

NORTHERN IRELAND HOUSING EXECUTIVE

39TH ANNUAL REPORT

1 April 2009 - 31 March 2010



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NORTHERN IRELAND HOUSING EXECUTIVE

ANNUAL REPORT AND ACCOUNTS

For the year ended 31 March 2010

Laid before the Northern Ireland Assembly

Under Articles 12(2) and 21(5) Of the Housing (Northern Ireland) Order 1981

By the Department for Social Development

Date: 2 July 2010

The Accounting Officer authorised these financial statements for issue on 1 July 2010

MINISTER'S INTRODUCTION

ALEX ATTWOOD

On my first day as Social Development Minister, I visited the Housing Executive to launch the 'Housing Markets: Review and Perspectives' report.

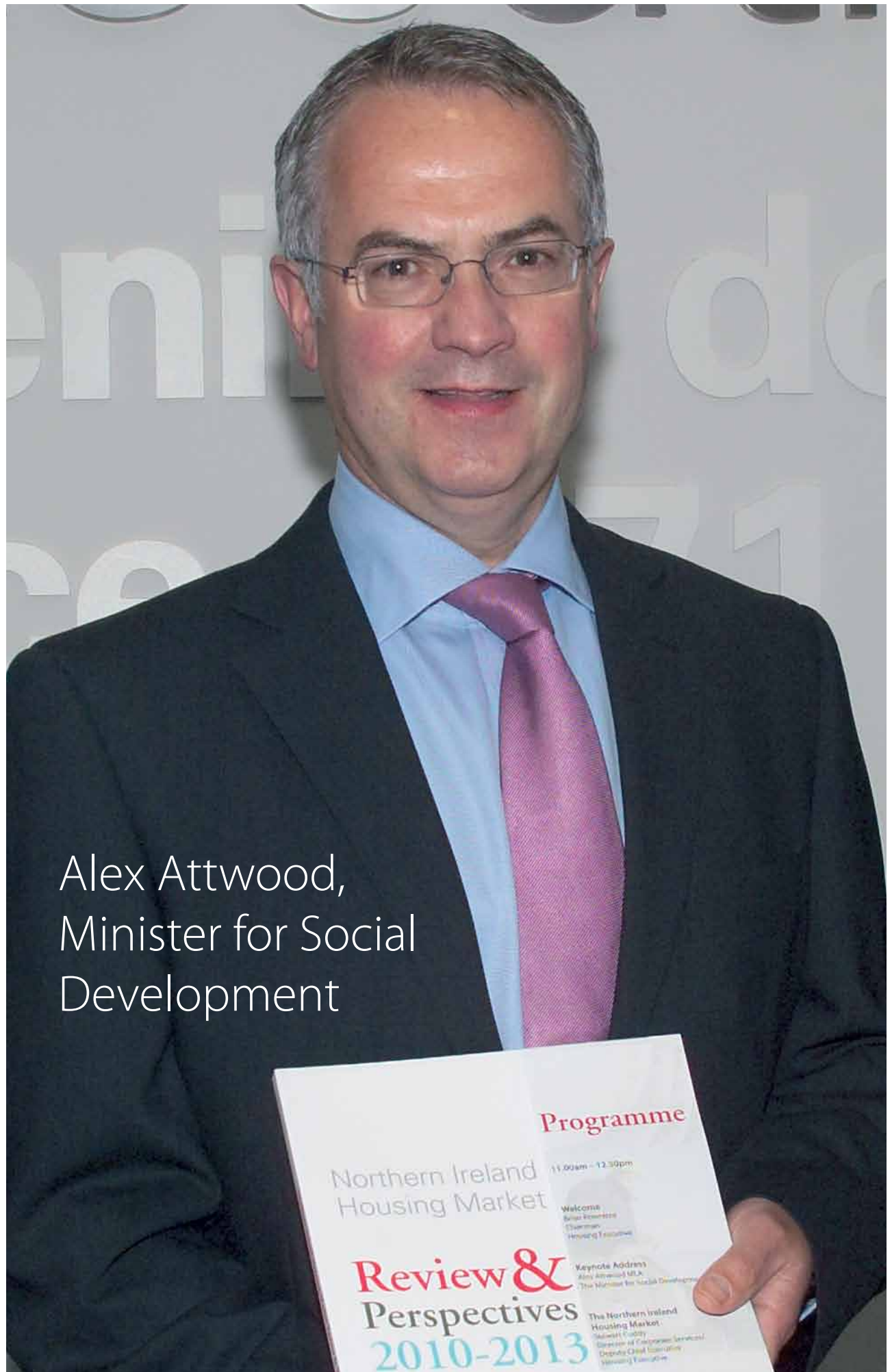
I welcomed the opportunity to do this, because the report plays an important role in helping Government keep pace with the changing housing market. But the visit also gave me the opportunity to meet with the Housing Executive at a very early stage and acknowledge the important role they play in helping to provide, improve and maintain decent homes for people in Northern Ireland.

I want to thank my predecessor Margaret Ritchie. Her New Housing Agenda has delivered much and last year we started more new housing units than at any time in the last decade. In a difficult economic climate this is a considerable achievement.

I want to now build on these achievements. There are no doubt difficulties that lie ahead in doing this, not least having to deal with the spending realities of the new Westminster Government. But I assure you, I will put much energy and imagination into this portfolio. I look forward to your help and support.

A handwritten signature in black ink that reads "Alex Attwood". The signature is written in a cursive style and is enclosed within a thin black rectangular border.

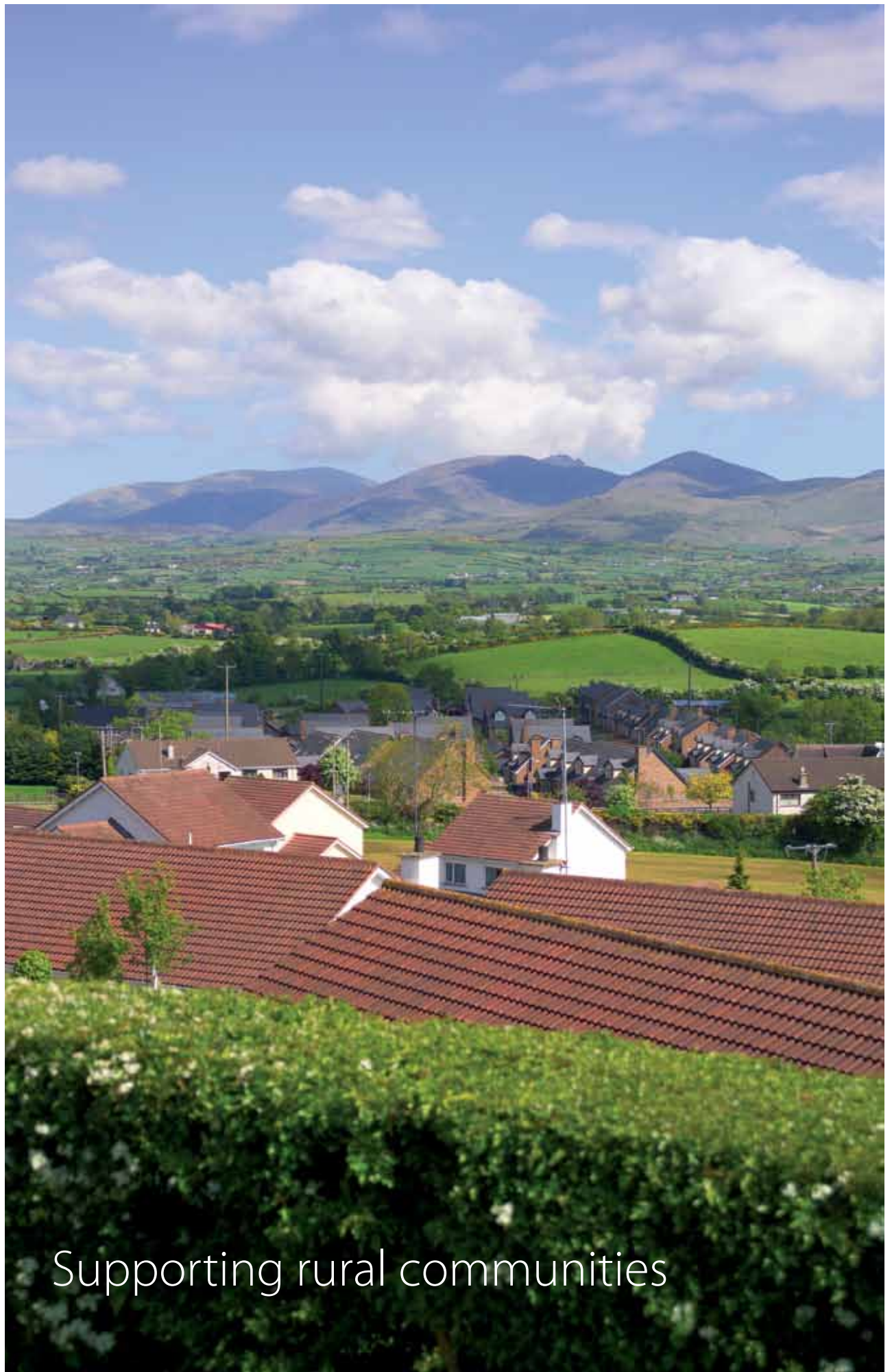
Alex Attwood
Minister for Social Development



Alex Attwood,
Minister for Social
Development

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MEMBERSHIP OF THE BOARD

1 APRIL 2009 -31 MARCH 2010

The Housing Executive is subject to the Department for Social Development's (DSD) right to issue a direction in connection with the exercise of any of its functions. Responsibility for general policy, management and operation of the Housing Executive is vested in a 10-person Board. Following Ministerial approval all Board Members are appointed by the Permanent Secretary of the DSD. Four members are nominated by the Housing Council from its membership and the remainder are DSD nominees. Legislation states that at least one member shall be a woman.

BRIAN ROWNTREE CBE

Chairman

ANNE HENDERSON BSSC

Vice Chair

DR MONICA WILSON OBE

Re-appointed 5 November 2009

EAMONN O'NEILL

Re-appointed 5 November 2009

JIM SPEERS MBE

Re-appointed 5 November 2009

BRENDAN CURRAN

Re-appointed 5 November 2009

JENNY PALMER

Re-appointed 5 November 2009

CIARAN BROLLY BSC MIOSH

Term ended 4 November 2009

BRENDAN MACKIN

Term ended 4 November 2009

ALISTAIR JOYNES

ADV DIP ED MCIPD MIM MCIMC

Term ended 4 November 2009



CHIEF EXECUTIVE'S BUSINESS COMMITTEE

1 APRIL 2009 -31 MARCH 2010

The Chief Executive's Business Committee meets weekly and the business conducted at this meeting is reported to Board Members on a weekly basis.

PADDY MCINTYRE

Chief Executive

STEWART CUDDY

Director of Corporate Services/
Deputy Chief Executive

CLARK BAILIE

Director of Finance

MAUREEN TAGGART

Director of Personnel &
Management Services

COLM MCCAUGHLEY

Director of Housing & Regeneration

JOHN MCPEAKE

Director of Design & Property Services

IMELDA MCGRATH

Head of Information & Secretariat

CHAIRMAN'S FOREWORD

BRIAN ROWNTREE

I am privileged to present the 39th Annual Report of the Northern Ireland Housing Executive.

Throughout this Report, you will see many examples of our work, the scope of our business and the impact housing has on the community and our local economy. This year, despite the extremely challenging economic climate and the pressures on housing in particular, it was very satisfying for the Northern Ireland Housing Executive to become the first housing body and one of the largest organisations to win the UK Excellence Award. In doing so we were recognised by the British Quality Foundation for the quality of our work, the positive impact we have in our community and our commitment to continuous improvement. This puts the Housing Executive amongst the top performing organisations in the United Kingdom.

Whilst the UK Excellence Award was undoubtedly a great achievement, we know that this does not automatically guarantee the confidence or support of our customers and other stakeholders. Confidence comes from delivering what we are tasked to do:

- working to ensure a decent home is available to everyone in a place where they want to live and work;
- offering the most vulnerable people the opportunity to have and maintain a home of their own;
- playing our part in regenerating neighbourhoods;
- providing affordable housing choices;
- working with others to bring about shared and safe communities; and
- delivering quality and best value public services.

As the housing authority for Northern Ireland, this must be done in a way which ensures maximum accountability and utmost transparency. In both the Chief Executive's Management Commentary and the Directors' Report you will see how we adjusted our programmes and activities as further funding became available during the year from successful in-year funding bids. For the 26th year in a row we have been able to report a satisfactory financial outturn.



Brian Rowntree
Chairman

KEY HIGHLIGHTS OF THE YEAR

1,838

We are pleased to report that during 2009/10, 1,838 new social homes were started in Northern Ireland against a target of 1,750 and with a budget of £157m. This is the largest annual number of new social housing starts in a decade. By supporting housing as a priority we have helped people in housing need as well as those who depend on the building industry for work.

2.4%

Initial reports from the 2009 House Condition Survey show that housing unfitness levels have fallen to an all time low of 2.4%.

2,707

Tackling fuel poverty has been a key priority for us and 2,707 new and more efficient heating systems were installed in 2009/10.

7,968

We exceeded the planned maintenance target of 7,400 by carrying out this scale of work to 7,968 homes across Northern Ireland.

23,000

The Supporting People programme provides immediate and effective help to over 23,000 people who want to live independently.

100

We assisted over 100 people from the Roma community in the aftermath of racist attacks in an area of South Belfast.

4

We developed new shared housing schemes alongside housing associations in 2009/10 in Pond Park in Lisburn, Abbey Drive in Enniskillen, Sycamore Drive in Cavanaleck and the Curzon in South Belfast.

12

We provided new rural housing at Millvale Close, Annaclone. The development has not only provided new homes for 12 households but has contributed to the overall sustainability of this small rural community.

2

The first two Equity Sharing house sales were completed in South Belfast and Ballyclare.

The recession has rocked confidence in the housing market and the downturn in the sale of Housing Executive homes and land has had a significant adverse effect on housing funding. It is therefore a creditable achievement for the Housing Executive to have been able to meet most of its targets against this difficult background. Unfortunately the shortfall in funding in 2009/10 meant we had to reduce drastically the number of discretionary grants for tackling disrepair and unfitness in private sector housing. It also meant that we were unable to begin major capital improvement works which had been planned for our own Housing Executive homes this year. The result is that there are now several thousand tenants awaiting major improvements.

We know that in this time of change, uncertainty and financial constraint people are impatient for better housing and so are we. The compelling challenge for the Housing Executive is to work with our colleagues in the DSD to secure a sound financial footing for housing funding. Our challenge is both to protect the level of investment to date and to secure funding to improve homes which are not up to standard.

In 2009, the Housing Executive Board initiated discussions about future funding arrangements based on the economies of scale that come from the organisation's size and its capacity to innovate and deliver. What we need is the political will and financial support and a more meaningful approach to a balanced budget.

I want to thank Lord Best and his fellow commissioners, Professor Greg Lloyd and Alyson Kilpatrick BL, for their comprehensive report on the Future for Housing in Northern Ireland.

In his foreword Lord Best commented:

"Despite long waiting lists for social housing, Northern Ireland does not face the acute housing shortages afflicting some English regions. And overall, the condition and management of Northern Ireland's housing - and, specifically, its public sector housing - compares favourably with its counterparts in GB. It is clear that housing's practitioners - in the face of obvious difficulties in past times - have worked hard, used the available public funding wisely and done a very good job.

For the future, there are also real positives for Northern Ireland: land availability is not quite so constrained - and public opposition to development not quite so vociferous - as in so many areas of Great Britain. And the precious resource of a highly significant and competent player - the Northern Ireland Housing Executive - makes it realistic for both central and local government to consider that major, ambitious housing initiatives could be successfully pursued."

The Commission's report is timely and important, given the changing political, economic and social environment. It acknowledges the transformation in housing here. For nearly four decades the provision of good housing has been the catalyst for better health and social wellbeing. Unfortunately a huge gap exists between the number of people who need better housing to improve their life chances and the funding available to provide it.

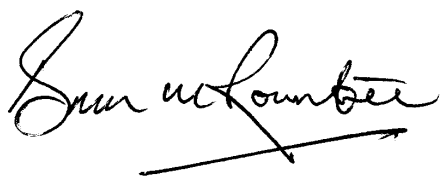
We are encouraged by the recommendations in Lord Best's report. It has spelled out the central role which the Housing Executive will continue to have on behalf of government - translating its policy objectives into successful local outcomes. Our job is to meet housing need and we look forward to working with others to examine the best way to achieve the ambitions we all share for housing here.

We are working in a time of growing expectations, a global 24/7 culture that demands immediate action, effective communication and the highest standards. The public's perception is that public bodies must maintain the highest standards of public life. With a budget in excess of £750m, hundreds of thousands of transactions and a wide range of services, we can expect to be scrutinised as never before. The challenge for the Housing Executive is to provide a robust assurance and self-regulatory framework and to demonstrate that it works.

Next year the Housing Executive will celebrate its 40th birthday and our ambitions are no less diminished than they were forty years ago. Our job is about harnessing housing's resources to those of our partners to produce the very best outcomes for our community. The current climate means we will have to work smarter, more creatively, in partnership with others and with greater immediacy.

I would like to take this opportunity to thank my fellow Board Members for their support throughout the past year. I would also like to thank Margaret Ritchie MP MLA for her commitment to housing over the past three years. Having stepped down as Minister for Social Development, I want to welcome her successor Alex Attwood MLA. The Board and senior management team look forward to working with him and his officials to tackle the housing needs in our community. I want to place on record my thanks to Simon Hamilton MLA, the Chair of the Social Development Committee and its members. I also want to thank the Northern Ireland Housing Council and other political and community representatives, officials from the Department for Social Development and our partners in the housing association movement for their steadfast commitment to housing during the year.

As Chairman, it is a privilege for me to lead the Housing Executive, a professional housing body which is committed to the highest standards of public service. Our performance during 2009/10 is a credit to all staff across the Housing Executive for their hard work and determination throughout the year.

A handwritten signature in black ink, reading 'Brian Rowntree'. The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Brian Rowntree
Chairman

CHIEF EXECUTIVE'S MANAGEMENT COMMENTARY

PADDY MCINTYRE

The Housing Executive's goal is to ensure that everyone in Northern Ireland has access to a decent, affordable home in a safe and healthy community. Our staff work diligently with our customers, communities and their representatives, the Department for Social Development, the housing associations and a wide range of other organisations to meet the housing needs of existing and future generations.

