

## **Mica Action Group Statement to the Housing Committee 13.07.23**

Thank you for the opportunity to present to the Housing Committee.

In the press release announcing the commencement of the Defective Concrete Blocks Scheme, Housing Minister Darragh O'Brien stated a scheme has been developed "that can and will deliver for all concerned."

On behalf of homeowners, I will outline why the scheme will not deliver for all concerned. There are some moves in a positive direction, however Government's refusal to genuinely listen means serious flaws persist.

In the public spotlight, Government representatives appear compassionate, yet at the same time spin media stories which misinforms the public and undermines victims; they pledge urgent action and then miss every deadline; they promise meaningful engagement then consciously ignore the lived experience of those affected, scientific evidence, deny pre-legislative scrutiny on the false pretence of urgency, dismiss key homeowner legislative and regulatory amendments, and inexplicably, reject zero cost solutions which would bring much needed flexibility to this rigid scheme.

The Minister also talks about schemes evolving. This is Government's second chance at getting the scheme right. The only reason this scheme needs to evolve is because of the lack of political ambition to get it right this time.

Furthermore, the way in which the tens of thousands of victims of defective homes across Ireland are treated, seems to be based upon their geographical location, the type and cost of the damage and how many seats their constituencies are worth at the next general election.

The Leinster Pyrite Scheme removes all deleterious materials, the work is funded and managed by the Housing Agency, reinstating homes on a like for like basis. The Defective Apartment Scheme promises to be nationwide and cover all costs incurred. This is in stark contrast to the DCB scheme which leaves behind deleterious materials; forces homeowners to become project managers, exposes them to rampant construction inflation and excludes homes by county or type of ownership.

This is now a civil rights issue as those affected are not being treated with equality.

All victims of defective homes find themselves in this horrendous situation for the same reason; the persistent failure of the State to enforce an effective regulatory and market surveillance system over the construction industry.

To date, no operator has been brought to account by the Government and we recently witnessed headlines of the Head of the NBCO declaring a National Emergency in market surveillance due to a lack of resource.

Although not exhaustive, the following underlines key homeowner concerns.

### **The Science**

The DCB scheme for homeowners in Donegal is based upon an untested hypothesis as opposed to proven scientific research.

In 2023 two independent scientific groups (Leemann et al in March and Brough et al in April) published internationally peer reviewed research.

They identify the high-risk aggregate phyllite was used in the manufacture of concrete blocks. The phyllite rock hosts not only mica but also the iron sulphide pyrrhotite. Detailed scientific investigation reveals that oxidation of pyrrhotite causing internal sulphate attack is the primary mechanism of failure not mica freeze thaw.

Evidence from Quebec, Connecticut and Switzerland proves that if iron sulphides are present in quantities beyond regulatory standards it can result in the degradation of even poured concrete.

All of this research was published prior to commencement of the scheme, and initial research findings were presented to this Committee in June 2022 before legislation was passed in July.

Yet the DCB scheme still uses IS465 designed around a mica freeze thaw hypothesis to recommend remediation. To keep using this obsolete standard means decisions are based on solutions for the wrong damage mechanism. Options 2-5 retain defective, unregulated blocks in homes and all options advise homeowners to build on existing foundations, yet such options are not proven to be permanently effective against the context of internal sulphate attack.

The damage threshold focuses heavily on visual appearance which may belie the deterioration of the concrete within, leaving homeowners locked out of the scheme and in limbo for years.

It is inhuman to push homeowners to remediate homes without scientific assurance that the home will not fail again. It also raises questions about the responsible management of public funds, where hundreds of thousands of euros could be spent on a house destined to fail again.

### **Failure to Recognise and Support Homeowners in the Most Vulnerable & Complex Situations**

How is it reasonable to ask a couple in their 80s, one with a serious illness, the other a carer, to deal with a demanding 3 stage application process, strip down a beloved home, a demolition, rebuild and two house moves?

How do a family with a disabled child who require a home adapted for wheelchair access move forward when it is impossible to find alternative accommodation?

It is wholly unrealistic to think 2 facilitators spread over thousands of affected homeowners and an engineer with a multiplicity of clients can provide the project management and support required.

We have consistently asked for recognition of those in the most vulnerable and complex circumstances via the support of an end-to-end scheme, flexibility of side-by-side building, the provision of suitable alternative housing or to be able to release themselves from this crisis via a transfer of eligibility - all of which was denied.

### **The Finances**

To distance itself from its central role in the origins of this crisis, Government portrays itself as a benevolent body, carefully describing the scheme as a grant. To call it a grant scheme, which implies a partial cost contribution, and then declare it 100% is contradictory.

Affected homeowners are exposed to the double whammy of a cost-of-living crisis plus double-digit construction inflation. Grant allowances are calculated upon a basic build to pre-2008 regulations, no matter what year the house was built, the finish or to what energy standards, despite the SCSi's recommendation that all construction should employ a minimum of current standards. In February 2023, the SCSi reported a 14% annual increase in construction costs, yet there is no recognition of increasing costs in the overall cap set in Nov 2021. The Government, in full cognisance of the issues around construction inflation, wrote the cap into legislation as opposed to regulations knowing full well this makes it difficult to amend.

To demolish and rebuild, homeowners in Donegal are currently being quoted between €205-220 per sq. ft compared to the grant rates of €190 for the first 1937 sq. ft and €116 per sq. ft for area beyond up to the maximum cap. A current example is a homeowner of a home of 1250 sq. ft with a rebuild allowance of €237,220 has a real build cost of €270,000, a shortfall of €32,780.

Government promised seamless access to the SEAI energy schemes; however it is not clear how this will work.

The Redress Finance Group recently testified to the Finance Committee about the highly stressful impact of shortfalls of tens of thousands of euros, cashflow issues, an unhelpful attitude from mortgage providers and the lack of engagement from Government with both financial and insurance industries.

Once a homeowner passes through the scheme, their home must be fully insurable, mortgageable and restored to full market value. It is clear that Government has not conducted its due diligence in this regard. How can Government assure homeowners of the validity of the Certificate of Remediation if the scheme does not have credibility with such organisations?

### **Implementation**

Not only what is done but also how it is done is critical.

To date, 3 years of homeowners' experience in Donegal with the previous scheme has been fraught. A lack of responsiveness and information have unnecessarily added to homeowners stress. It seems incredible there is no overall project manager for a multi-billion-euro scheme and no timelines set to respond to homeowners.

### **100% Redress**

The scheme needs to be based on the principle of 100% Redress. The definition of Redress is to put right. That is to restore all affected to the situation they would have been in should this disaster have never occurred.

Remediation solutions must be supported by scientific research which eliminates risk of further damage from deleterious materials. In the absence of certainty, a cautionary approach must be adopted and resourced immediately – if in doubt take it out. All remediation must ensure that the consequences of this issue are eliminated from all aspects of people's lives.

The finance needs to reflect true, like for like costs, with the option of an end-to-end scheme.

The scale and complexity of this crisis requires project management geared to efficient and responsive implementation, not only for the scheme itself, but also vital parallel provisions such as alternative accommodation and support of those with complex needs.

None of the issues highlighted are insurmountable but they will take a genuine listening ear from Government, responsiveness and political determination to resolve.

Thank you.