, 201 remediated dwellings were returned to the homeowners.

The PRB and the Housing Agency are acutely aware at all times of the difficulties and disruption endured by homeowners whose homes have been damaged by pyrite. We have set out to provide a service 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. 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.

Management, Technical, Administrative, ICT and Legal services to the Board are provided by Housing Agency Staff that are assigned to PRB activities. The Board has a small number of staff assigned from existing staff within the Department of Housing, Local Government and Heritage.

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 wish to thank Jack Keyes for his valued contribution during his term as Chairman. I also wish to thank Ms. Ciara McCoy for her

diligent work as Board Secretary and Linda Magee who took over the role in August 2021. 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 Martin Lynch who took over the role of General Manager from Aidan O'Connor in January 2021 and wish to thank them both for their contributions. 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, Local Government and Heritage, Mr. Darragh O'Brien, T.D. and the Ministers of State, Peter Burke T.D., Malcolm Noonan T.D., and their officials in the Department for their on-going interest and support for the PRB and its activities.



Dr Derek Sinnott
Chairman

Statement of General Manager

The year 2021 was another challenging year for the Pyrite Remediation Scheme. The continued rollout of the scheme was again impacted by a 16-week lockdown in the first quarter of 2021 and government health measures which have impacted the effective operations of the remediation process. However, the Pyrite Remediation Scheme has still managed to maintain a level of momentum and the operation of the Scheme has progressed in accordance with government and industry health guidelines.

The total number of applications for remediation received under the Pyrite Remediation Scheme (the Scheme), as per the Pyrite Resolution Act 2013 (the Act), up to the end of 2021 was 3,063 in total. Of those, 279 applications for remediation were received during 2021 compared to a total of 193 received in 2020. This increase is in part likely to be as result of the easing of restrictions and fewer lockdowns throughout 2021 when compared to 2020. New applications received have come predominantly from developments where remediation work has or is about to commence. A total of 201 Dwellings were remediated in 2021 bringing an overall total for the scheme to 2,292 remediations to the end of 2021.

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. In 2015 the administrative areas of South Dublin County Council and Dun Laoghaire-Rathdown County Councils were added to the Scheme by Ministerial amendment.

During 2018, reports were received of pyritic heave in a number of houses in estates in the administrative area of Limerick City and Limerick County Council. 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 Limerick City and Limerick County Council. This amendment came into effect on 24th of September

2020.

On a high level, the Pyrite Remediation Scheme is implemented as follows. Staff of the 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. I refer to section 4 in the Board Members' Report for a detailed explanation of the various steps in the process.

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. The scheme operates 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. Contracts for individual projects are subject to 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 currently c.€75,000 per dwelling. There can be significant variation in costs, with one-off houses in general are more expensive due to their larger ground floor area.

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 due to Covid-19

restrictions or 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, minimise 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 contribute to 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 extending and expediting the original agreed contributions.

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.

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 Scheme is reviewed on an ongoing basis with feedback from applicants, issues raised via the complaint's procedure, appeals received, representations from public representatives and through engagement with the Department of Housing, Local Government and Heritage, contractors, legal advisers, auditors and others.



Martin Lynch

General Manager

Board Members' Report

The members of the Pyrite Resolution Board present their Annual Report for the year ended 31 December 2021.

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.

In February 2015, the Minister approved an amendment to include both the South Dublin and the Dún Laoghaire–Rathdown County Council areas within the Scheme. A further amendment approved by the Minister to include both Limerick County and City Councils within the Scheme came into effect in September 2020.

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 consists of a Chairman and 3 Members.

Board Member	Organisation	Appointment Term
Dr Derek Sinnott	Senior Lecturer, Department of the Built Environment at Waterford Institute of Technology	Appointed 2 nd September 2016 to 1 st September 2019 Reappointed 2 nd September 2019 to 1 st September 2022 Appointed Interim Chairperson May 2021
Alec Flood	Practising Barrister and Chartered Engineer	Appointed 29 th December 2016 to 28 th December 2019 Reappointed 29 th December 2019 to 28 th December 2022
Lydia Bunni	Practising Barrister	Appointed 2 nd September 2020 to 1 st September 2023
Kevin McCrave	Practising Barrister	Appointed 2 nd September 2020 to 1 st September 2023
Jack Keyes	Chairperson	Appointed 3 rd August 2017 to 2 nd August 2020 Reappointed 3 rd August 2020 to 22 nd April 2021

3. 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 2021. In addition to Board meetings all Board Members also attend Audit and Risk Committee meetings, 5 of which were held throughout 2021. The table below shows the schedule of attendance, fees and expenses in 2021.

Board Member	Board meetings due to attend	Board meetings attended	Audit & Risk (5 meetings)	Fees 2021 €	Expenses 2021 €
Dr Derek Sinnott*	11	11	5	0	0
Alec Flood	11	10	5	4,200	0
Lydia Bunni	11	8	3	1,800**	0
Kevin McCrave	11	11	4	2,600**	0
Jack Keyes	4	3	0	6,734	1,116
Tony O'Brien (ARC Member only)	0	0	4	0	0

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

** A portion of these payments were reported in the 2020 Annual Report for meetings attended in 2020, however payment was not made until 2021.