The Annual Report 2009/10 gives an account of the Housing Executive's contribution to communities and how it improves the lives of people across Northern Ireland. It has been prepared in accordance with the Government Financial Reporting Manual.

This Management Commentary details the progress against our corporate objectives, mission statement and core values as set out in our Corporate Plan 2011/12 and Business Plan for 2009/10.

HOUSING RESEARCH

Housing Research provides the evidence-base for the Housing Executive to determine, measure and report on its objectives. The Housing Executive's annual "Northern Ireland Housing Market: Review & Perspectives" underpins the Housing Executive's Corporate and Business Plans, guides its intervention in the market and provides valuable strategic information for the public, private and voluntary sectors.

In 2009/10 considerable work was undertaken to further analyse the housing market. In particular a report entitled "Northern Ireland Housing Market Areas", commissioned from Glasgow University and Newhaven Research, has provided a much-needed functional analysis of Northern Ireland's housing market. This will enable a more thorough examination of the strategic housing needs which exist in the 11 new housing market areas and allow these to be drawn out and addressed in the coming years.

The Housing Executive has commissioned a series of reports focusing on the housing and support needs of older people. A number were completed last year and in 2009/10 a further two projects have been completed; one report examines the potential for equity release for older owner occupiers in Northern Ireland. The other focuses on the impact of a housing scheme for independent supported living at Barn Halt Cottages, Carrickfergus. Both reports, which will be published, will provide a useful evidence-base for policy makers tasked with providing housing solutions for our growing and aging population.



Paddy McIntyre
Chief Executive

THE WIDER AGENDA

Our business objectives are informed by the shape and strength of the housing market, the level of housing need and Government policy as set out in the Programme for Government published in January 2008. The Programme for Government sets out a number of detailed actions for each Government Department which are known as "Public Service Agreements".

Within these are many actions which relate to housing activity. Examples include:

- New social housing provision
- Supporting People
- Homelessness
- Travellers
- Older People
- Migrant Workers
- Home energy efficiency
- Warm Homes
- Neighbourhood Renewal
- Community cohesion, community capacity, community safety, sustainable development policy
- Improvements and planned maintenance programmes
- Housing Need Assessment, District Housing Plans (Local Housing Strategies) PPS21, PPS12 etc.
- Funding and the Comprehensive Spending Review

In common with other public bodies we are required to reduce our running costs by 3% overall and by 5% on administration and staffing costs. In the current economic climate the same, if not greater, levels of efficiencies can be expected in 2010/11. We remain committed to delivering efficient, effective and economical services which bring added value to the community.

THE NEW HOUSING AGENDA

In 2008, Social Development Minister Margaret Ritchie announced her New Housing Agenda to address the need for more affordable housing.

In 2009/10 the Minister challenged the Housing Executive to provide 1,750 new social homes through housing associations. This was a formidable task when the housing budget faced unprecedented pressures brought on by the collapse in the housing market. Despite this the target has been exceeded and 1,838 new homes were started.

This has undoubtedly had a positive impact on vulnerable people desperately waiting for a home of their own. Equally, this level of investment has helped to support and sustain the building and supply industry, which has been hit hard by the recession. The fact that the new homes target has been exceeded is a credit to all concerned.

We are working with the Department for Social Development to implement and develop all aspects of the New Housing Agenda. While some aspects have been hampered by the availability of finance, overall good progress was made in 2009/10 including:

- The delivery of 1,838 new social housing starts, exceeding the target for the year;
- The sustained support for vulnerable people under the Supporting People Programme;
- The opening of new sources of private finance for social housing projects from the European Investment Bank and the Housing Finance Corporation;
- The launch of a strategy for the private rented sector;
- The progress of Shared Future in new developments and existing estates;
- The delivery of energy efficiency measures in homes through the Warm Homes Scheme;
- The introduction of an Equity Sharing Scheme for social housing tenants wishing to purchase their homes; and
- The redevelopment of the former Bass Brewery site in West Belfast.

HOUSING EXECUTIVE'S MAIN FUNCTIONS

The Northern Ireland Housing Executive is a Non-Departmental Public Body, established by the Housing Executive Act (Northern Ireland) 1971. Under the terms of the Act, the Housing Executive assumed the housing responsibilities of some 65 separate authorities and became Northern Ireland's single comprehensive Regional Housing Authority.

The Housing Executive's primary responsibilities are to:

- Regularly examine housing conditions and housing requirements;
- Draw up wide-ranging programmes to meet these needs;
- Effect the closure, demolition and clearance of unfit houses;
- Effect the improvement of the condition of the housing stock;
- Encourage the provision of new houses;
- Provide housing information and advisory services;
- Consult with District Councils and the Northern Ireland Housing Council;
- Manage Housing Executive homes;
- Manage the Social Housing Development Programme;
- Manage the Supporting People Programme;

- Manage the Warm Homes Scheme;
- Function as the Home Energy Conservation Authority;
- Administer the Housing Benefit Scheme; and
- Administer the Rate Relief Scheme.

HOUSING EXECUTIVE KEY ISSUES

- Despite a minimal fall in the number of waiting list applicants and those in housing stress, there continues to be a substantial demand for social housing which is unlikely to diminish in the coming years.
- In 2009/10 we started 1,838 new social homes and that target has been stretched further in 2010/11 to 2,000 new social housing units.
- There are concerns about future funding provision, not only for new build activity, but for other key areas including maintenance, improvements, adaptations, and housing support services.
- With the rate of housing unfitness at 2.4% it is vital not to undermine the level of housing investment which has been made to date.
- At a time of growing pressure on public spending it is more important than ever before to align our strategic role with our local presence and the programmes of other social policy providers. Housing must continue to be a catalyst for good in the community and in particular for economic prosperity and community cohesion, better health, education and well-being.
- Growing pressures on public spending are likely to impact on the number of homes earmarked for improvement and maintenance, thereby delaying the achievement of the Decent Homes Standard for all social housing in Northern Ireland.
- We have given full consideration to the recommendations made by the Public Accounts Committee in their Report on The Management of Social Housing Rent Collection and Arrears. In recent years we have completely remodelled our rent collection and recovery methods and arrears can only be written off in exceptional circumstances. This year we collected £242.6m in rent revenue and saw a reduction in rent arrears of £612k.
- Northern Ireland has seen a huge growth in the private rented sector during the past decade. This sector is an important contributor to meeting some elements of demand from the social housing waiting list. In 2009/10 the Housing Executive introduced an online Partner Landlord Scheme initially for the Newry area. This 'matchmaker' scheme aims to match people on the housing waiting list to private landlords with suitable properties to rent. The scheme allows landlords to advertise their rental properties on the Housing Executive's website free of charge, and waiting list applicants can view their property details and register an interest online.

- Improving the thermal efficiency of the housing stock will have a limited impact on reducing high levels of fuel poverty. Fuel poverty, estimated to affect at least 40% of all Northern Ireland households in 2009, will continue to pose a serious challenge, particularly when the price of fuel is expected to remain at a high level and incomes remain relatively low.
- Cautious lending by the financial sector and the need for substantial deposits means that affordability will continue to put owner occupation beyond the reach of many first time buyers.
- The implementation of the scheme for “The Village” area of Belfast, as an Urban Renewal Area, taking into account any implications which may arise from the outcome of litigation disputing a vesting order affecting part of the area.
- Consultation on regeneration proposals for the Galliagh and Carnhill areas of Londonderry. In 2009/10 the Housing Executive launched the Galliagh and Carnhill Masterplan for public consultation. This is one of the most comprehensive housing masterplans launched outside Belfast for some years. The plans will be subject to further refinements in the coming months and could see 400 new homes, as well as new play areas and community facilities, provided within the Galliagh and Carnhill communities. Within weeks of the Galliagh and Carnhill plans going public, the Fold Housing Association announced the start of the Skeogh Road new social housing scheme. This scheme had a troubled gestation so it is a great boost for the area to see it go ahead in 2009/10.
- Further funding for the Living Over The Shops (LOTS) Scheme.

HOUSING EXECUTIVE FUNDING

The Housing Executive’s budget for 2009/10 was set with new social housing provision as its central priority. Many of the Housing Executive’s physical improvement, maintenance and grants activities had to be curtailed.

The fact is that for nearly two years the Housing Executive has been faced with a shortfall in its capital receipts of at least £100m due to the collapse in the housing market and the credit crunch.

Faced with this, the priority has been to direct resources towards housing for vulnerable people and those without a home of their own.

With extra funding made available through the in-year monitoring round we were able to deliver additional work through our Egan contractors. Unfortunately, full scale improvement schemes have had to be deferred until capital proceeds from house and land sales recover. This is very disappointing for those tenants directly affected and who continue to wait for work to begin. It is equally frustrating for local Housing Executive staff who want to see local schemes proceed at the earliest opportunity.

Thankfully our normal, day-to-day maintenance was not affected in 2009/10 and we continued to carry out repairs under this service.

In June 2009 we received the results of a major survey into the condition of the Housing Executive's stock (the Savill Report). As a result of this we are now examining our future investment requirements and considering other ways which could, perhaps, provide alternative means of financing capital improvements.

COMMISSION ON THE FUTURE FOR HOUSING IN NORTHERN IRELAND

The Commission was launched in April 2009 to drive cross-sector consensus on a long-term vision for the future of housing.

Chaired by Lord Richard Best, the Commission is facilitated by the Chartered Institute of Housing and supported by leading housing organisations in Northern Ireland including:

- Northern Ireland Housing Executive
- Northern Ireland Federation of Housing Associations
- Co-ownership Housing
- Construction Employers Federation
- Voluntary Sector Housing Policy Forum

The Commission's objectives are to:

- Assess the key challenges and opportunities associated with the delivery of housing in Northern Ireland;
- Provide a space for housing professionals to contribute their knowledge, skills and ideas to the Commission's outcomes; and
- Publish a report containing specific recommendations on a strategic direction for housing and a roadmap for a way forward.

The Commission presented their final report in May 2010.

The Housing Executive welcomes the findings on this Independent Commission on the Future for Housing in Northern Ireland, which has been so ably chaired by Lord Best. The Report's recommendations are encouraging in that they recognise the progress made over four decades and map out the way forward in a rapidly changing political and economic climate. Lord Best outlines how the Housing Executive's role will be central in turning government's policy objectives into successful local outcomes.

We look forward to working with all those who have an interest in securing the future for good, decent housing in Northern Ireland.

HOUSING EXECUTIVE'S CORE VALUES

- Fairness and equity
- Integrity and honesty
- Openness and accountability
- Care for the environment
- Value for money
- Valuing and developing our staff
- Innovation and creativity

THE SCALE OF OUR BUSINESS

As the strategic housing authority, the Housing Executive has a wide range of responsibilities across Northern Ireland which influence the housing market. We have a major operational role, delivering services to our 90,182 tenants and to our other customers across other tenures. We are one of the largest public sector organisations in Northern Ireland, with a budget in excess of £740m, a total staff of 3,242 and a comprehensive network of local offices.

The following information gives a sense of the scale of the Housing Executive's business during 2009/10:

THE SCALE OF OUR BUSINESS

£570m was invested in the local economy

£518.02m was administered in Housing Benefit payments (£202.89m public, £314.08m private, £1.05m hostels)

23,000 frail and vulnerable people have had their quality of life enhanced through the Supporting People Programme

£41.9m (£17.6m public sector; £21.6m private sector; £2.7m housing associations) was invested on physical adaptations to help people to remain living independently in their own homes

38,120 applicants were on the housing waiting list and 19,716 of these were classified as being in housing stress

9,914 housing applicants were found to be homeless after investigation

1,838 new homes were started through the Housing Executive's Social Housing Development Programme Group

6322 allocations for social housing were made by the Housing Executive and a further 2,870 allocations were made by housing associations, giving a total of 9,192

90,182 homes were managed by the Housing Executive

922 tenants applied to buy their Housing Executive homes and 274 tenants completed their purchases

4 we started four new shared housing developments, giving a total of eight shared newbuild schemes since the pilot commenced in 2008

25,000 households are now actively involved in the IFI funded Shared Neighbourhood Programme being managed by the Housing Executive

1,296 private sector grant applications were approved

65 Neighbourhood Wardens were employed, providing a vital link with residents to address local estate issues and concerns

450 community groups worked in partnership with us through the Housing Community Network

1.3m telephone calls were handled

260,000 people visited our local offices for landlord services

304,502 repair requests were dealt with

RISK MANAGEMENT

A robust framework of risk management has been designed and applied to support and ensure the delivery of the objectives and performance indicators set out in the Corporate and Business Plans and to manage the range of ongoing business risks. Our Risk Management process is based upon the Treasury Guidance (the Orange Book) and is regularly reviewed to ensure that it complies with best practice.

The Housing Executive Board receives reports on risk management every three months and the Audit Committee has responsibility for advising the Board on risk and other matters of corporate governance.

The Directorate Performance Review Committee reviews Corporate Risks monthly and each Director's own Divisional Management Team meetings have risk embedded in their agendas. Divisional Risk Officers maintain the Divisional Risk Registers which feed into and complement the Corporate Risk Register.

These Corporate risks were actively managed during 2009/10 by Directors through the Performance Review Committee, the Chief Executive's Management Committee and the Housing Executive's Board. The Risk Register is formally reviewed and updated in April each year.

The risks identified by the Board for inclusion in the Corporate Register for 2009/10 were as follows:

- Failure to comply with Section 75 of the Northern Ireland Act 1998/ discrimination.
- Promoting affordable housing
- Supporting People
- Traveller accommodation
- Communications
- Housing Benefit
- Land assets
- Fraud
- Funding
- Modernising Services
- Procurement
- Health & Safety/Corporate manslaughter
- Staffing issues
- Information security - data loss

OUR OBJECTIVES

Our objectives and supporting strategies aim to achieve the following:

- Delivering the Decent Homes Standard
- Promoting independent living
- Urban and rural regeneration
- Promoting affordable housing
- Building a stronger community
- Better public services

The following sections set out the Housing Executive's performance for the year 2009/10 against each of the objectives and indicators included in the Business Plan for the year. The tables at the end of each section show results against Key Performance Indicators (KPIs) in the Corporate & Business Plans for 2009/10. Where comparative figures are available for 2008/09 these are also shown.

It is worth noting that the majority of targets for the year have been either fully or substantially achieved.

OBJECTIVE 1

DELIVERING THE DECENT HOMES STANDARD

A decent home is one that meets modern standards relating to fitness, structure, energy efficiency and facilities.

In 2009/10 we invested £239m to:

- Provide effective programmes of improvement, planned and response maintenance in accordance with our maintenance strategy;
- Reduce unfit and improve housing conditions in the private sector through grant aid;
- Promote good standards of housing design and practice across all tenures; and
- Improve energy efficiency in residential sector homes, promote energy conservation and help alleviate fuel poverty.

HOUSING CONDITIONS

The headline figures from the 2009 House Condition Survey became available in January 2010. The results confirmed the continued improvement in the condition of Northern Ireland's housing stock since 2006.

Unfitness has fallen a further percentage point to 2.4%. The survey also confirms the rapid growth of the private rented sector in Northern Ireland where almost one in six dwellings is classified under this tenure. The House Condition Survey provides the evidence for the Department for Social Development and the Housing Executive to take important strategic decisions in relation to priorities and spending. Modelling work will be carried out in 2010 in partnership with the Building Research Establishment in Watford to produce updates to key Government measures on Decent Homes, Energy Efficiency and Fuel Poverty.



Completing 690
Multi Element Improvements

Improvements to Housing Executive Homes

The shortfall in funding in 2009/10 meant that no capital improvement starts were possible. The DSD appointed consultants (Savills) to undertake a stock condition survey and provide a thirty year stock investment proposal. Savills reported in June 2009. The Report shows that previous investment decisions have been well made. Savills have concluded that the Housing Executive's stock is by far the best quality housing stock that they have ever inspected. Despite this, 17% of the Housing Executive stock is below the Decent Homes standard and requires investment, primarily to replace obsolete and inefficient heating systems. The Report also reinforces the need for continued investment which is essential to maintain the quality, protect the asset, assist in addressing fuel poverty and improve the quality of life and wellbeing of those living in social housing. Welcoming the report, Social Development Minister Margaret Ritchie, MLA said:

"The condition of the housing stock is a credit to the hard work and dedication of the Housing Executive. The report will now allow me to direct capital and revenue resources to ensure we get the best value regarding the repair, maintenance and improvement of the homes."

In 2010/11 the Housing Executive expects to review and complete a Maintenance Investment Strategy.

In terms of planned revenue works, additional funding made available through monitoring rounds helped to deliver 2,707 heating installations against a target of 2,400. We also carried out planned maintenance to 7,968 homes against a target of 7,400.

Improvements through the Grants Scheme

One of the biggest direct impacts of the shortfall in funding for the Private Sector Grants Scheme was the reduction in the number of discretionary grants for tackling disrepair and unfitness in private sector housing. From May 2009 Disabled Facility Grants, Mandatory Repair Grants and all approved grant applications continued. Discretionary Renovation, Replacement and Home Repair Assistance Grants could only be approved in exceptional circumstances. Due to additional funding from in year monitoring rounds in June and September 2009 and January 2010 we were able during the year to approve 851 Mandatory Repairs Grants, and 445 Discretionary Grants, bringing the total number of approvals to 1,296 compared to 4,577 grants in 2008/09 and 7,154 in 2007/08.

This also included funding being made available for the 23 Town Centre Living Initiative Areas and one Group Repair Scheme for 14 dwellings in the Gainsborough area of North Belfast.

PROPERTY SERVICES

Property Services provides a multi-professional technical service to the Housing Executive. Its roles include Project Management, In-house Design and the development of Technical Policy and Standards. The quality of its delivery is measured through National Constructing Excellence KPIs and these demonstrate year on year improvements. Property Services is managed within a trading account regime, with full cost recovery under “open book” accounting. During 2009/10 Property Services completed a restructuring to align itself with the business needs of the organisation.

Key achievements in 2009/10 include:

- External Cyclic Maintenance starts - 3,927 (target 3,700)
- External Cyclic Maintenance completions - 3,483 (target 3,030)
- Kitchen replacement starts - 4,041 (target 3,700)
- Revenue replacement completions - 3,347 (target 1,720)
- Multi Element Improvements completions - 690 (target 575)
- Capital Works completions -233 (target 82)
- Major Adaptations -188 (target 170)

HOME ENERGY CONSERVATION

We continued to make progress on our home energy conservation strategy and targets during 2009/10. This included:

- further investment in heating and energy efficiency programmes for our own stock;
- an insulation cashback scheme for owner occupiers;
- funding of a direct energy advice service through the NI Energy Agency, funding NEA, the local fuel poverty charity; and
- an extensive energy efficiency marketing campaign.