Alec Flood 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, Local Government and Heritage and the Department of Public Expenditure and Reform.

Board Secretary

As of 1st July 2019, Annet Busweiler was appointed as PRB Board Secretary.

As of the 12th of August 2020, Ciara McCoy acted as Board Secretary and was formally appointed to the position on 25th March 2021. As of the 3rd August 2021, Linda Magee was appointed as 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, Local Government and Heritage 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*.

4. 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.

5. 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:

- **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 to 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 recoument 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).

- 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 €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 in 2018, to establish Framework Agreements for Construction Design Professionals. The framework for the 3 engineering firms on the Framework Panel for Construction Design Professionals commenced on 26th March 2018 for 2 years, was extended for a further two year period from 26th March 2020.

The Housing Agency conducted a public procurement process in 2018, to establish Framework Agreements for Works Contractors to carry out the remediation works. The framework for the 5 contracting companies on the Framework Panel for Works in Lot 1 (7 Dwellings and more) which commenced on 18th May 2018 for 24 months, was extended for a further 12 month term from 18th May 2020 and a further 12 month period from 18th May 2021. The framework for the 5 contracting companies on the Framework Panel for Works in Lot 2 (1 - 6 Dwellings and more) which commenced on 25th July 2018 for 24 months, was extended for a further 12 month term from 25th July 2020 and a further 12 month period from 25th July 2021.

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, Local Government and Heritage 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. 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. All Board members and Pyrite Resolution Board Staff were asked to complete an Annual Statement of Interest and return it to their respective officers in 2021.

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 2021, 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. Discussion commenced in 2021 to further extend this agreement.

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. Discussions are ongoing to recoup these contributions.

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 October 2021 and covers the period 2022 - 2024. The Pyrite Resolution Board's Business Plan was approved by the Board in October 2021 and also covers the period 2022 - 2024.

10. Review of the Business

Commentaries on performance during the year ended 31 December 2021, 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 2021, 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 2021, the Board discussed the outcomes of the Board Self-assessment evaluation that was carried out in December 2020 and agreed on follow-up actions.

In November 2019, the Board adopted a Governance Programme. This Governance programme was also implemented in 2021. 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 2021, the Board reviewed:

- Fraud and Corruption Policy
- Risk Management Policy and Framework
- ARC Terms of Reference
- Procurement Control Measures
- Data Protection Policy
- Record of Processing Activities (ROPA)
- PRB Business Plan
- PRB Strategy
- PRB Terms of Reference
- Customer Action Plan

The following documents are also in place and up to date:

- 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 2021. The Committee meets quarterly.

The members of the Audit & Risk Committee are:

- Alec Flood (Chair)
- Dr Derek Sinnott
- Jack Keyes (stepped down April 2021)
- Lydia Bunni
- Kevin McCrave
- Tony O'Brien (external member with experience in financial accounting)

The Chair of the PRB Audit & Risk Committee (Alec Flood) 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 2021. These figures comprise of the combined total from the launch date to year end 2021.

Status of Applications at Year End	Combined Total
In Validation Process	102
Validated and awaiting verification	125
Included in the Scheme	117
➤ Planning/scheduling	74
➤ Tendering & Tendering Analysis	2
➤ Decision to Contract	41
Remediation Works	121
Works Completed & Certified	2292
Closed	306
Total Applications	3063

The 306 figure is broken down as follows:

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

Before, during and after remediation

Before 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 43 valid appeals have been submitted since the inception of the Scheme, 5 of which were received in 2021. One appeal related to an application refused where the Building Condition Assessment report submitted with the application recorded a damage condition rating of 0 while a further two applications were refused where the Building Condition Assessment report submitted with the applications recorded a damage condition rating of 1. A further appeal related to an application refused which was deemed ineligible as the dwelling was owned by the builder/developer. In each of the above 4 appeals the Board upheld the decision of the Decision Maker to refuse the application.

The Board received a fifth appeal for an application refused where the applicant previously had a dwelling remediated under the Scheme and the dwelling was purchased after 12 December 2013. This appeal is still under consideration by the Board.

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 2021.

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 five times in 2021.

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. All staff 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.

In managing the risks associated with the COVID 19 pandemic, the PRB responded swiftly and effectively with most functions continuing to operate as normal.

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 and Risk 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.

- Any recommendations made by internal or external audits are considered by the ARC and implemented where appropriate.

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.

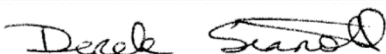
Review of Effectiveness

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 2021.

Internal Control Issues

No major weaknesses in internal control were identified in relation to 2021 such as:

- Audits resulting in Limited or Unacceptable assurance;
- Instances of actual or attempted fraud.