We were also involved in innovative schemes such as a geothermal energy project and the retrofitting of existing dwellings to passive house standards.

KEY PERFORMANCE INDICATORS

KPI 1.1.1 - Improving our stock

To start work on at least 4,600 dwellings including External Cyclical Maintenance (ECM) work to an estimated 2,000 dwellings, 1,400 kitchens replacements and 1,200 heating installations.

The targets were revised as additional funding became available through the year to 9,800 dwellings, including ECM to 3,700 dwellings, 3,700 kitchen replacements and 2,400 heating replacements.

Performance	2009/10	2008/09
External Cyclical Maintenance	3,927	2,105
Kitchen Replacements	4,041	2,556
Heating installations	2,707	1,726
Total	10,675	6,387

KPI 1.2.1 - Improving private sector homes

Alleviate unfitness and disrepair by approving Statutory Repair Grants for an estimated 700 properties in the private sector.

Performance

2009/10

During the year we approved 851 Repairs Grants (a further 445 discretionary grants were approved).

2008/09

During the year we approved 4,577 grants.

KPI 1.3.1 - Providing quality design

To provide a high quality housing design service in respect of all schemes (Target - National Housing Client Satisfaction Product KPI Score of 7 or above for at least 85% of schemes).

Performance

2009/10

Client surveys conducted in respect of 173 schemes. Overall, 95% (target of 85%) had scores of 7 or above.

2008/09

Client surveys conducted in respect of 154 schemes. Overall, 94% (target 85%) had scores of 7 or above.

KPI 1.3.2 - Encouraging sustainable methods of construction	
Launch a competition for a Sustainable Code for Housing Code Level 5/Modern Methods of Construction demonstration scheme by September 2009.	
Performance	
2009/10	2008/09
A design brief was developed. Expressions of Interest (through the European Union Journal) closed on 9th April 2010. There has been considerable interest from potential competitors.	A site has been identified and a feasibility study completed, to include ground conditions assessment and habitat assessment. The Housing Futures Group agreed a broad timetable and outline approach. A competition for the design will be held in 2009/10.

KPI 1.3.3 - Achieving excellence in construction	
Roll out the Achieving Excellence in Construction programme including contracts for high rise and adaptations for persons with disabilities (major building works) and contract renewals.	
Performance	
2009/10	2008/09
<p>The first batch of response maintenance tenders has been returned. Tender assessment has taken place and is now finalised.</p> <p>Contracts have been awarded with September 2010 site starts. The second batch has now been advertised and the tender process is programmed to meet October 2010 site starts. In relation to high rise service contracts, surveys have been completed with a number of issues still to be resolved. It is planned to have procurement in place by September 2010 for the lifts and the mechanical and electrical component will follow in 2011. The second stage of the major Adaptation for People with Disabilities (APD) procurement went out to tender during March 2010.</p>	While the Housing Executive is always committed to achieving excellence in construction this has only become a KPI in 2009/10.

KPI 1.4.1 - Improving energy efficiency in existing stock	
To upgrade the energy efficiency of at least 4,000 Housing Executive properties including, as appropriate, the provision of double glazing, cavity wall and loft insulation and gas or oil-fired central heating systems.	
Performance	
2009/10	2008/09
Energy efficiency work was carried out on 4,402 dwellings. This performance reflected additional funding for heating installations and ECMs (see KPI 1.1.1).	Energy efficiency work was started in 2,547 dwellings.

KPI 1.4.2 - Improving energy efficiency in private sector homes	
Manage the Warm Homes Scheme, assisting an estimated 9,000 private households with appropriate heating and energy efficiency measures up to the value of £20.5m.	
Performance	
2009/10	2008/09
7,687 interventions were carried out against a revised target of 6,750 for the nine months since the scheme started in July 2009. Money was released at half year and reallocated to social fuel poverty schemes. A total of £27m was spent on Warm Homes and social heating replacements.	The Quality Assurance role continues to be provided in relation to the former Warm Homes Scheme on behalf of DSD.

KPI 1.4.3 - Improving energy efficiency awareness	
Monitor and manage 2 service level agreements with the voluntary sector, including the dissemination of energy advice to 62,000 households through NI Energy Agency Advice Centre and the Heatsmart Scheme.	
Performance	
2009/10	2008/09
51,425 households were given advice by the Energy Advice Centres and a further 11,764 households received advice through the Heatsmart scheme.	60,100 households were given advice by the Energy Advice Centres and a further 11,761 households received advice through the Heatsmart scheme.

KPI 1.4.4 - Improving insulation in private sector homes	
Develop where opportunities arise, partnership schemes using Energy Efficiency Levy funding for private sector households.	
Performance	
2009/10	2008/09
In partnership with Energy Efficiency Levy Funding the NIHE has provided £60k for cavity wall and loft insulation cash backs for private sector households.	Around £300k funding for cavity wall and loft insulation cash backs for private sector households has been committed by NIHE and NIE for 2009/10.

KPI 1.4.5 - Improving energy efficiency awareness in schools	
Deliver in partnership with others, the energy efficiency message to 120 schools throughout Northern Ireland.	
Performance	
2009/10	2008/09
In partnership with NI Energy Agency, we delivered the energy efficiency message to 160 schools in Northern Ireland.	In partnership with NI Energy Agency, we delivered the energy efficiency message to 160 schools in Northern Ireland.

KPI 1.4.6 - Communicating the importance of energy efficiency	
Develop the energy marketing plan by September 2009 and implement it by March 2010.	
Performance	
2009/10	2008/09
Following approval of the plan by the Board, TV and radio adverts started airing in October 2009 and will continue to run.	The Energy Marketing Plan approved by the Board in September 2008 has been implemented.

KPI 1.4.7 - Developing innovative energy schemes	
Develop, where feasible, demonstration schemes using innovative or renewable energy technologies in NIHE properties.	
Performance	
2009/10	2008/09
<p>A bid for 'Retrofit for the Future' was unsuccessful but negotiations are continuing.</p> <p>A scheme to retrofit terrace houses to passive house standards is at design stage.</p> <p>A potential geothermal energy project in Ballymena is at feasibility stage.</p> <p>A Bio-kerosene heating scheme is also at feasibility stage.</p>	Monitoring of demonstration schemes is ongoing. Solar roof tile scheme completed in 5 properties in Newtownabbey, 47 micro combined heat and power (CHP) systems installed across all housing tenures and 23 wood pellet systems have been installed throughout Northern Ireland.

OBJECTIVE 2

PROMOTING INDEPENDENT LIVING

With an aging population, more people than ever before need additional help to live independently. Our aim is to develop the right mix of support services and housing solutions capable of meeting the widest range of individual circumstances.

In 2009/10 we invested £111m to:

- Improve the quality of housing for people with disabilities;
- Deliver housing support services to 23,000 people through the Supporting People programme;
- Provide a range of services to tackle homelessness;
- Meet the accommodation needs of Travellers.

ADAPTATIONS TO HOMES

We carry out adaptations for our tenants, housing association tenants and people in private accommodation through the grants scheme so that they can live comfortably in their own homes. During the year we spent £41.9m (£17.6m public, £21.6m private and £2.7m housing associations) on adaptations ranging from fitting handrails or ramps to more extensive work such as extensions, stair lifts, change of heating and replacement of baths with showers. In 2009/10 we spent £15.2m on major and £2.4m on minor adaptations in Housing Executive homes.

Over the course of the year we approved 1,750 Disabled Facilities Grants to the value of just over £21m. Our performance in processing these grants was as follows:

- 100% of preliminary inspections were carried out within 4 weeks of receiving a recommendation from an Occupational Therapist.
- 96% of Schedules of Work were issued within twelve weeks of the inspection.
- 97% of approvals were issued within 6 months.



Improving
the quality of
housing for
people with
disabilities

HOMELESSNESS

During the year the number of households presenting as homeless increased from 18,076 to 18,664. The number of households accepted as statutorily homeless has increased from 8,934 to 9,914 - up 11% on the previous year. Single households account for 36% of those accepted as homeless, while relationship breakdown remains the main cause of homelessness.

Our approach remains focused on addressing the issues that lead to homelessness and meeting the temporary and permanent accommodation needs of those who present as homeless. The new Homelessness Strategy, to be produced in 2010/11, will set out proposals for a comprehensive review of the temporary accommodation portfolio. Over the past year we have continued to reduce the number of households in private shared temporary accommodation beyond 6 weeks. At the end of March 2010 we are happy to report that there are no families in shared accommodation. The target for restricting the percentage of repeat homelessness has been met, with repeat homelessness remaining below 10% in 2009/10.

Sadly, some people continue to sleep rough on our streets. There are fewer than 10 rough sleepers on any given night in Belfast, due in part to the active 'Street Outreach' services operating in the city and the 'Crash Facility'. As part of the our preventative programme, more than £2.3m has been invested in social inclusion, assessment, education, prisoner advice, mediation, rough sleeper services and rent guarantee schemes.

Promoting Social Inclusion

We continue to work to find the best housing solutions for our homeless applicants and have adopted the findings from the Department for Social Development's Promoting Social Inclusion (PSI) report.

While many of the recommendations from the PSI report are being delivered through our existing Homelessness Strategy, a number of issues were identified which required interagency intervention. Five sub-groups were established to consider issues around youth homelessness; people leaving institutions; healthcare and homelessness; employment opportunities and staff training. The final proposals from the interagency sub-groups have been produced and are in the process of being implemented.

The Housing Amendment Act 2010 came into effect on 13 April 2010 and includes a statutory requirement for the Housing Executive to produce a Homelessness Strategy every 5 years. In addition, other statutory agencies will be required to take into account the Homelessness Strategy in the implementation of their own functions.

Assessment of Homelessness

The Multi-Disciplinary Homeless Support Team (MDHST) has been in operation in Belfast since February 2005. In 2009/10, the Team dealt with 777 client referrals. Of those referred to the service, 66% had mental health and/or addiction problems. Of the total referrals, 355 came from the Housing Executive's own Homelessness Services Unit in Belfast.

Whilst the Team's primary function was to carry out initial risk and needs assessments, it also provided assistance to a range of hostel providers to help them support their residents. An evaluation of the MDHST, which was carried out in 2009, concluded that "the service remains strategically relevant and continues to provide critical services to the most vulnerable homeless applicants". The service was found to be innovative and challenging in meeting the changing needs of homeless applicants.

Following the publication of the Promoting Social Inclusion report, a sub-group was formed to consider the health and wellbeing aspects of homelessness. This group has made a number of recommendations which will see the replication of elements of the Belfast model throughout Northern Ireland. Discussions have begun with Health Trusts outside Belfast to consider how this can be achieved.

Homelessness prevention

Homelessness prevention is one of our key strategic aims and we fund a number of prevention initiatives to achieve this. A good example is the Simon Community's 'Outspoken' initiative. This is a peer education programme which has been extended and now includes schools and hostels in Belfast and the North East Area. Discussions are underway in relation to the further extension of this programme.

The new Housing Amendment Act 2010 will require us to provide advice to all homeless applicants. In addition, plans are being developed to provide a personalised housing options service to housing and homeless applicants.

Prisoners with no Post-release Accommodation

We continue to assist in the delivery of the Prison Service Resettlement Strategy and the Probation Board Accommodation Strategy for Offenders. Two housing and homelessness advice workers, employed by Housing Rights Service and jointly funded by the Housing Executive (75%) and the Prison Service (25%), provide advice and assistance to prisoners in each of the three main prison institutions.

Over 50% of prisoners are now accessing the advice service in the last three months of their sentence. The majority of the work undertaken by the advice workers has been advocacy casework on behalf of individual prisoners with particular housing issues. Since the introduction of the service there have been several hundred positive outcomes for prisoners. In 2009 an additional peer advice service based at Maghaberry prison was also introduced. Discussions are underway in relation to the extension of this service to the other two prison institutions.

Rough Sleepers/Street Drinkers

All the recommendations of the Rough Sleepers' Strategy have now been fully implemented. In Belfast, the 'Wet' hostel for chronic alcohol dependency, managed by the DePaul Trust, opened in 2006. The Crash Facility at Centenary House opened in March 2007 and the enhanced Street Outreach service has been operating since April 2007. All these services are working effectively to reduce the number of rough sleepers in the city. Similar services have been developed to manage the rough sleeper and street drinker problem in the Derry City area.

Young People Leaving Care

Recognising the difficulties associated with responding to the housing needs of young people, particularly those under 18 years, the Housing Executive and the Health and Social Services (Boards & Trusts) have developed a joint protocol. This sets out the roles and responsibilities of both agencies and demonstrates how each will respond in both planned and emergency situations.

An implementation plan is being developed which will include developing lines of communication and training to ensure staff are equipped with the skills and knowledge to provide a seamless service for young homeless people. This joint working arrangement will meet the requirements of the Children (Leaving Care) Act (NI) 2002. A joint training programme has now been completed and a formal referral system has commenced. Consideration is also being given to the accommodation needs of vulnerable 16/17 year olds.

The Dispersed Intensively Managed Emergency (DIME) Accommodation Project

We have entered into an arrangement with a private sector company in Belfast for the block leasing of 73 units of accommodation. This arrangement, known as the DIME scheme, allows us to cater for the needs of complex and challenging cases where individuals would have difficulty in sustaining occupancy of other forms of temporary accommodation.

Having accessed the service, the holistic needs of residents are assessed to enable appropriate support services to be put in place and to ensure that a planned move on can be achieved. This low threshold and high tolerance service has proved to be vital in dealing with individuals with challenging behaviour.

It is intended to submit this service to a competitive tendering process during 2010/11 and to consider providing a similar service in the West Area.

SUPPORTING PEOPLE

The Supporting People programme has gone through a period of major growth and development over the last 6 years. It has tackled the urgent task of securing the basic administration of a stable and a secure set of services and currently funds 117 provider organisations delivering over 800 schemes, both accommodation-based and floating support. These schemes provide services to more than 23,000 vulnerable people per annum.

Supporting People continued to operate within a challenging climate including the baselining of the budget at £62m, uncertainty regarding future funding levels, the introduction of new business processes/ICT systems, a DSD policy review, the reform of structures and shifting priorities in Health & Social Services and emerging legislation and policy in relation to homeless services and accommodating 16/17 year olds.

The main achievements in 2009/10 include:

- The opening of 2 new schemes at Millburn Close, Castlereagh (20 units) and Locke House, Portadown (14 units), both for service users with mental health issues. A further 4 schemes are currently on site.
- Review and realignment of commissioning structures.
- Inter-departmental working group established to synchronise DSD/DHSSPS funding bids for the next CSR period.
- Revised contract management and monitoring framework introduced.
- Phase 1 of replacement ICT system implemented on time and within budget.
- A number of new ways of working pilots initiated.
- Improved communication through 5 local area stakeholder events and publication of the Supporting People newsletter 'Spotlight'.
- Research/projects initiated on temporary homeless accommodation and collaborative working.

WORKING WITH THE TRAVELLER COMMUNITY

This year we continued to work in partnership with voluntary and statutory agencies throughout the province in relation to Traveller issues. This included regular meetings of the Traveller Consultative Forum. This forum plays an important part in our consultation and liaison with relevant government departments, councils, statutory agencies and Traveller groups.

Group housing schemes for the Traveller Community progressed during the year with:

- Completion of 21 units at Monagh Road, Belfast (13 allocated to date).
- Completion of a 10 unit scheme at Ballyarnett Park, Londonderry (Fully occupied).

Further consultation was carried out with Traveller Community and local residents regarding development of a sixth scheme at Father Cullen Park, Bessbrook, Newry. The Board has given approval to vest access land to the site, while Clanmil Housing Association has been approached to expedite the scheme.

Following the completion and launch of the 2008 Traveller Accommodation Needs Assessment and consultation with Traveller support organisations, a 5 year Traveller Accommodation Programme (2009-2014) was launched in December 2009. More recently, as a result of a perceived change in Travellers' aspirations, it has been agreed to review Traveller accommodation needs on an annual basis starting September 2010.

The process for the identification of suitable land for Traveller accommodation has continued, with more than 30 potential sites considered. A planning application was lodged for the development of two serviced sites in the Craigavon area.

Following discussions with Planning, revised drawings have been submitted in respect of the Lake Road Site. If these amendments are not successful we will have to give serious consideration to relocation of the site to adjacent Housing Executive owned lands.

Planning approval was also granted and work completed to provide an electricity supply and 8 individual amenity 'pods' to the emergency halting site at Legahory Green, Craigavon. This site is currently fully occupied.

A Traveller Site Warden was introduced on a 12 month pilot basis in May 2008 to provide a valuable daily point of contact with residents on the range of Traveller sites across West Belfast. The success of the pilot project means that the service will be continued for 2010/11.

RESEARCH INTO THE HOUSING & SUPPORT NEEDS OF OLDER PEOPLE

We have continued our Older People Research Programme, with reports on 'Retirement Villages' and 'Housing and Housing-related Information Needs for Older People' now available on our website.

The research projects underway and due to complete in the coming year include 'Electronic Assistive Technology', 'Moving Forward with Older People's Services - a Home Improvement Agency Scoping Study', 'Equity Release', 'Analysis of Demographics and Waiting List to Determine Future Trends' and 'The Barn Halt Cottages, Carrickfergus Study'.

We continued to work with the sheltered housing sector and the Dementia Centre (NI) to establish terms of reference for research on the direction of travel for sheltered housing in Northern Ireland and best practice in housing for people with dementia. Research on these areas will be commissioned in 2010/11.

These reports are focused on the housing and housing related support needs of older people and also encompass the promotion of independent living which is a key theme of the Supporting People programme.

KEY PERFORMANCE INDICATORS

KPI 2.1.1 - Providing adaptations for homes		
Based on demand, start an estimated 1,780 adaptations to Housing Executive homes. Approve an estimated 1,700 grants for adaptations in the private sector. Provide funding for adaptations to housing association homes. *This number includes a figure for shower completions rather than starts.		
Performance	2009/10	2008/09
Housing Executive properties	2,151	1,903*
Grants	1,750	1,755
Overall	3,901	3,658
Housing Association Adaptations	1,492	1,210

KPI 2.2.1 - Helping vulnerable people	
Implement the Supporting People Action Plan and report six-monthly on progress to the Board.	
Performance	
2009/10	2008/09
A six monthly progress report on Supporting People was presented to the Board in April 2010.	Achieved. 75 service reviews were initiated. Innovation and capacity- building programmes were completed for 5 organisations. Revised processes were established in preparation for new information technology arrangements. The commissioning process was revised in readiness for 2009 - 2010.
Continue to commission and manage the Supporting People Programme. Ongoing throughout the year.	This work was ongoing but not specifically identified as a KPI.
Introduce a revised contracts and monitoring framework and roll this out by March 2010. A Contract Management regime has been implemented throughout the 5 areas.	This was not previously identified as a KPI.
Facilitate capacity building in the provider sector through research and a series of pilot projects by March 2010.	
Homeless research terms of reference agreed and field work underway. NICVA work programme exploring capacity for collaborative work underway.	This was not previously identified as a KPI.

KPI 2.2.1 - Helping vulnerable people continued	
2009/10	2008/09
Implement new Supporting People ICT system by November 2009 and associated revised business processes by March 2010.	
Phase 1 of the implementation of the ICT system went live in December 2009.	Revised structures and strategies introduced. Approval gained for procurement of new ICT system.
Seek to address all outstanding unaccredited service providers by March 2010.	
Work on resolving the outstanding issues for 6 unaccredited providers is continuing. There is a total of 117 providers.	75 service reviews initiated
Introduce revised commissioning process in accordance with new health and social care structures.	
Revised arrangements have been developed, agreed and adopted by the Supporting People Commissioning body.	This was not previously identified as a KPI.

KPI 2.3.1 - Reducing the need for shared accommodation	
To maximise the supply of self-contained temporary accommodation, particularly in the private sector and ensure that private shared accommodation is used only on an emergency basis (less than 6 weeks).	
Performance	
2009/10	2008/09
Private shared accommodation continues to be used on an emergency basis only.	Private shared accommodation continues to be used on an emergency basis only.

KPI 2.3.2 - Providing advice on housing problems	
To ensure that the appropriate advice service is available to those with housing problems.	
Performance	
2009/10	2008/09
Localised information packs on the private rented sector (PRS) are being distributed to all non statutory homeless applicants. A process for delivery of personal housing plans is being developed. Arrangements are being developed to link waiting list applicants to PRS vacancies.	While work with the private sector was ongoing, this was not previously identified as a KPI.

KPI 2.3.3 - Reducing the number of rough sleepers in Derry	
Building on the Rough Sleepers Strategy, develop a strategy for Derry/Londonderry by March 2010.	
Performance	
2009/10	2008/09
A strategy and project implementation plan has been developed in partnership with Foyle Trust and is being implemented.	There are fewer than 10 rough sleepers on a nightly basis, although there has been an increase in ineligible foreign national rough sleepers. Contact is now made as part of the ongoing process.

KPI 2.3.4 - Dealing with homeless applications swiftly	
To process at least 95% of homeless applications within 33 days.	
Performance	
2009/10	2008/09
99% of homeless applications for the period ending 31 March 2010 have been processed within 33 days.	Over 99% of applications are processed within 33 days.

KPI 2.3.5 - Identifying groups at high risk of homelessness	
Contribute to and report 6 monthly on the implementation of the PSI Sub-Groups on Leaving Institutions, Training, Employment, Health and Youth Homelessness.	
Performance	
2009/10	2008/09
The Housing Executive was represented on all PSI working groups and chaired the 'Person's Leaving Institutions' group.	The 5 working groups have been established, with the Housing Executive chairing the group on "Persons Leaving Institutions". We are represented on the other groups: Training, Health, Employment, and Youth Homelessness. The protocol to assist in the resettlement of offenders is complete and will be signed off by relevant organisations soon. Work has commenced on a similar approach to those leaving health institutions.

KPI 2.3.6 - Providing appropriate accommodation options	
In partnership with the Probation Service, PSNI, Health & Social Services Care Trust, develop and implement the appropriate accommodation options as part of the Public Protection Arrangements for the Northern Ireland Strategy.	
Performance	
2009/10	2008/09
<p>This relates to the Sex Offenders' Strategy which was developed on an inter-agency basis and presented to the Board in July 2008. The strategy was developed as part of the Public Protection Arrangements for Northern Ireland (PPANI) and is being rolled out under the auspices of an inter-agency accommodation sub-group of PPANI's Strategic Management Board (SMB). Our Housing & Regeneration Division is represented on the HMB and chairs the accommodation subgroup.</p>	<p>This was not previously identified as a KPI. The strategy was however being developed.</p>

KPI 2.4.1 - Providing accommodation for Travellers

Continue to develop accommodation for Travellers.

Develop the Traveller accommodation programme in light of the revised Traveller Accommodation Needs assessment by June 2009.

Performance

2009/10

Traveller accommodation programme is incorporated in the Social Housing Development Programme for 2010-2012.

2008/09

Planning applications made for Craigavon. Ballyarnett Group Housing completed. Planning approval granted for works to Emergency Halting site at Legahory Court, commenced March 2009. Planning approval declined for Lake Rd, Craigavon. January 2009 planning application re-submitted.

Implement the Traveller Accommodation Programme, including Group Housing Schemes, transit/emergency site provision and serviced sites.

Programme published and annual review of ongoing needs initiated.

Agreement to provide 'pods' to Glen Rd Heights & Glen Rd sites March 2009. Programme to be completed by June 2009.

Progress site acquisition for accommodation.

Update and plan published on our website. Identification of suitable sites is ongoing.

Site investigations continuing for Newry, Belfast, Craigavon, Antrim.

OBJECTIVE 3

URBAN AND RURAL REGENERATION

We continue to drive urban and rural regeneration throughout Northern Ireland, making significant economic, community and social improvements.

In 2009/10 we invested £25m:

- Supporting the Department for Social Development's Neighbourhood Renewal Programme;
- Implementing the Urban Renewal Programme;
- Implementing the Rural Housing Strategy - Places for People; and
- Continuing to implement a programme of sectoral studies and strategies.

URBAN REGENERATION AND NEIGHBOURHOOD RENEWAL

We have continued to deliver the Small Pockets of Deprivation Programme and the Local Community Fund on behalf of the DSD in several areas across Northern Ireland. This has resulted in funding of over £511,000 for community-led projects to help local regeneration. We also carried out a number of environmental projects in several Neighbourhood Renewal Areas.

The Belfast Urban Renewal Programme currently has 11 Urban Renewal Areas on site: Connswater; Tudor; Mountcollyer; Gainsborough; Glenbryn; Torrens; Roden Street; Grove; Lawnbrook; the Village and Woodvale Avenue. Over the year we have worked closely with the DSD to progress proposals for Parkside, Queen Victoria Gardens and the Long Streets and these have been approved by the DSD in May 2010.

We continue to implement our sectoral housing and regeneration strategies in West Belfast, North Belfast, South Belfast, Shankill, Derry/Londonderry, Lisburn and Brownlow, and we published a new strategy for East Belfast.

TOWN CENTRE LIVING

The Housing Executive has now been rolling out Town Centre Living Initiative Areas (TCLIA) for six years. TCLIAs help promote private rented residential accommodation in town and city centres and make a valuable contribution to town centre regeneration through a proactive partnership with councils. We offer grant assistance to encourage



Meeting Latent Demand

landlords to convert vacant or underused buildings into apartments and living spaces, often leaving the ground floor as a shop or office.

There are 23 active TCLIAs in operation, with the initial pilot schemes in Londonderry and Lisburn scheduled to complete on 31 March 2010.

We have carried out an evaluation of TCLIAs which have been in operation for more than three years. This review shows that the concept of TCLIAs is working well and has contributed to the regeneration of town and city centres.

RURAL HOMES AND PEOPLE

In June 2009 we published a review of the Rural Action Plan which measured the progress made during the previous two years. In November we launched our new three year Rural Action Plan, setting out over fifty goals for the remaining years of our 'Rural Homes and People' policy. The launch took place at a Rural Community Conference held at Oxford Island, where community groups and representatives from across Northern Ireland had an opportunity to highlight and discuss rural concerns.

One of the main issues highlighted at the conference was the need to provide more social housing in rural areas. We are therefore pleased to report that there were 185 social housing starts during 2009/10 in rural areas. This represents 10% of the total social new build programme, the highest proportion for seven years. We will continue to work towards our goal of 12-13% of the programme being delivered in rural areas and this year's result is a sign of continued progress towards meeting that goal.

One example of new rural housing can be found at Millvale Close, Annaclone. In July, the local community came together with housing and political representatives to officially open a new social housing scheme in the County Down village. The scheme provided an excellent example of how housing officials - from the Housing Executive, DSD and Rural Housing Association - worked together with the local community to provide much needed housing. The development has not only provided new homes for 12 households but has contributed to the overall sustainability of this small rural community.

The Annaclone development came about as the result of a "latent demand" exercise which we had previously undertaken to identify housing need in the area - in the past year, similar exercises have been carried out in ten other locations across Northern Ireland. These exercises are an important initial step towards providing new rural housing schemes like that at Millvale Close.

The past year has also seen the first meetings of our new Rural Residents' Forum, which comprises community group representatives from across the region who meet regularly to contribute to our Rural Homes and People policy. We have also contributed to the Northern Ireland Rural Development Programme and have been represented in the stakeholder groups which have been helping to develop a new Rural White Paper for Northern Ireland.

An Annual Progress Report covering all actions under our 'Rural Homes and People' policy will be published later this year.

KEY PERFORMANCE INDICATORS

KPI 3.1.1 - Driving urban and rural regeneration	
To implement a Neighbourhood Renewal Programme (in support of the DSD Neighbourhood Renewal Strategy) including: Participation in Local Strategy Partnerships, Neighbourhood Renewal Boards and local regeneration groups.	
Performance	
2009/10	2008/09
The Housing Executive continues to be involved in a considerable number and range of regeneration partnerships across Northern Ireland, including Neighbourhood Renewal Area Partnerships, the five Areas Partnerships in Belfast, town centre regeneration partnerships, local delivery groups and a number of estate-based inter-agency partnership groups.	An updated inventory of regeneration partnerships was completed in October 2008. There are now 250 regeneration related partnerships.
Review the implementation of the estate-based strategy programme with regard to the impact of housing market conditions and funding environment.	
Report due to be published May 2010.	This was not previously identified as a KPI.

KPI 3.1.1 - Driving urban and rural regeneration continued	
2009/10	2008/09
Deliver DSD Neighbourhood Renewal funding in 17 areas through the Small Pockets of Deprivation (SPOD) programme.	
<p>The original SPOD budget for 2009/10 of £640,000 was revised by DSD to £460,000 in November 2009. However, an additional £21,000 was transferred into SPOD by DSD in error. By March 2010 £462,204 had been paid out on projects. Given that no further SPOD projects could be generated and that the excess of £21,000 was transferred in error, DSD has confirmed that it can be used to fund an environmental regeneration scheme in Parkhall in Antrim. Following publication of the SPOD programme evaluation report commissioned by NIHE Regeneration Services, the Department confirmed in a press release on 29 December 2009 that a reduced programme would be extended for a further year into 2010/11. While initial indications were that it would be delivered by the Department, Regeneration Services agreed to continue to deliver the programme in 2010/11.</p>	<p>£743,007 was paid out on SPOD projects during the year, a slight over-spend of £1,835 on the allocation of £741,172.</p>
Deliver DSD Local Community Fund (LCF) in 4 areas.	
<p>£48,978 has been paid out on projects. The Department has confirmed that the programmes will cease in 2010/11.</p>	<p>£98,226 was paid out on LCF projects during the year, a slight under-spend of £918 on the allocation of £99,144.</p>
Deliver regeneration schemes in Neighbourhood Renewal Areas (NRAs) as requested, agreed with and funded by the DSD.	
<p>South Area is undertaking a programme of 17 schemes in NRAs involving DSD funding of approximately £616,808. All of the schemes have started on site.</p>	<p>This was not previously identified as a KPI.</p>
Contribute to implementation of the Arterial Routes Initiative with Belfast City Council.	
<p>Direct involvement in the "Renewing the Routes" initiative is ongoing.</p>	<p>District involvement in this initiative is ongoing.</p>

KPI 3.2.1 - Implementing urban regeneration	
<p>To implement an Urban Renewal programme in 17 areas and continue to implement Urban Renewal Areas in 12 areas including The Village area of Belfast.</p> <p>3 URAs originally listed were completed in 2008/09 (Woodlee/Lecumpher, West Woodvale, Canal Street) and 1 URA assessment will not proceed (Rosebank/Ohio). The Urban Renewal Programme for the year covered 13 Urban Renewal Areas.</p>	
Performance	
2009/10	2008/09
Connswater -The allocation of Phase 3 social housing effectively completes the URA. Mersey Street addition of 30 social housing units to be completed.	Connswater - Phase 3 on site; will be complemented by scheme in former Mersey Street Primary School.
Tudor - Phase 3B (private) on site - final phase (Phase 4) for 11 social houses has slipped.	Tudor: Phase 3B on site - final phase (Phase 4) for 11 social houses due on site in 2009/10.
Mountcollyer - Developer appointed for private housing scheme (99 units). Improvement works underway.	Mountcollyer - Developer appointed for private housing scheme (99 units). Improvement works underway.
Gainsborough - Phase 2 of social housing (11 units) programmed for 2010/11 (Clanmil appointed and briefed).	Gainsborough - Phase 2 of social housing (11 units) programmed for 2010/11 (Clanmil appointed and briefed). Group Repair programme ongoing.
Glenbryn - Phase 2 (private housing) on site - 7 dwellings purchased for social housing.	Glenbryn - Phase 2 (private housing) on site - 7 dwellings purchased for social housing.
Torrens - Phase 3 (112 units) on site.	Torrens - Phase 3 (112 dwellings) on site.
Roden Street - Phase 2 social (43 dwellings for Village overspill) on site.	Roden Street - Phase 2 social (43 dwellings for Village overspill) due on site 2009/10.
Grove - Phase 4 (private) and final phase (social) on site.	Grove - Phase 4 (private) on site - final phase (social) slipped to 2009/10.
Lawnbrook 2 - Vesting operative from 25 May 2009. Location identified for first phase of 20 dwellings. Housing Association appointed. Remainder of URA located in Area of Townscape Character, planning approval therefore required for demolition - work on application underway.	Lawnbrook 2 - Public inquiry held 15th January 2009. DSD has approved vesting and order to be made in early May 2009.
Village - Following Public Inquiry in October 2009 the Minister has approved the recommendation of the Inspector to vest the redevelopment zone. Litigation is underway which may delay progress.	Village - Approved by DSD & Board in April 2008. Vesting application for renewal zone made November 2008 -116 objections made, therefore likely to be a Public Inquiry. 100 claims in for advance purchase with 85 agreed. Vesting application underway for 11 (was 13) properties in the improvement zone (objections being resolved).

KPI 3.2.1 - Implementing urban regeneration continued	
2009/10	2008/09
Complete URA assessments in 5 areas.	
Parkside - Amendments to the economic appraisal were agreed with DSD following a joint site visit and a revised version was submitted in January 2010 to DSD for approval.	Parkside - Master plan and review of economic appraisal submitted in November 2008 to DSD for approval.
Queen Victoria Gardens - Amendments to the economic appraisal were agreed with DSD following a joint site visit and a revised version was submitted to DSD for approval in January 2010.	Queen Victoria Gardens - Master plan and review of economic appraisal submitted in November 2008 to DSD for approval. Meeting held with DSD on 10th March 2009 and awaiting response on additional information provided.
Woodvale Avenue - Economic appraisal was approved by DSD in July 2009. However, it will not progress as a URA and the Board has approved the vesting of 2-20 Caledon Street to be developed for social housing.	Woodvale Avenue - Submitted to DSD in July 2008.

KPI 3.3.1 - Implementing rural regeneration	
Continue implementation of the Rural Housing Strategy Action Plan. Report progress on the first two years of the Strategy and establish a further action plan for the remaining 3 years of the strategy.	
Performance	
2009/10	2008/09
In June 2009 a two year Rural Review was published and circulated to public, community and rural representatives. A revised Action Plan was then prepared and launched at a Rural Community Conference in November 2009. The plan set out around 50 actions to be implemented (subject to available finance) over the three years until 2012/13. Actions which have been progressed during the year include the delivery of 185 social housing starts in rural areas, representing 10% of the total social new build programme which although slightly below the target, is the highest rural return for 7 years.	Achieved. The past year saw action taken across all policy themes. This included: Working with housing associations and others to provide 91 housing starts in rural areas. This represents 8%. Launch of Rural Homeless Advice Booklets for all rural Districts. Completion of tests to identify latent need for rural housing in 10 locations. Progress on establishment of a Rural Residents Forum in conjunction with Rural Community Network. Involvement in the roll out of the Rural Development Programme and participation in the Rural White Paper Advisory Group.

KPI 3.3.1 - Implementing rural regeneration continued	
2009/10	2008/09
<p>The past year has also seen the first meetings of our new Rural Residents Forum which comprises community group representatives from across the region.</p> <p>During the year, the Housing Executive has contributed to the roll-out of the NI Rural Development Programme and has also been represented on the stakeholder groups which have been helping with the development of a new Rural White Paper for Northern Ireland. These and other actions arising from the strategy will be reported on in an annual rural progress report.</p>	<p>An Annual Progress Report on 'Rural Homes and People' is also being published providing more detail on progress against all proposed policy actions.</p>

KPI 3.4.1 - Implementing housing and regeneration strategies	
Implement housing and regeneration strategies for Greater West Belfast, North Belfast, Shankill, South Belfast, East Belfast, Lisburn, Brownlow and Derry/Londonderry.	
Performance	
2009/10	2008/09
<p>The following housing and regeneration strategies are in place and form part of the District Housing Plans:</p> <p>West Belfast: annual report at July 2009 Board.</p> <p>North Belfast: annual report at May 2009 Board.</p> <p>Shankill: annual report at May 2010 Board.</p> <p>Derry/Londonderry: annual report at September 2009 Board.</p> <p>Brownlow: annual report at May 2009 Board.</p> <p>Lisburn: annual report at May 2010 Board.</p> <p>South Belfast: annual report at May 2010 Board.</p> <p>East Belfast: new strategy issued July 2009.</p>	<p>The following housing and regeneration strategies are in place and form part of District Housing Plans:</p> <p>West Belfast: annual report at June 2008 Board.</p> <p>North Belfast: annual report at June 2008 Board.</p> <p>Shankill: annual report at June 2008 Board.</p> <p>Derry/Londonderry: annual report at June 2008 Board.</p> <p>Brownlow: annual report at May 2009 Board.</p> <p>Lisburn: first annual report at November 2008 Board.</p> <p>South Belfast: strategy issued February 2009.</p> <p>East Belfast: new strategy in preparation to be issued summer 2009.</p>

OBJECTIVE 4

PROMOTING AFFORDABLE HOUSING

The continuing depression in the housing market and increasing numbers of people in housing need have caused significant difficulties in housing in Northern Ireland. The Housing Executive plays a major role in ensuring a sufficient range of housing that offers diversity, affordability and accessibility within a balanced market.