Dr Derek Sinnott
Chairman
27th April 2022

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, Local Government and Heritage. 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 €20 million was announced under Budget 2021 to fund the operation of the Pyrite Remediation Scheme this year. Of this sum, €15,000,000 was drawn down. The total expenditure on the pyrite remediation programme in 2021 amounted to €16,072,459. This included a figure of €714,095 for Pay & Admin Costs which are funded under the Housing Agency allocation and the remaining €358,364 from accruals in 2020.

Expenditure can be broken down as follows:

Pay & Admin Costs*	€ 714,095
Construction Design Managers	€ 903,289
Works Contractors	€ 13,141,254
Homeowner's Payments	€ 1,214,508
Legal & Professional	€ 62,823
Other Administration Costs	€ 36,490
Total Expenditure	€ 16,072,459

* 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, Local Government and Heritage 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.
- (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 were no contributions received in 2021 under section 12 and section 20 of the Pyrite Resolution Act 2013.

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. No contributions in this regard were received during 2021.

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. No contributions in this regard were received during 2021.

Contractual Commitments at Year End

Contractual commitments on 31 December 2021 since commencement of the Scheme are as follows:

Construction Project Managers	€8,499,818
Works Contractors	€138,254,855

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



Martin Lynch
General Manager
27th April 2022



Dr Derek Sinnott
Chairman
27th April 2022

Appendix A - Applications Submitted in 2021 by County/Area

Local Authority	Applications	County/Area	Applications
Dublin City Council	4	Dublin	124
Dún Laoghaire-Rathdown Co. Co.	8	Balbriggan	80
Fingal County Council	182	Ballyboughal	1
Kildare County Council	20	Donabate	3
Meath County Council	58	Lusk	16
Offaly County Council	1	Naul	1
South Dublin County Council	0	Rush	8
Limerick	6	Skerries	1
Grand Total	279	Sutton	1
		Swords	13
		Dublin 5	1
		Kilbarrack	1
		Dublin 7	1
		Dublin 7	1
		Dublin 9	1
		Drumcondra	1
		Dublin 11	5
		Meakstown	5
		Dublin 15	54
		Castleknock	3
		Hollystown	3
		Mulhuddart	45
		Ongar	3
		Dublin 16	8
		Ballinteer	8
		Kildare	20
		Kilcock	1
		Leixlip	19
		Limerick	6
		Corbally	6
		Meath	58
		Ashbourne	21
		Dunboyne	27
		Dunshaughlin	2
		Enfield	8
		Offaly	1
		Edenderry	1
		Grand Total	279

Appendix B - Applications Submitted from Launch Date to Year End

Local Authority	Applications
Dublin City Council	39
Dún Laoghaire-Rathdown Co. Co.	43
Fingal County Council	2025
Kildare County Council	106
Meath County Council	769
Offaly County Council	31
South Dublin County Council	34
Limerick	16
Grand Total	3063

Stage	Applications
1. Application & Validation	102
2. Damage Assessment/Verification	125
3. Planning/Scheduling & RWP Preparation	74
4. Tendering & Tender Analysis	2
5. Decision to Contract	41
6. Dwelling Remediation	121
7. Retention Period – 12 Months	280
8. Application Closed	2318
Grand Total	3063

County/Area	Applications
Dublin	1700
Balbriggan	569
Ballyboughal	6
Blackrock	1
Donabate	81
Garristown	2
Glenagery	2
Kinsealy	18
Lucan	22
Lusk	614
Malahide	6
Naul	2
Newcastle	13
Oldtown	1
Portmarnock	2
Rush	296
Skerries	4
Sutton	2
Swords	59
Dublin 11	19
Cappagh	1
Finglas	2
Meakstown	16
Dublin 13	7
Balgriffin	6
Kilbarrack	1
Dublin 14	1
Churchtown	1

Appendix B Contd. - Applications Submitted from Launch Date to Year End

Dublin 15	308
Ashtown	9
Blanchardstown	26
Castleknock	37
Clonsilla	9
Hollystown	9
Mulhuddart	212
Ongar	6
Dublin 16	39
Ballinteer	39
Dublin 5	4
Harmonstown	1
Kilbarrack	1
Raheny	2
Dublin 6	1
Harolds Cross	1
Dublin 7	1
Dublin 7	1
Dublin 8	9
Heytesbury Street	7
Merchants Quay	2
Dublin 9	49
Ballymun	1
Drumcondra	2
Glasnevin	1
Santry	45
Kildare	106
Donadea	1
Enfield	2
Kilcock	13
Leixlip	73
Maynooth	17
Limerick	16
Corbally	15
Rhebogue	1

Appendix B Contd. - Applications Submitted from Launch Date to Year End

Meath	771
Ashbourne	424
Ballivor	1
Clonalvy	1
Drumree	1
Dunboyne	178
Dunshaughlin	34
Enfield	95
Kilbride	1
Kilcock	1
Kilmessan	3
Kinnegad	1
Navan	8
Rathmolyon	5
Ratoath	4
Robinstown	1
Summerhill	11
The Ward	1
Trim	1
Offaly	31
Edenderry	31
Test Case	1
Grand Total	3063