In 2009/10 we invested £159m to:

- Assess the need for new social housing;
- Manage the social housing development programme;
- Promote private renting as a decent and affordable housing option; and
- Promote affordable home ownership through the Housing Executive's House Sales Scheme and land disposal activity.

SOCIAL HOUSING NEED

Evidence of the need for social housing in Northern Ireland comes from two main sources: local housing needs assessments (using the Common Waiting List for social housing) and the Net Stock Model (developed in partnership with the University of Ulster in 1994 and updated on a regular basis since).

The most recent version of the Net Stock Model points to the need for 1,900 new homes to be built each year. However, because there were several years since 2001 where this target was not achieved, it is considered appropriate that an additional 600 are provided each year to make up the shortfall of previous years.

The number of applicants registering on the waiting list had been steadily increasing up to September 2008 when there were 39,832 applicants registered. Since then the number of applicants registering has decreased slightly to 38,120 at March 2010. The number of applicants considered to be in housing stress has also fallen to 19,716 at March 2010.



Supporting new homes

A summary analysis of the housing market would suggest that the effects of the recession have reduced the rate of household formation. Affordability remains an issue with access to finance being limited by lending institutions. The private rented sector in Northern Ireland has undergone a rapid growth in recent years which may have contributed to the decrease of applicants for social housing. At this stage, however, it is difficult to forecast if these trends in both the social and private rented sectors will continue in the mid to long term.

Each year the Housing Executive publishes the District Housing Plans and Local Housing Strategies which provide evidence-based information for housing investment in local areas. They also outline the three year Social Housing Development Programme for the area, along with details of new social housing schemes under construction or completed in each council area over the year.

In addition to the three year programme, a social housing development prospectus has been included. This aims to highlight locations where a social housing need has been identified, but where housing associations have been unable to secure sites. The prospectus is available on our website and it is hoped that this will help align future delivery of the new build programme against the Strategic Guidelines.

PROMOTING AFFORDABLE HOUSING

We continued to implement the House Sale Scheme, which provides an opportunity for tenants to own their home. There were 922 applications and 274 completions, both figures up from the previous year. The average sales price of a dwelling continued to drop, down 8.3% from last year to £49,662 after discount.

The first two house sales under the Equity Sharing Scheme were completed in South Belfast and Ballyclare. This scheme provides an option for those tenants who wish to buy their homes but are unable to afford the full cost.

The Social Housing Development Programme was supported with 18 transfers completed through the Housing Association Transfer Programme. Development briefs were completed on 31 sites for approximately 400 social housing units.

SOCIAL HOUSING DEVELOPMENT PROGRAMME

The past year has been an exceptional year for the Development Programme Group. Targets for new build starts and completions were exceeded while staying within the budget, thereby delivering 1,838 new starts and 1,504 completions for the year. This achievement, alongside the considerable efforts of the housing associations in delivery, were all the more remarkable given the additional challenges from the implementation of the Procurement Strategy for associations and an ongoing increase in new build standards. The new build programme has also risen to the challenge presented by climate change.

The Code for Sustainable Homes ranks new homes according to how well they perform from one to six; where one is the least friendly and six the closest to carbon neutral. This past year, all new social new build had to meet at least level three of the code and additional measures were introduced for associations to go forward with proposals for homes that perform even better.

This year two associations won an Action Renewables award for excellence in new build sustainability. A unique competition saw Oaklee Homes selected as a partner in a new mixed tenure Code 5 scheme at Carryduff. This is the subject of an International Design Competition which is already attracting interest from across the world.

EMPTY HOMES

We continued to implement the Empty Homes Strategy and Action Plan as agreed with the Minister. Working closely with the Department of Finance and Personnel, Land & Property Services, we have undertaken work to identify vacant properties. Since March 2008, Land and Property Services has significantly revised downwards the figure for the number of empty homes. This follows in-depth work undertaken with councils. The most recent estimate of empty homes which could reasonably be brought back into stock is now approximately 4,000 dwellings.

There are many and complex reasons why private owners allow their properties to remain empty. Painstaking work is underway as part of the Empty Homes Strategy to inspect homes and contact the registered owners. We want to confirm their proposals for their properties and encourage them to bring them back into use to meet housing need.

The Housing Executive has 937 vacant properties. Given the financial position we do not intend to leave these properties empty when so many people are without a home of their own. We will make these vacant homes habitable so that they can be allocated to people on the housing waiting list.

It is worth noting however that some empty homes are in places where there is no demand for housing and, at this stage, it would be uneconomical to bring them back into use. This is undoubtedly positive action for people on housing waiting lists, but it is not without difficulty.

HOUSES IN MULTIPLE OCCUPATION (HMOS) REGISTRATION SCHEME AND STRATEGY

Our main concern in relation to HMOs is to try to protect the health, safety and wellbeing of the occupants by enforcing appropriate standards (including fire standards). This is primarily being achieved through the progressive implementation of the HMO Statutory Registration Scheme. In 2009/10 we registered a further 986 HMOs, bringing the total registered to 2,947. All HMOs in Northern Ireland should be registered by 2014, with an average 1,500 registered per year.

In April 2009 we published a comprehensive strategy for HMOs in Northern Ireland. The strategy comprised five key objectives, aimed at making HMOs safe for occupants, providing advice and guidance to landlords and tenants, ensuring that HMOs are well managed and helping to reduce the adverse effects of concentrations of HMOs. The strategy also contained a list of recommendations for changes to legislation which would help with the enforcement of the registration scheme and improve the management of HMOs.

PRIVATE RENTED SECTOR

We continued to look at new ways to make best use of the private rented sector to meet the housing needs of a diverse range of people. The provision of advice for those considering this sector as a viable housing option is an important element of the housing application assessment, while we continue to encourage good standards of management and support ways of facilitating access to the sector. A "Partner Landlord Scheme" was piloted in Newry during the year, using our website to advertise available private properties in the area so that they may be viewed by waiting list applicants. Following evaluation it is hoped to expand this scheme to other districts.

During the year the Department published, for consultation, their draft strategy for the private rented sector "Building Sound Foundations". We responded in August 2009, broadly supporting the objectives and aims of the strategy. The final strategy was published on 24 March 2010 with proposals to introduce:

- A mandatory landlord registration scheme, which will see landlords provide details for a Northern Ireland register for the first time;
- A rent deposit scheme to protect deposit agreements between tenants and landlords;
- An education and awareness programme to ensure that landlords and tenants are aware of their respective rights and responsibilities; and
- An enhancement of the current fitness standard for private rented properties.

The Housing Executive will be considering how best to support the aims and objectives of the strategy.

KEY PERFORMANCE INDICATORS

KPI 4.1.1 - Making homes more affordable	
To implement appropriate actions arising from the Minister's Housing Agenda and the Semple Review to address affordable housing.	
Performance	
2009/10	2008/09
<p>The contribution to the Minister's Housing Agenda continues through a variety of actions, including the Shared Future Programme.</p> <p>The online version of the Partner Landlord scheme was piloted on our website from February 2010, serving the Newry area with plans to roll out across all districts.</p>	<p>An enhanced housing advice and assistance model was introduced in five offices (Omagh, Fermanagh, Downpatrick, Coleraine and East Belfast) with effect from November 2008. Evaluation of the pilot is underway. A Partner Landlord Scheme has been developed to extend the use of the private rented sector to address housing need. Initially the scheme is being trialled in Newry and Ballymena and expressions of interest to take part in the scheme are being sought from landlords.</p> <p>We had participated in an inter-departmental review of Planning Policy Statement (PPS) 12 including policy HS2 for social housing. Meetings to be recommenced once PPS21 has been completed. Initial meeting to reconvene review of Policy HS2 including DSD/DOE & NIHE actioned for March 2009. Housing Market Analysis methodology research is underway. First phase report delivered in March 2009.</p>

KPI 4.2.1 - Building new social housing	
Construct a Social Housing Development Programme for new build and ensure the delivery of at least 1,750 units by March 2010.	
Performance	
2009/10	2008/09
<p>1,838 starts were recorded for 2009/10, with 1,504 social housing units completed.</p>	<p>1,136 starts were recorded for 2008/ 2009, which used all the available funding for the year. In the same year a total of 1,365 new homes were completed.</p>

KPI 4.2.2 - Delivering housing plans for all council areas	
Prepare District Housing Plans, incorporating the key stages of Local Housing Strategies for consultation by June 2009.	
Performance	
2009/10	2008/09
Local Housing Strategies were included in the 2009/10 District Housing Plans which were published in June 2009. All were presented to the 26 local councils.	Local Housing Strategies were included in the 2008/09 District Housing Plans which were published in June 2008. All were presented to the 26 local councils. A consultation exercise on the initial local housing strategy production was completed and a report made to the Board in January 2009. Templates for the next steps in the transition to local housing strategies were approved at the February 2009 Board.

KPI 4.2.3 - Encouraging development in areas of need	
In support of Planning Policy Statement 12 (PPS12 - Housing in Settlements) and PPS21 (Housing in the Countryside) we will prepare Housing Need Assessments (HNAs).	
Performance	
2009/10	2008/09
Annual HNAs have been completed and quality assured. An update on social housing need (March 2009) by settlement was sent to the Planning Service in January 2010. We continue to prepare housing need briefs for planning applications on open space owned by the Housing Executive. We attended the Banbridge, Newry & Mourne Independent Examination 2009/10 to defend the HNA (September 2005) prepared for the draft Banbridge and Newry & Mourne Plan, as well as identifying additional need that has accrued since 2005.	Local HNAs were completed and will inform the Housing Need Assessment Publications. These will be sent to DOE Planning Division for consideration in assessing residential planning applications. We submitted input to DOE Planning Service on strategic housing objections for the Independent Examination into the draft Magherafelt Plan 2016. Officers attended the Magherafelt Independent Examination in February 2009. We submitted evidence on 3rd party housing objections for the draft Banbridge, Newry & Mourne Plan.

KPI 4.2.3 - Encouraging development in areas of need continued	
2009/10	2008/09
Identify land and sites for social and affordable housing.	
<p>Mourne Independent Examination stage 2 process (site specific objections) the Housing Executive worked with Planning Service in identifying objection sites best suited to meet additional need in settlements with the Belfast Metropolitan Area. We evaluate existing open space on a strategic estate basis in the light of evolving PPS 8 policy and subsequently submit planning applications for relevant areas of social new build.</p> <p>We are continuing to assess sites and prepare development briefs for land to be transferred. Since April 2009 we have received 7 planning approvals (140 units) and there are live applications for 36 units of PPS8 sites.</p> <p>In April 2010 the Housing Executive and DOE Planning Service approved a joint protocol outlining the processes for Housing Associations in submitting applications under Policy CTY5 (PPS21) for planning permission.</p>	<p>We submitted input to DOE Planning on Strategic Housing Issues for the Public Examination into the draft Magherafelt Plan 2016.</p> <p>We attended Magherafelt Public Examination in February 2009 Housing on Strategic Housing Issues, liaising with Banbridge, Newry & Mourne Planning team regarding housing issues for publication for forthcoming Public Examination in August 2009.</p>

KPI 4.2.4 - Developing better funding methods for housing	
Explore alternative/additional means of funding the social housing development programme.	
Performance	
2009/10	2008/09
<p>Ongoing discussions with a number of housing associations with regard to pilot leasing schemes. The Strategic Investment Board (SIB) has appointed Price Waterhouse Coopers to advise. It is anticipated that a number of stakeholders will be involved in the course of the preparation of the business case.</p>	<p>Those parts of PPS12 relating to developer contributions will be discussed with DOE and DSD when the review of this PPS is reconvened. An initial meeting to reconvene the review of Policy HS2, involving DSD, DOE and the Housing Executive took place in March 2009.</p>

KPI 4.3.1 - Helping our tenants buy their own homes	
Complete the sale of 50 dwellings to tenants.	
Performance	
2009/10	2008/09
274 properties were sold to tenants.	54 dwellings were sold to tenants during the year.

KPI 4.3.2 - Dealing with house sales promptly	
Ensure that 95% of all offers made under the House Sales scheme are issued within 10 weeks of receipt of application.	
Performance	
2009/10	2008/09
Performance for the year was 99.6%.	Performance for the year was 95.9%.

KPI 4.3.3 - Managing our land portfolio effectively	
Manage a disposal programme for surplus land.	
Performance	
2009/10	2008/09
79 sites identified for sale have been actioned. Of these, 14 sales have completed with a total value of £2.3m. 4 sites worth a total of £1.5m are at contract signed stage. 31 sites have offers totalling £21.3m against them, but are not in contract and a number are subject to a range of conditions. 30 sites with a book value of £5.7m are on the market but have had no offers.	To maximise the value of land sales, planning applications are made prior to placing the sites on the market. 11 planning applications were submitted for the year 2008/09. 8 planning approvals were granted in the year 2008/09. During the year 9 sites were sold with a value of £5.1m.

KPI 4.4.1 - Delivering our private sector strategy

Continue implementation of our Private Rented Strategy Action Plan. Support DSD in the development of a revised strategy for the Private Rented Sector.

Performance

2009/10

We worked with DSD throughout the year and a strategy document launched by DSD on 24 March 2010.

2008/09

During the year the NIHE continued the implementation of relevant issues carried forward from the Strategy. The DSD has confirmed they intend to develop a new policy for the private rented sector which will be issued for consultation in April 2009.

Progress remaining actions from the Empty Homes Strategy Action Plan.

Update to CXBC on 22 March 2010 with the final report at May 2010.

The Empty Homes Strategy assessed the potential for vacant domestic properties to be brought back into use. The DSD was advised of findings.
Revised data is to be provided to Land and Property Services to enable a further visiting and awareness campaign.

Harness the private rented sector to address increasing housing need involving 5 district pilot schemes and a pilot Partnering Landlords Scheme.

Partnering Landlord Scheme pilot was launched in Newry in February 2010. Evaluation report at June 2010 with a view to roll out of scheme to all Districts during 2010/11.

An enhanced housing advice and assistance model was introduced in five offices with effect from November 2008. Evaluation of the pilot is underway. A Partner Landlord Scheme has been developed to extend the use of the private rented sector to address housing need. Initially the scheme is being trialled in Newry and Ballymena and expressions of interest are being sought from landlords.

KPI 4.4.2 - Managing Houses in Multiple Occupation

To register 1,000 Houses in Multiple Occupation (HMOs) under the statutory HMO Registration Scheme by March 2010 and improve compliance with standards by enforcing HMO standards through the inspection of an estimated 1,200 properties by March 2010.

Performance

2009/10

986 HMO properties were registered under the Statutory HMO registrations scheme - 99% of the target.
2,198 HMOs were inspected for enforcing HMO standards, against the target of 1,200.

2008/09

530 properties were registered against the target of 500.
1,201 HMO Inspections were carried out against the target of 1,100.

OBJECTIVE 5

BUILDING A STRONGER COMMUNITY

We are committed to delivering housing to meet our community's wider needs in the economic, health, education and social sectors. Through our partnerships, we are working to ensure housing and housing investment plays its part in creating a society that is peaceful, inclusive, prosperous and fair.

In 2009/10 we invested £3m to:

- Work with others to empower local communities to improve their quality of life;
- Help foster good relations;
- Work with others to improve community safety; and
- Develop a strategic and operational context that supports the relationship between housing and education.

TACKLING ANTI-SOCIAL BEHAVIOUR ASSOCIATED WITH HOUSES IN MULTIPLE OCCUPATION (HMOS)

Concentrations of HMO numbers can produce a range of adverse effects in an area, including increased problems of anti-social behaviour, vandalism, noise, litter, refuse and vermin. Other problems include loss of neighbourhood and community spirit, loss of local amenities such as schools, churches and shops, and house price inflation. Disproportionate extra resources have to be committed by statutory agencies and bodies to deal with these problems.

To try to address these problems the Housing Executive:

- Is working in close partnership with other bodies such as the councils in relation to bins and litter issues and the Universities, Students Unions and NUS-USI in bringing appropriate action and information to student occupants of HMOs;
- Plays a full role in the Interagency Group which addresses problems specific to the Holyland area of Belfast;
- Provides £150k per year towards the employment of Community Safety Wardens in Belfast in relation to areas of HMO concentration;



Working with the community

- Provides £25k per year towards the employment of Community Safety Wardens in the University area of Derry;
- Contributes £24.4k per year towards the Holyland CCTV initiative, and is considering making a contribution to alley-gating in the Holyland area;
- Attends the University campuses throughout Northern Ireland each year distributing leaflets to students, informing them of their rights and responsibilities as HMO tenants;
- Has given presentations and distributed information to 6th Form College students on their rights and responsibilities as HMO tenants;
- Provided professional awareness seminars to landlords of HMO properties throughout Northern Ireland. In the last year 203 landlords attended the seminars; and
- Published a comprehensive strategy for HMOs in Northern Ireland which also addressed the adverse effects of concentrations of HMOs, and included suggested amendments to legislation to encourage landlords to be more proactive in addressing such problems.

COMMUNITY INVOLVEMENT

The past year has seen the implementation of the Community Involvement Strategy 2008-2011 including the provision of mini websites for community groups within the Housing Community Network. Groups have been provided with website training and e-mail addresses which allow the Housing Executive to communicate electronically with the groups.

The strategy stressed the need to provide specialist support to allow 'Hard to Reach' groups to fully engage with the Housing Executive. A 'Village Voice' initiative and Rural Forum have also been developed to promote the involvement of rural residents in housing services.

A Black Minority Ethnic (BME) Forum has been established and consideration is being given to the development of a separate forum to discuss the particular needs and services delivered to people with disabilities.

Consultation with young people has resulted in a housing advice comic strip entitled "A Foot in the Door" which can be seen on the Northern Ireland Youth Service website.

Through the work of the Housing and Education Forum, the Community and Education Partnership Award was launched in October. This award recognises the good partnership work between communities and schools/colleges; it represents a standard of achievement, not a competition to be won.

During the course of the year we have issued tenant statements which have included invitations to join a Tenant Register. Those interested can choose from a range of topics on which to be consulted, as well as preferred methods for contact. Approximately 300 tenants have registered and this will enable us to consult tenants who may not wish to or may be unable to join established community groups.

A key theme and priority in the Housing Executive's Community Involvement Strategy 2008-11 is to develop tenant-led inspections to examine how our policies and procedures are translated into actual customer service provision.

Anti-social Behaviour was chosen as a pilot service area for inspection, with members of the Housing Community Network visiting District Offices, interviewing managers and staff and inspecting closed (fully redacted) case files. This has been successfully completed and has provided valuable input for service review. It is now proposed to introduce an annual Tenant Led Inspection Programme.

GOOD RELATIONS AND SHARED FUTURE HOUSING

The promotion of good relations is a key Housing Executive objective which we deliver through our Good Relations Strategy. This important objective will be brought even more sharply into focus later this year when the Assembly's refreshed Shared Future policy is formally endorsed. This new Direct Rule policy, entitled "Cohesion, Sharing and Integration" (CSI), will look at how the Assembly's aspirations for an equal, shared and better society can be delivered on the ground. It will also require Government Departments to deliver their services in a manner that will achieve good relations outcomes in all areas of their portfolio.

A public consultation exercise is to be undertaken over the summer and a formal endorsement of the policy by the Assembly is expected by the end of the year. An information paper on the new CSI policy will be brought to the Board once it is published for consultation.

Good Relations and community cohesion are vital ingredients for the future development of Northern Ireland. The social divisions here are deep-rooted and a joined up approach is required from a number of agencies, both statutory and voluntary, to effect change in our society and address issues such as sectarianism and racism. Whilst we recognise this is not something we can do alone, we have developed a Good Relations Strategy which contributes to safer, stable neighbourhoods and promotes a more inclusive society, whilst recognising that trust and safety will ultimately dictate the pace of change. It has been hugely encouraging to see the appetite for good relations programmes in NIHE estates remains high.

The Good Relations Strategy is delivered within five themes:

- Residential Segregation/Integration - Facilitating and encouraging mixed housing schemes in the affordable sector.
- Race Relations - Contributing to race relations on a strategic level through effective partnership working.
- Flags, Emblems and Sectional Symbols - Supporting local communities to remove sectional symbols and focus on more acceptable expressions of cultural identity.

- Interfaces - Developing opportunities to bring communities together and improve interface areas through environmental initiatives and regeneration programmes.
- Communities in Transition - Creating the environment to allow timely and appropriate interventions for areas at risk of conflict.

RESIDENTIAL SEGREGATION/INTEGRATION

We continue to provide shared future housing via a twin tracked approach of shared new build schemes and the Shared Neighbourhood Programme in existing estates:

Social Housing Development - New Build Programme

From this year, the Housing Executive now deems all schemes in the programme as having shared future potential. A total of 4 additional shared new build schemes were developed by our Housing Association partners in 2009/10 in Pond Park (Lisburn), Abbey Drive (Enniskillen), Sycamore Drive (Cavanaleck) and the Curzon in Ballynafeigh (South Belfast).

This brings the total shared new build schemes to 8 since the pilot commenced in 2008. The original 4 schemes are Carran Crescent (Enniskillen, 2006), Causeway Meadows (Lisburn, 2008), Ballyfatton Close (Sion Mills, 2008) and Gowanvale (Banbridge, build commenced 2008).

The 2008 shared new build scheme by Clanmil Housing Association in Causeway Meadows, Lisburn was awarded the overall national Chartered Institute of Housing 2009 Award.

Existing Social Housing Areas - Shared Neighbourhood Programme

We have been delivering the Shared Neighbourhood Programme since 2008, aiming to secure and protect shared neighbourhoods across Northern Ireland, neighbourhoods where people choose to live with others regardless of their religion or race, in a neighbourhood that is safe and welcoming to all and threatening to no-one.

To date all 30 neighbourhoods (around 25,000 households and 70,000 people) have agreed to participate in the pilot programme and work is ongoing across all 30 estates.

The programme has proved to be highly successful and a recently completed independent evaluation report has confirmed the significant impact this pilot programme has had in the first five estates. We are particularly delighted that in only 2 years, we have been able to secure a shared neighbourhood in 25 of the 26 council areas.

We have secured additional funding in order to support further good relations projects, including the £3.5m Peace III project "Putting Good Relations at the Heart of Social Housing" which will commence later this year.

We also secured £150k additional funding from Belfast City Council's Peace monies to deliver 2 additional 'Sharing Between Neighbourhoods' projects in South Belfast and East Belfast.

RACE RELATIONS

Partnership working continues to be a key element in dealing with race relations and we developed a range of new initiatives over the year:

- The Cohesion Unit contributed to the development of a 'Tension Monitoring System' in Belfast.
- The Hate Incidents Practical Action Scheme (HIPA) delivers practical support to the victims of hate crime. Over 100 Level 2 incidents were supported through HIPA in 2009/10.
- The Bilingual Advocacy Scheme provides two advocates for the Chinese and the Polish communities to work to enhance good relations in South and East Belfast.
- The BME Housing Forum was re-convened in December 2009 in order to directly engage with BME support groups and we are promoting their direct involvement in the Housing Community Network (HCN).
- We hosted Northern Ireland's first Human Library for staff development during the Anti-Racist Workplace Week November 2009.
- A Community Welcome Pack has been produced to improve access to information and services and improve community participation and social inclusion at a neighbourhood level.
- The Cohesion Unit and Supporting Communities Northern Ireland (SCNI) ran the 2009 Good Relations Awards which resulted in 5 HCN community groups being awarded £2,000 each to deliver innovative good relations projects in their local areas.
- The Cohesion Unit designed the Intercultural Achievement Awards which will be held on 22nd June 2010. These will promote best practice in the areas of Race Relations, Community Safety and Community Cohesion.
- An emergency response was initiated and emergency accommodation provided for over 100 people during the South Belfast Romanian harassment crisis. We continue to work on a multi-agency approach to prevention, monitoring and dealing with racist incidents and providing services for victims.

FLAGS, EMBLEMS AND SECTIONAL SYMBOLS

Re-Imaging Schemes in Newtownards Rd., Mosside and Dervock, to name but a few have been delivered either directly through the Cohesion Unit or in conjunction with the Re-imaging Communities Programme.

INTERFACE AREAS

We are a member of the Interface Working Group which has developed a process for the potential removal/re-imaging of interfaces in Belfast. This will allow interface communities to see what their areas would look like if barriers were removed and allow for practical planning of these segregated communities.

COMMUNITIES IN TRANSITION

We administered funding from the Northern Ireland Community Fund (Proceeds from Crime) to support programmes in our shared neighbourhoods and hard to reach estates.

TACKLING ANTI-SOCIAL BEHAVIOUR

During 2009/10 we made considerable progress at both a strategic and operational level. A number of significant reviews were undertaken to ensure that our services keep pace with organisational and community demands.

A Community Safety Communication Plan has set the framework for more effective communication with customers and stakeholders. In doing so, we seek to increase community confidence in the services we provide to tackle anti-social behaviour (ASB). This in turn should lead to increased reporting of incidents as and when they occur. We have also used our network of tenants groups (Housing Community Network) to inspect our ASB services. A tenant-led inspection of ASB services has produced an action plan for improved service provision which will be delivered over the next year.

The development of meaningful partnerships is central to our work. This year we have developed a unique partnership with the PSNI, Probation Services, NIACRO and Belfast City Council and have secured European funds to deliver a project to support young men being released from short term prison sentences. This initiative will seek to prevent re-offending on our estates and bring greater stability to communities affected by such unacceptable behaviour. We have also partnered a number of housing associations in developing an information sharing protocol with the PSNI so that we can all work collaboratively in tackling reports of ASB. In the coming year, we intend to roll out the use of such protocols to all of the Housing Association movement.

Further partnership arrangements with local councils have led to the expansion of night time warden services which are now in place in Banbridge, Limavady, Derry, Belfast and Moyle. Night time warden services are now acknowledged as an important way of visibly reassuring the general public that statutory agencies are tackling ASB head on.

We have also built on the success of our community based partnership with Northern Ireland Alternatives (NIA) and Community Restorative Justice Ireland (CRJI). Both organisations now undertake mediation case referrals and community support work in West and North Belfast.

At an operational level, our 35 district offices received 4,684 reports of ASB over the year, resulting in 54 properties being repossessed on the grounds of ASB. As the majority of reported ASB is minor in nature, we focus on early intervention by working with individuals and households and providing them with an opportunity to address their behaviour. This year 184 cases of mediation were undertaken, with a further 28 Acceptable Behaviour Contracts (ABCs) agreed.

KEY PERFORMANCE INDICATORS

KPI 5.1.1 - Working with local communities	
To implement and report on progress of the Community Involvement Strategy. Develop tenant-led inspections to examine how our policies and procedures are translated into service provision by March 2010.	
Performance	
2009/10	2008/09
The Board has noted the findings and recommendations in the Pilot Tenant-Led Inspection of ASB services and approved the Housing Executive Action Plan to address these issues. Overall feedback from district staff and inspectors is positive. A range of minor procedural changes were identified for action.	There are 250 compacts in place with community groups. This represents an increase of 25 compacts from the 1 April 2008. The review of community involvement reported below reflected the ongoing growth in Participation Compacts.
Facilitate the digital inclusion of community by providing IT training and access to a community portal to showcase their activities and provide access to information and funding opportunities.	
MyGroupNI has provided websites for 202 community groups within the Housing Community Network (HCN) which are connected through the Supporting Communities Northern Ireland (SCNI) portal. They have also provided website training along with technical support. All 450 community groups in the HCN have been provided with email addresses, allowing us to communicate electronically with groups and reduce printing and administration costs.	We have been actively working with community groups, but this has not previously been identified as a KPI.
Facilitate liaison between the Department of Employment and Learning (DEL), Educational Guidance Service for Adults (EGSA) and community groups to promote access to essential skills for employment opportunities.	
The Housing Executive and EGSA are considering a pilot project involving the development of Digital Inclusion/ICT skills for disadvantaged groups and individuals residing in Housing Executive estates. The project will promote access to relevant support services and skills necessary to increase employment opportunities. EGSA is to report back on funding issues.	This has not previously been identified as a KPI.

KPI 5.1.1 - Working with local communities continued	
2009/10	2008/09
Develop social enterprise schemes in conjunction with the community and voluntary sector.	
<p>The Community & Education Partnership Award was officially launched on Friday 9 October 2009 in Rathgill Learning and Resource Centre, Bangor. This award is offered to those applicants who clearly demonstrate a commitment to fostering social enterprise through collaborative partnership between schools, colleges and individuals/groups in a Housing Executive estate. For the purpose of this award, social enterprise is considered to be innovative activity that aims to tackle social or environmental issues with the community. The award recognises applicants who have identified and explored existing and new opportunities for lifelong learning, social responsibility, employability and community regeneration through active partnership with local communities. To date seven formal expressions of interest have been received with potential for a further three. Consultation with schools and communities is ongoing.</p>	<p>This has not previously been identified as a KPI.</p>

KPI 5.1.2 - Working with young people in the community	
Collaborate with the education sector through the housing and education forum and evaluate the impact of the extended school initiatives in urban and rural estates.	
Performance	
2009/10	2008/09
<p>Following the consideration of initiatives involving the Education Sector, the Education Forum agreed to develop a community and partnership award as set out in the previous KPI.</p>	<p>The actions contained in the Community Involvement Strategy Implementation Plan (and in the Housing Community Network (HCN) research report on tenants and residents' involvement opportunities) have been prioritised and included in the HCN work plans. The Community Involvement Strategy has been placed on the Housing Executive website.</p>

KPI 5.1.3 - Working on health related housing issues	
Implement the recommendations of the Housing and Health Action Plan and report 6 monthly progress to the Board.	
Performance	
2009/10	2008/09
<p>Six monthly progress report to October Board - good progress is being made, including:</p> <p>1,750 Disabled Facilities Grants worth £20.8m approved against a target of 1,700.</p> <p>Approval in June 2009 of installation of Thermostatic Mixing Valves (TMVs) as standard in future MEI schemes and adaptations, with TMVs made compulsory in all new dwellings from 2012.</p> <p>Smoke alarms installations continue in all bungalows, flats and maisonettes as part of major improvement schemes (subject to finance).</p> <p>Feasibility study on the value of energy brokering in combatting Fuel Poverty. Report to be launched in June 2010.</p> <p>Contributing to the Learning Disability Resettlement Group which deals with the resettlement of patients from long stay hospitals.</p>	<p>Implementation took place in 2008-2009 and will continue in the year ahead.</p> <p>A 6-monthly updated report was made to the April 2009 Board meeting.</p> <p>Meetings scheduled with the 4 IFH partnerships between November 08 and March 09 to update progress and report at April 2009 Board. An evaluation report on Thermostatic Mixing Valves (TMVs) was completed in March 09. An update was provided to the Board in October 2008.</p> <p>The Action Plan for Older People was published in October 2008 and is being implemented.</p> <p>We also provide information for the "Ageing in an Inclusive Society" Action Plan which is managed by the Office of the First Minister and Deputy First Minister. The Promoting Social Inclusion Group is to be re-established.</p>

KPI 5.2.1 - Promoting good relations in communities	
To implement the Housing Executive's Good Relations Strategy through the Community Cohesion Unit with quarterly progress reports on the five themes: Flags, emblems and sectional symbols action plan.	
Performance	
2009/10	2008/09
<p>We have recently successfully supported re-imaging projects in South and East Belfast. We continue to support and fund the Arts Council's Re-imaging Programme which is seeking further funding from other avenues in order to continue this very successful programme.</p>	<p>The Arts Council's Re-Imaging Communities programme progressed well in 2008/09. However, alternative sources of funding are needed if the Arts Council is to continue the in West Winds and Bowtown has recently been secured from Small Pockets of Deprivation initiative (SPOD) but issues have arisen regarding the delivery of the projects on the ground.</p>

KPI 5.2.1 - Promoting good relations in communities continued

2009/10

We continue to provide local support for bonfire programmes across Northern Ireland. In order to progress this area of work, we have commissioned a feasibility study in Belfast into how a bonfire site could be used as a year round cultural space. The results of this work will inform whether this type of project could be used at other bonfire locations. The new flags protocol is currently being actioned by the Office of the First Minister/Deputy First Minister (OFMDFM) in conjunction with local councils, the Housing Executive, PSNI, Road Service and a range of other partners.

2008/09

Negotiations are also ongoing regarding Kilcooley re-imaging project (through the Belfast Regeneration Office) and Ballybeen proposals have once again stalled. However, projects in Dervock and Lower Newtownards Rd are progressing well. Preparation for the upcoming bonfire season is underway and £500 is being made available to each District in order to provide local assistance where Councils are unable to help or have not initiated a Bonfire Programme. Discussions took place with Belfast City Council about more creative use of bonfire space at Pitt Park and Annadale. Craigavon has moved forward with its beacon project plans, facilitated by NIHE. The rolling out of the flags protocol is awaiting initiation by the office of the First Minister / Deputy First Minister.

Segregation/ integration

Progress continues to be made by the IFI Shared Neighbourhood Programme to designate 30 areas as Shared Neighbourhoods with complementary Good Relations Programmes. 30 estates are now involved in the programme, representing over 25,000 households. From this year, the Housing Executive now deems all schemes in the programme as having shared future potential. A total of 4 additional shared new build schemes were developed by our Housing Association partners in 2009/10 in Pond Park Lisburn, Abbey Drive Enniskillen, Sycamore Drive Cavanaleck in Enniskillen and the Curzon in Ballynafeigh South Belfast.

Two new Shared Future schemes at Causeway Meadows in Lisburn and Sion Mills were successfully allocated. Plans to formally launch Gowanvale in Banbridge are scheduled for this month. 2 further schemes at Crossgar and Loughbrickland are scheduled to start, budget permitting, early this year. The Curzon site in Belfast is also likely to be acquired within the coming weeks and work will be undertaken on negotiation with the local community regarding its branding of Shared Future.

KPI 5.2.1 - Promoting good relations in communities continued	
2009/10	2008/09
Segregation/ integration continued	
This brings the total shared new build schemes to 8 since the pilot commenced in 2008. The original 4 schemes are Carran Crescent, Enniskillen, 2006, Causeway Meadows, Lisburn, 2008, Ballyfatton Close, Sion Mills, 2008, Gowanvale, Banbridge, build commenced 2008.	At least 6 other schemes have been identified in the 3 year programme for Shared Future and they will be progressed through the Districts and local communities when on site dates are agreed.
Interface areas	
The Community Relations Council (CRC) and key partners (including the Housing Executive) continue to progress the potential for interface removal in Belfast through the Interface Working Group (IWG). The Cohesion Unit recently submitted a bid for European funding for technical assistance to support the progression of this objective. The IWG now has widespread community involvement in taking this work forward.	The Community Relations Council (CRC) and key partners (including NIHE) have developed a set of indicators which can assist with the potential removal of the peace- walls. These, along with proposals for pro-actively dealing with interfaces, were warmly received when recently presented to the Secretary of State and local Ministers. A community conference was held on 27th March 2009 and there was full community consensus to progress this report. NIHE will be fully involved on this work.
Communities in transition	
Relations have been established with Community Foundation NI on its Communities in Transition programme and we are also working with Groundwork, the Rural Community Network and the International Fund for Ireland's Community Bridges programme to tie these funders into our Shared Neighbourhood Programme and ensure maximum benefit to the communities.	We are working with the Community Foundation for Northern Ireland (CFNI) on their Communities in Transition programme. We are also working in Ballymena and Newtownards to progress community engagement in these areas. We have also met with Groundwork, Rural Community Network and the International Fund for Ireland (IFI) Community Bridges programme to link with our Shared Neighbourhood Programme.

KPI 5.2.2 - Encouraging people to live in shared neighbourhoods	
Continue to implement the Shared Future Housing Programme, including new build schemes and in 15 existing estates.	
Performance	
2009/10	2008/09
<p>Progress continues to be made through the IFI Shared Neighbourhood Programme to designate 30 areas as Shared Neighbourhoods with complementary Good Relations Programmes. The 30 estates are now involved in the programme representing over 25,000 households. From this year, the Housing Executive now deems all schemes in the programme as having shared future potential. A total of 4 additional shared new build schemes were developed by our Housing Association partners in 2009/10 in Pond Park Lisburn, Abbey Drive Enniskillen, Sycamore Drive Cavanaleck in Enniskillen and the Curzon in Ballynafeigh South Belfast. This brings the total shared new build schemes to 8 since the pilot commenced in 2008. The original 4 schemes are Carran Crescent, Enniskillen, 2006, Causeway Meadows, Lisburn, 2008, Ballyfatton Close, Sion Mills, 2008, Gowanvale, Banbridge, build commenced 2008.</p>	<p>Progress continues to be made on the Shared Neighbourhood Programme to designate 30 areas as Shared Neighbourhoods with funding from the International Fund for Ireland (IFI). The first 5 areas have had good relations programmes in their estates and work on 10 further estates started in January 09. The formal launch of the next 10 estates is being worked on with IFI and DSD and will take place in Summer 2008. Additional funding has been obtained from local council Peace III programmes, initially from Belfast. All other Council clusters will be contacted in order to try to secure further funding for the Shared Neighbourhood Programme. Other funding opportunities continue to be sought.</p>

KPI 5.2.3 - Promoting good race relations	
Implement the Race Relations Action Plan.	
Performance	
2009/10	2008/09
<p>The Shared Race Relations Charter minimum standard programme has been rolled out across the Districts. District networks have been given a £300 small grant to enable them develop local projects that will promote good relations between people from different ethnic backgrounds.</p>	<p>We are working with the Belfast City Council and others on a comprehensive response to improving community relations on the ground. Following violence after the Northern Ireland/ Poland football match over 40 homes were attacked.</p>

KPI 5.2.3 - Promoting good race relations continued

2009/10

The Black and Minority Ethnic Housing Forum was reconvened in December 2009 in order to directly engage with BME support groups and promote involvement of the BME sector in the Housing Community Network. A Welcome Pack template for community groups has been developed in partnership with Intercommunity Network. A mapping survey is currently being carried out across the Housing Executive Districts of inter-agency forums working on Race Relations issues in order to promote direct engagement with local BME communities at district level. Hate Incidents Awareness training is being delivered to Customer Service Units, maintenance staff and managers. The Housing Executive offered support in 105 incidents up until February 2010 via the Hate Incidents Practical Action (HIPA) Scheme.

A "Frequently Asked Questions" HIPA document has been developed in partnership with the Maintenance Services Unit and is being issued to staff attending the HIPA training. An implementation fund for translating the Race Relations Charter minimum standards to practical action on the ground was launched at the annual community conference and District Housing Community Networks.

The Community Cohesion Unit continues to work with the Belfast Community Safety Partnership's Thematic Group on Hate Crime.

The Community Cohesion Unit is also working with the Racial Equality Unit of the OFMDFM, Northern Ireland Office and the PSNI to launch the Intercultural Achievement Awards, which is a good practice initiative aimed at promoting shared learning and addressing myths surrounding BME individuals and migrant people.

2008/09

There was also an escalation in attacks on Chinese residents following the Craigavon and Antrim murders. We are assisting the Police Service with a joint Chinese and Polish bi-lingual advocacy service.

The Hate Incidents Practical Actions Scheme (HIPA Scheme) has been extended until 2010. The Hate Harassment Support Pack developed through consultation with the Black and Minority Ethnic (BME) Housing Forum has been distributed to all District offices.

The Race Relations Charter and Minimum Standards has been adopted and signed up to by over 330 community signatories. A welcome pack template for community groups has been developed to be available on the portal for communities to tailor to suit their areas. Training for District and community reps is being provided. Intercultural Awareness Training programme is being rolled out to front line staff including maintenance staff. Other training which staff can avail of includes Islam for service providers, Taste of Poland, migrant worker training, and Ending Hate in our Communities training. BME focus was included in the mystery shopper exercise with action needed to help improve responses in local offices on this area.

KPI 5.3.1 - Helping to improve communities

Meet the targets in the Community Safety Strategy 2008/11: "Building Safer Communities" and report twice yearly to the Board.

To respond to all reports of Anti-Social Behaviour as soon as possible and in every case within 3 working days.

To work in partnership with statutory, community and voluntary sectors in developing and delivering improved community safety at estate level.

To review and establish a long term model for the delivery of Housing Executive mediation services which will include the contributions made through community restorative justice schemes and other forms of early intervention.

Performance

2009/10

Progress reports were made to the Board.
The following figures reflect the main performance measures in the strategy:

Mediation

Cases referred to mediation 184

Outcomes

Situation improved -27
Resolved by other means - 2
Unsuitable for Mediation - 8
Mediation Refused - 8
Referred back to District - 8
Ongoing - 13

Anti-Social Behaviour (ASB)

Whilst our procedures require that reports of ASB are registered within three days, it will not be possible to report on this aspect of the KPI until the introduction of new computer systems, due in the coming year.

Total cases registered at Districts - 4,684
Cases referred to Community Safety team - 160
Current live cases at end of period - 132

Legal Action year to date

Total Notice Seeking Possessions

NSPs -25
NOP- 5
Total -30

2008/09

Progress reports were made to the Board in May and October 2008. The following figures reflect the main performance measures in the strategy:

Mediation

Cases referred to mediation 69

Outcomes

Situation improved -37
Resolved by other means - 5
Unsuitable for Mediation - 4
Mediation Refused - 9
Referred back to District - 9
Ongoing - 5

Anti-Social Behaviour (ASB)

Total cases registered at Districts - 4,930
Cases referred to Community Safety Team - 156
Current live cases as at end of period - 150

Legal action year to date

Total Notice Seeking Possessions (NSP)/
Notice Of Possessions (NOP) served:

NSPs - 29
NOP - 3
Total - 32

KPI 5.3.1 - Helping to improve communities continued

2009/10

2008/09

A range of partnerships were developed and implemented during the year with Northern Ireland Alternative and Community Restorative Justice Ireland, resulting in increased demand for mediation services:

A Mediation Panel has been established and is operating successfully.

We are part of an EU Funded Initiative on prevention of re- offending.

Derry night time warden service.

Moyle night time warden service.

Limavady night time warden service.

BCC City Wide Warden programme.

Antrim 4 tier security initiative.

Discussions ongoing with NI Association for the Care and Rehabilitation of Offenders (NIACRO) on expansion of the Assisting People and Communities (APAC) initiative. Good Neighbour Agreement developed in partnership with Area HCN and launched June 2009.

To review and establish a long term model for the delivery of Housing Executive mediation services which will include the contributions made through community restorative justice schemes and other early forms of intervention.

Both Community Restorative Justice Ireland (CRJI) and Northern Ireland Alternatives (NIA) 2009/10 Partnerships are now in place. A report was made to the April Board.

CRJI project now subject to external evaluation.

Mediation Panel casework underway and subject to rolling evaluation.

Service improvements in mediation and Community Support have indicated a significant increase in casework with 184 cases undertaken throughout the year.

OBJECTIVE 6

BETTER PUBLIC SERVICES

Our aim is to deliver the best possible housing services within a framework of continuous improvement. In 2009/10 we invested £33m to:

- Inform policy and improve services through research and information;
- Provide high quality and responsive services to all customers;
- Manage services in a cost effective manner;
- Improve services through the Modernising Services programme; and
- Maintain an excellent, well trained and highly motivated workforce.

PERSONAL DATA

We have security systems in place to ensure the protection of personal data that we hold. There were no incidents of personal data loss during the year.

CUSTOMER SATISFACTION

The annual Continuous Tenant Omnibus Survey continues to provide a wealth of customer views on how well we deliver our key services. The 2008 survey, the results of which were published in 2009, indicated high levels of satisfaction with services. This year the questionnaire has been changed to include questions which are asked by other leading social landlords in the UK. This will allow us to measure future performance with comparable landlord organisations in England and Wales.

EQUALITY

In 2009/10 the Housing Executive, working with the Consultative Forum on Equality, the Inter Community Network and the Black and Minority Ethnic Forum, progressed several issues including finalising the Children and Young People Policy statement which will be implemented during 2010/2011.



Investing in better
public services

A significant Equality Impact Assessment was also conducted on the strategic guidelines for the Social Housing Development Programme. During this process, consultation was conducted with a wide range of groups including the Social Development Committee. Work also began on a further EQIA following further changes to the strategic guidelines.

We continued to deliver our Disability Action Plan and to provide language and sensory disability communication support to our customers. Language interpretation and translation is being provided in over twenty languages, including sign language. We also issued regular equality bulletins to staff, keeping them abreast of key developments including new guidance issued in the field of housing people from the lesbian, gay and bi-sexual community.

We continue to enhance how we collect evidence, develop and implement policies and consult and communicate with consultee groups. We also completed the fourth BME and Migrant Worker mapping exercise, which demonstrated that although the numbers of migrant workers are declining the reliance on housing services remains steady or is increasing.

AFFIRMATIVE ACTION

The Housing Executive's Affirmative Action Programme is aimed at increasing the number of job applications from under-represented groups. A key component of the programme is to encourage members of the Protestant community to seek employment with the Housing Executive. To that end our specialist Community Liaison Officer is working with the controlled schools in the secondary education sector. Schools are offered career talks, interview skills, work experience and contributions to aspects of the curriculum.

Recruitment is, however, constrained by the need for efficiency savings and a consequential reduction in posts.

OUR PEOPLE STRATEGY

The aim of the People Strategy is to set out the strategic context for our personnel and development policies, which are aimed at enabling staff to make the best contribution they can to ensuring that the organisation meets its objectives. There were a range of key activities and themes in the strategy emphasised over the past year.

SICKNESS ABSENCE

Managing attendance at work continued to have the highest priority within the Housing Executive. However, the level of absence at year end was 6.1% (or 13.6 days) which represents a slight increase from last year's figure of 6.02% (or 13.2 days).

MANPOWER - STAFFING LEVELS

It was a significant challenge to remain within the salary budget agreed with our sponsoring Department, while ensuring that our key objectives were met. A review of our technical functions resulted in a significant number of staff leaving the organisation on voluntary early release.

MODERNISING SERVICES

The goal of the Modernising Services Programme is to deliver improvements in service quality, whilst ensuring that services are delivered in the most cost-effective way. To deliver these improvements we have changed the way a number of our services are delivered by creating Area Service Units and we are now in the final stage of enhancing our Information and Communication Technology (ICT) services to support the new services and working methods.

Significant progress has been made this year in achieving the Modernising Services goal. The new service units are established and performing well. The new units provide an improved telephone service for housing repairs, housing applications and Housing Benefit. To further develop the services we have started an improvement programme which engages front-line staff in developing service enhancements. Staff training continues to be vital in ensuring the success of the programme and a comprehensive training programme is continuing to support functional, management and ICT training.

Good progress was made this year in the implementation of new ICT Services. New systems are now operational to support the processing of housing repairs, private sector grants, and the Supporting People programme. The rollout of these will be completed in the coming year. These systems have seen the implementation of a number of innovative improvements such as the integration of Supporting People providers, mobile technology for grants inspectors and the use of electronic files. In addition we have implemented a number of elements of ICT to improve system performance, resilience and information security.

LEARNING & DEVELOPMENT

This was another busy year in terms of Learning and Development with the roll out of Functional Training, in line with the relevant functional competence frameworks, to support the Modernising Services Programme. In addition, a range of generic skills programmes were run to develop peoples' core skills.

ENVIRONMENTAL MANAGEMENT

Concern for environmental conditions and the best use of resources are an integral part of our business. The Housing Executive's Environmental Policy commits the organisation to making a positive contribution to the Sustainable Development Strategy for Northern Ireland.

During the past year we have further developed and updated our Environmental Management System to ensure compliance with environmental legislation and to put measures in place to reduce levels of waste and energy use.

In addition to the external accreditation of the Housing Executive's environmental management system, undertaken every six months, we continue to participate in the annual Environmental Benchmarking Survey of Northern Ireland leading companies and organisations and have again retained a first quintile position.

Housing Executive objectives and targets are linked to the NI Sustainable Development Strategy and progress is reported regularly to our Board.

Environmental and sustainability awareness training is presented across the organisation as well as to community and special interest groups.

HOUSING BENEFIT ADMINISTRATION

During 2009/10 we paid a total of £518.02m in Housing Benefit. This was an increase of 12% over the previous year. The number of people receiving Housing Benefit increased by 9% during the year to a total of 150,526 (68,110 in Housing Executive tenancies, 21,133 in Housing Association tenancies and 61,283 in the private rented sector).

In addition, a further £1.8m was paid to just under 35,000 Rate Relief claimants and £0.42m was paid to 4,700 Lone Pensioner Allowance claimants.

We continued our efforts to reduce the level of fraudulent claims and during the year 860 cases, compared to 328 in 2008/09 were referred to the Benefit Investigation Service of the Social Security Agency for investigation.

RENT & ARREARS CONTROLS

We have an annual rental income of £242.6m and by the end of the year we were managing 90,182 homes. At 31 March 2010 total rent and rates arrears were £13.3m, a decrease of £612k.

The Housing Executive welcomed the publication of the Public Accounts Committee's Report 'The Management of Social Housing Rent Collection and Arrears'. We take the issues of rent collection and arrears very seriously. Rent arrears can only be written-off in exceptional circumstances and all cases are subject to very rigorous controls. For example, if a tenant dies, leaves the country or goes bankrupt, then the arrears are effectively irrecoverable and there is no other course of action other than to write it off.

Of course if an individual is traced we will pursue the debt.

Over recent years we have completely remodelled the rent collection and recovery side of our business, providing a much more rigorous performance management framework.

We want to make sure tenants have the information and advice they need; they have all the income they are entitled to; and they can get all the specialist help and support they need. We have new tenancy officers to track the accounts of new tenants and to ensure they start as good payers. We also have specialist money advisers to deal with difficult cases and a referral system to Citizens Advice Bureau on multiple debt cases.

In terms of paying rent, tenants can pay by standing order, at our offices or at paypoint/ payzone facilities of which there are over 700 outlets and which have extended opening hours. There is also a range of recovery and payment methods on offer for those tenants in arrears.

ALLOCATING VACANT PROPERTIES

At March 2010 there were 937 lettable vacant properties, representing just 1.04% of the housing stock. Furthermore, 88% of properties were re-let within two weeks of being vacated by the previous tenants.

COMMITMENT & PROFESSIONALISM OF STAFF

All ten Grants Office within the Private Sector Improvement Services were successful in re-accreditation of their Charter Mark Awards in 2008/09, demonstrating our commitment to continuous customer service improvement.

We are currently working towards a sectional submission for the Private Sector Improvement Service for the Customer Services Excellence Award. The submission is due to be completed in the latter part of the year.

KEY PERFORMANCE INDICATORS

KPI 6.1.1 - Maintaining an excellent research programme	
Develop a research programme for 2010/11. Deliver the 2009/10 research programme to inform housing policy and service delivery including customer satisfaction and meet the needs of users within the Housing Executive and the Department for Social Development.	
Performance	
2009/10	2008/09
The 2009/10 research programme has been delivered in line with agreed timescales and budget. The programme for 2010/11 has been approved by the Board in March 2010.	The 2008/09 research programme has been delivered within the agreed budget in partnership with key clients. 2009 /2010 research programme was approved by the Board in March 2009.

KPI 6.1.2 - Working with other organisations	
Meet and brief the Housing Council on a monthly basis, the Social Development Strategy Committee and other public representatives and groups as appropriate.	
Performance	
2009/10	2008/09
Ongoing. This service is delivered on a monthly basis.	Ongoing. The Housing Council and its two main Committees are serviced by the Housing Executive. The increase in queries from the Assembly has been sustained and represents a significant workload. Regular contact is maintained with the main political parties.

KPI 6.1.3 - Communicating our performance to our tenants	
Provide all tenants with details of the Housing Executive's performance and costs on a district basis through the publication of Housing News by September 2009.	
Performance	
2009/10	2008/09
Achieved - Housing News delivered to all residents at end of September 2009.	Achieved - Housing News was delivered to all residents.

KPI 6.2.1 - Improving customer satisfaction					
Deliver services in line with the Customer Charter and increase customer satisfaction with the overall service and with the repairs service.					
Contribution to the three year target (1% per year):					
Performance					
2009/10			2008/09		
Satisfaction with overall service to target 86%;	Actual	85%	Satisfaction with the overall service;		85%
Satisfaction with the repairs service to target 74%;	Actual	75%	Satisfaction with the repairs service;		73%
Satisfaction with the Grants service to target 72%.	Actual	87%	Satisfaction with the Grants service.		87%
Deliver Services in line with the Tenant's Charter.					
	Target	Actual		Target	Actual
Attend tenants visiting the district office within 15 mins.	95%	91%	Attend tenants visiting the district office within 15 mins.	91%	94%
Demonstrate satisfaction with telephone service.	87%	88%	Demonstrate satisfaction with telephone service.	82%	86%
Satisfaction with opportunities for participation in the management of their estate/area.	54%	52%	Satisfaction with opportunities for participation in the management of their estate/area.	57%	53%
Demonstrate satisfaction with staff courtesy.	96%	92%	Demonstrate satisfaction with staff courtesy.	91%	95%
Demonstrate satisfaction with consultation.	79%	70%	Demonstrate satisfaction with consultation.	75%	68%

KPI 6.2.2 - Dealing with complaints

Deal with complaints in an effective and efficient manner. Analyse the nature of complaints and identify trends and aim to improve performance (Reply to 90% within 15 days).

Performance

2009/10

91% of complaints were dealt with within the 15 day timescale for reply. (102% of target). Analysis of the number and nature of complaints (along with any recommendations for change) is reported to the Board in July each year, along with a summary of the findings made by the Commissioner for Complaints.

2008/09

90.12% of complaints were handled within the target number of working days. Analysis of the number and nature of complaints (along with any recommendations for change) is reported to the Board in July each year along with a summary of the findings made by the Commissioner for Complaints.

KPI 6.2.3 - Minimising complaints

Minimise the number of complaints upheld by the Commissioner for Complaints.

Performance

2009/10

Out of 8 complaints dealt with by the Commissioner for Complaints, 5 were upheld by the Commissioner.

2008/09

7 complaints were upheld by the Commissioner during the year.

KPI 6.2.4 - Improving quality of service

Maintain and develop externally verified quality accreditations including Customer Service Excellence (and act as a 'Standard Bearer') Charter Mark and ISO. Continue to use the Foundation for Quality Management (EFQM) model as a basis for business improvement.

Performance

2009/10

We won the UK Excellence Award based on the EFQM model. Housing and Regeneration has obtained Customer Service Excellence. All Grants Offices currently have individual Charter Marks, while a single Customer Service Excellence accreditation is being considered for Grants. A range of ISOs are held in different parts of the organisation.

2008/09

District Offices -
The Customer Service Excellence Standard was achieved in September 2008. A Board paper including an action plan linked to assessment was approved at the November 2008 Board Meeting.
Private Sector Improvement Services -
Each of the Grants Offices was successful with their submission, and will therefore continue to hold Charter Mark status for a further year. It is proposed to move to a Divisional application for accreditation under the new Customer Service Excellence Standard.

KPI 6.2.5 - Ensuring equality

Continue the programme of equality screening/impact assessment and rural proofing of policies identified through consultation and develop our policies in ways which will further promote equality of opportunity. Work toward these ends in partnership with others, including the Equality Commission.

Performance

2009/10

The strategic guidelines for the Equality Impact Assessment (EQIA) have been completed and published in January 2010. Further work by the Housing Needs working group has resulted in a further EQIA on strategic guidelines being initiated. Regular work is carried out with a broad range of groups and organisations including the Equality Commission. We responded to DARD's 'Rural Champion' proposals which include possible revised ideas on rural proofing. When DARD finalise these proposals, we will review our rural proofing process to take account of any new DARD guidelines.

2008/09

The strategic guidelines for the Equality Impact Assessment (EQIA) has completed the consultation phase and a final report will be prepared for Board Approval. Cooperation and formal links with a range of other organisations continued to be an important part of our activities.

KPI 6.2.6 - Maintaining ISO accreditation

Renew accreditation of the ISO 14001 Environmental Management System and promote cross-sectoral stakeholder awareness through continued participation in the NI Environmental Management Survey.

Performance

2009/10

Achieved October 2009.

2008/09

External assessment of the EMS was undertaken in November 2008 and re-accreditation to ISO 14001 confirmed. The 10th EM Benchmarking Survey results launched in October 2008 show we have retained a first quintile position with a score of 88% compared to the NI average of 63% and a General Services sectoral average of 61%.

KPI 6.2.7 - Monitoring sustainability

Monitor progress against the Sustainable Development Policy and update the policy if necessary to take account of the revised NI Sustainable Development Action Plan when published. Continue to identify opportunities for the reduction of adverse environmental impacts, including monitoring Carbon Dioxide (CO₂) producing activities and waste outputs.

Performance

2009/10

Our Sustainable Development reporting methodology has been developed and progress is reported to the Board every six months.

2008/09

We updated our Environmental Policy in June 2008 to make specific links to the Sustainable Development Strategy for NI. No revised Action Plan has been published yet by Office of the First Minister/Deputy First Minister. A number of procedures are included in the Environmental Management System (EMS) to reduce emissions and waste to landfill. The Board approved a Waste Resources Action Plan in November 2008. An information note to staff on compliance with waste legislation was circulated in April 2009.

KPI 6.3.1 - Reducing arrears

Ensure that total arrears at 31 March 2010 are reduced by at least £100k below the previous year's outturn.

Performance

2009/10

Arrears decreased by £612k in 2009/10 to £13,311k, which exceeded the target by £512k.

2008/09

At the end of the year, arrears (past and current tenants housing rents and rates) were £13,923k, representing a decrease in arrears of £81k.

KPI 6.3.2 - Offering financial advice to tenants

Implement the financial inclusion strategy to ensure tenants receive appropriate financial advice and access to financial services.

Performance

2009/10

2008/09

Implementation of the financial inclusion strategy continues. Progress to date includes introduction of new payment methods, more promotion of advice and increased focus on arrears prevention. Additional resources have been identified and are now in place in each service unit to provide money and benefits advice.

KPI 6.3.3 - Re-letting properties promptly

Re-let at least 95% of properties within two weeks of previous tenancy termination.

Performance

2009/10

2008/09

Performance for the year was 92% of target.

Performance for the year was 95.8% of target.

KPI 6.3.4 - Minimising the number of empty properties

Ensure that the number of void properties does not exceed 1.5% of stock.

Performance

2009/10

2008/09

At March 2010 there were 937 lettable void properties (1.04% of the housing stock of 90,182).

At March 2009 there were 1,152 lettable void properties (1.27% of the housing stock of 90,500).

KPI 6.3.5 - Comparing our performance to that of others	
Benchmark the cost and effectiveness of key housing management services against those of a range of other housing authorities in Great Britain and ensure that Housing Executive costs remain in the lowest quartile and performance improves.	
Performance	
2009/10	2008/09
2008/09 benchmarking exercise completed. NIHE management costs remain in the lowest quartile, with performance improvements in a number of areas, including arrears, write offs, voids and re-let times.	Benchmarking is carried out in conjunction with Housemark - a housing related best practice organisation. The benchmarking results for 2007 - 2008 showed that the Housing Executive performance was in the top quartile in respect of rent arrears management, voids management, response repairs management and tenancy and estates management. These results are still subject to final validation by Housemark.

KPI 6.3.6 - Processing housing applications promptly	
Process at least 90% of housing applications within 20 working days.	
Performance	
2009/10	2008/09
97% of housing applications were processed within target.	95% of housing applications were processed within target.

KPI 6.3.7 - Carrying out repairs promptly	
Complete for each classification, 95% of Emergency, Urgent and Routine repairs within the agreed timescales of 24 hours, 4 days and 4 weeks respectively.	
Performance	
2009/10	2008/09
Emergency repairs, urgent repairs and routine repairs all exceeded the target at 96%.	During the year 97% of emergency repairs, 97% of urgent repairs and 97% of routine repairs were completed within the target timescales.

KPI 6.3.8 - Processing grant applications promptly

Grants Processing - To issue at least 90% of all Schedules of Grant Aided Works within twelve weeks of inspection.

Performance

2009/10

96% of schedules were issued within 12 weeks of inspection.

2008/09

92% of schedules were issued within 12 weeks of inspection.

To issue a formal approval within six months of completed documentation for 100% of applications.

97% of approvals were issued with 6 months of documentation being received.

92% of formal approvals were issued within six months of receipt of completed documentation.

To make at least 90% of payments within six weeks of the request for inspection.

83% of payments were made within six weeks of the request for inspection.

81% of payments were made within the six week target.

To maintain processing costs at 2008-09 levels.

The Processing Rate has risen because of the lower volume of grants approved within the same fixed costs.

£36.10 against a target of £29.97

£29.97 against a target of £24.83

KPI 6.3.9 - Delivering adaptations promptly

To ensure performance of 90% for disabled adaptations against the following standards:

Performance

2009/10

2008/09

Performance on adaptations was hampered during the year by funding constraints.

Item	Achieved %	Item	Achieved %
12 weeks for lifts	83	12 weeks for lifts	68
50 weeks for extensions	36	50 weeks for extensions	72
12 weeks for urgent heating	89	12 weeks for urgent heating	74
35 weeks for standard+ heating	93	35 weeks for standard+ heating	21
52 weeks for standard heating	91	52 weeks for standard heating	68
10 weeks for urgent showers	99	10 weeks for urgent showers	100
40 weeks for non-urgent showers	100	40 weeks for non-urgent showers	100
8 weeks for other minor adaptations (including ramps)	98	8 weeks for other minor adaptations (including ramps)	98

KPI 6.3.10 - Processing Housing Benefit claims promptly					
Deliver an efficient and effective Housing Benefit Service.					
Process new Housing Benefit claims within an average 29 days.					
Performance					
2009/10	Target	Actual	2009/10	Target	Actual
			Public	30	29.10
			Private	30	40.95
Overall	29	28.7	Overall	30	38.12
Process notifications of changes of circumstances within an average of 10 days.					
			Public	10	12.96
			Private	10	17.08
Overall	10	13.3	Overall	10	15.57
Ensure an accuracy rate of 96% for Housing Benefit assessments.					
The performance at end of year was 96.8%.			The performance at end of year was 97.07%.		
Recover at least 85% of Housing Benefit overpayments raised during the year.					
During 2009/10, management identified that the Housing Benefit system required changes to the methodology used to report on overpayments. This resulted in changes to the base figures used for the Housing Benefit overpayments KPI for 2009/10 and means that a comparison with performance in previous years is not possible.			Overpayments recovered during the year were 84% of total over-payments raised during the year.		
There have been ongoing problems with the computer system for reporting of Housing Benefit overpayments recovered. The most accurate available figure is a total of £12,793,495 overpayments recovered. This figure is 74.4% of the figure for overpayments raised (£17,190, 434).					
The year end balance was £23,447,233.					
Reduce the level of fraud and error in HB to 2.43% of annual benefit expenditure by March 2010.					
Performance was 2.6% against a target of 2.43%			This was not previously identified as a separate KPI.		

KPI 6.3.11 - Managing our assets effectively	
Implement and report on asset management plan.	
Performance	
2009/10	2008/09
The Asset Management Strategy & Plan (Land and Property) 2009/10 was presented to and approved by the Board in July 2009. The first meeting of the Corporate Asset Management Forum took place on 12 October 2009. The second was due at the end of January 2010 but was delayed due to staff changes.	This was not previously identified as a separate KPI.

KPI 6.4.1 - Ensuring our services are efficient	
Review the new structures, staffing and processes introduced through the Modernising Services Programme to ensure that the benefits anticipated are being achieved by March 2010.	
Performance	
2009/10	2008/09
Complete. A fundamental review of the Modernising Services benefits was carried out in 2009 and approved by the Modernising Services Board in November 2009. The Board received an update in February 2010.	Restructuring completed in Belfast, South East and West Areas. One District in the North East Area and two in the South Area to be completed.

KPI 6.4.2 - Improving systems to deal with core activities	
Implement the core Housing Management System (HMS) by March 2010.	
Performance	
2009/10	2008/09
Due to delays in the delivery of software from the supplier, the completion date of March 2010 was not achieved. Phase 1 (Repairs) is currently being implemented, with phase 2 (Housing and Accounts) scheduled for November 2010 and the Final Phase (minor modules) scheduled for March 2011.	At the end of the year implementation was underway.

KPI 6.4.3 - Improving management of private sector grants	
Implement the new Private Sector Management System by December 2009.	
Performance	
2009/10	2008/09

Due to issues with the quality of software and unanticipated changes in system requirements, the completion date of December 2009 was not achieved. Out of the 10 Grants offices 4 were completed by end of March 2010, with a final implementation date for all offices of July 2010.

KPI 6.4.4 - Improving security in our systems	
Implement the 2009/10 Security Improvement Programme by March 2010.	
Performance	
2009/10	2008/09

Complete. The key activities completed as part of 2009/10 Security programme are as follows:

- NICS accreditation renewed up to September 2010
- Laptop and tablet encryption
- Sophos anti-virus software replaced with Symantec software
- Access NI staff vetting
- Security Awareness programme
- Security Compliance returns for business critical systems
- New data sharing agreement issued and new data transfer arrangements in place
- Asset Management Strategy developed
- Conditions of connection reviewed and updated.

Complete.

KPI 6.4.5 - Maintaining quality	
Deliver the yearly objectives outlined in the Business Improvement Strategy and benchmark progress against the UK Quality Award.	
Performance	
2009/10	2008/09
Complete. The Business Improvements Strategy was delivered and we won the UK Quality Award in October 2009.	Complete.

KPI 6.5.1 - Developing staff	
Implement the 2009/10 objectives in the People Strategy by March 2010.	
Performance	
2009/10	2008/09
The People Strategy 2009/10 was approved by the Board at its meeting in October 2009. The strategy sets out the key people management activities under the heading of Leadership and Management, Knowledge and Skills, Developing the Organisation, Managing Performance, Resourcing, and Pay and Reward. A full report, including findings from the Staff Survey 2010, will be submitted to the Board at the earliest opportunity.	People Strategy Update 2008 approved by the Board - August 2008.

KPI 6.5.2 - Managing our salary budget	
Implement the efficiency programme to ensure that CSR targets are met in respect of manpower costs by March 2010.	
Performance	
2009/10	2008/09
Objective achieved. Manpower costs remained within salary budget.	Achieved.

KPI 6.5.3 - Delivering staff learning & development programme	
Implement the competency based approach established in the Learning and Development Strategy in all divisions by March 2010.	
Performance	
2009/10	2008/09
Competence Frameworks have been developed based on the needs of the relevant Divisions.	Consultation with Divisional representatives on policy was completed. Consultation with Trade Union representatives was underway but will continue into next year. This will form an objective for 2009/10.

KPI 6.5.4 - Encouraging diversity	
Review our approach to diversity, including the Affirmative Action Plan, and develop a new Diversity Strategy by March 2010.	
Performance	
2009/10	2008/09
Achievement of this objective deferred to 2010/11.	Achieved. Re-accreditation was awarded in August 2008.

KPI 6.5.5 - Reducing absence levels	
Deliver a 5% reduction in absence levels by March 2010.	
Performance	
2009/10	2008/09
Actual 6.1% against target of 5.72%.	The percentage sickness absence for the year was 6.01% (13.22 days average per employee) against a target of 6.36%.

KPI VALIDATION CERTIFICATE

Under Managing Public Money Northern Ireland (MPMNI) rules the Chief Executive has prime responsibility for the achievement of performance targets agreed with the Department for Social Development and that suitable systems are in place to provide reliable information on performance against those targets.

Internal Audit is responsible for assessing the adequacy and effectiveness of controls within these systems and validating actual performance.

OPINION

On the basis of the audit work done Internal Audit confirms that, in all material respects, the performance against key performance indicators for 2009 /10 as presented in this section is fairly reported by the organisation.

Whilst issuing an unqualified audit certificate, Internal Audit notes that the existing issues with the I-World computer system need to be resolved as quickly as possible to allow accurate and consistent reporting of the Housing Benefit Overpayment Key Performance Indicator from 2010/11 onwards.

A handwritten signature in black ink, reading 'J McVeigh'.

John McVeigh
Head of Internal Audit

OUR COMMITMENT

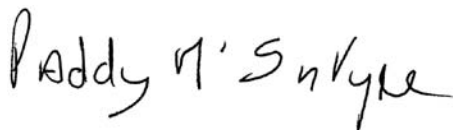
I would like to take this opportunity to thank all those who have supported the organisation throughout 2009/10. In particular, our outgoing Minister with responsibility for Social Development, Margaret Ritchie MLA, who has demonstrated a real commitment to housing throughout the year.

I would also like to thank officials within the Department for Social Development and our colleagues within the housing association movement, for working in partnership to deliver housing initiatives and programmes across Northern Ireland.

I would like to thank members of the Northern Ireland Housing Council, all those we work with in the statutory and voluntary sectors and all the political and community representatives we meet throughout the year.

The Housing Executive is committed to improving people's lives, providing decent homes and building sustainable communities. The performance detailed throughout this management commentary has been delivered against a background of understandable concern amongst staff about RPA, efficiencies and funding.

There have also been substantial changes to work practices for staff throughout the Housing Executive. The examples of the achievements carried out over the year highlight the hard work and dedication of staff throughout the organisation. I would like to thank them for their continued commitment and professionalism.

A handwritten signature in black ink that reads "Paddy McIntyre". The script is cursive and fluid, with the first name "Paddy" and last name "McIntyre" clearly legible.

Paddy McIntyre
Chief Executive

DIRECTORS' REPORT

**THIS PART OF THE ANNUAL REPORT SETS OUT THE ACCOUNTS
OF THE NORTHERN IRELAND HOUSING EXECUTIVE FOR THE
FINANCIAL YEAR ENDED 31 MARCH 2010**

STATUTORY BASIS

The Northern Ireland Housing Executive (the Housing Executive) is a Non-Departmental Public Body (NDPB) which was originally established by the Housing Executive Act (Northern Ireland) 1971 (since superseded by the Housing (Northern Ireland) Order 1981 and 2003). Under the terms of the Act, the Housing Executive assumed the housing responsibilities of some 65 separate authorities and became Northern Ireland's single comprehensive regional housing authority.

PRIMARY RESPONSIBILITIES

As a comprehensive regional housing authority, under existing legislation the Housing Executive's primary responsibilities are to:

- regularly examine housing conditions and housing requirements;
- draw up wide ranging programmes to meet these needs;
- effect the closure, demolition and clearance of unfit houses;
- effect the improvement of the condition of the housing stock;
- encourage the provision of new houses;
- establish housing information and advisory services;
- consult with district councils and the Northern Ireland Housing Council;
- manage its own housing stock in Northern Ireland;

The Housing Executive is the Home Energy Conservation Authority for Northern Ireland and administers the Supporting People programme and Housing Benefit. We are responsible for management of the Social Housing Development Programme and the Warm Homes Scheme.

BOARD MEMBERS

The Housing Executive is subject to the Department for Social Development's (DSD) right to issue a direction in connection with the exercise of any of its functions. Responsibility for general policy, management and operation of the Housing Executive is vested in a 10-person Board. Following Ministerial approval all Board Members are appointed by the Permanent Secretary of the DSD. Four members are nominated by the Housing Council from its membership and the remainder are DSD nominees. Legislation states that at least one member shall be a woman.

BOARD MEMBERS FOR THE PERIOD 1 APRIL 2009 - 31 MARCH 2010

Brian Rowntree CBE	Chairman
Anne Henderson BSSc	Vice Chair
Dr Monica Wilson OBE	(Re-appointed 5th November 2009)
Eamonn O'Neill	(Re-appointed 5th November 2009)
Jim Speers MBE	(Re-appointed 5th November 2009)
Brendan Curran	(Re-appointed 5th November 2009)
Jenny Palmer	(Re-appointed 5th November 2009)
Ciaran Brolly BSC MIOSH	(Term ended 4th November 2009)
Brendan Mackin	(Term ended 4th November 2009)
Alistair Joynes Adv Dip Ed MCIPD MIM MCIMC	(Term ended 4th November 2009)

REGISTER OF INTERESTS

In accordance with the Code of Practice for Board Members of the Northern Ireland Housing Executive, a Register of Interests is maintained to record declarations of any personal or business interests which may conflict with their responsibilities as Board Members. Members of the public have access to the Register, upon prior written notice.

FINANCIAL ACCOUNTS

The accounts are presented in accordance with the Accounts Direction given by the Department for Social Development with the approval of the Department of Finance and Personnel, in accordance with article 21(2) of the Housing (Northern Ireland) Order 1981.

RESULTS FOR THE YEAR

In financial terms, 2009/10 proved to be as equally challenging for the Housing Executive as was the case in the previous year. Like many organisations and individuals, the general downturn in economic conditions continued to affect us adversely. This was particularly so for capital receipts, a significant source of funding for our capital programmes.

While house and land sales showed some improvement at £18 million, this was still considerably below the original budget expectation of £69 million. The resultant shortfall of some £51 million had to be carefully managed by adjusting our expenditure plan accordingly and then submitting bids for additional funding through the monitoring round arrangements. By applying sensible and sensitive financial management, the Housing Executive was able to maintain financial stability and, at the same time, protect, where possible, the delivery and quality of services provided to tenants and other stakeholders. However, as noted in the Chairman's foreword to the Annual Report, we were unable to begin major capital improvement works planned for Housing Executive homes and the level of discretionary grants for private home owners had to be significantly restricted.

In overall terms in 2009/10, the Housing Executive had a surplus of £1.385 million which is approximately 0.2% of the total budget, excluding housing benefit payments. About £1.2 million of this surplus related to additional capital receipts which, because of government accounting rules, were surrendered back to central funds.

Turning to 2010/11, the Housing Executive Board has approved a realistic budget which anticipates further improvement in capital receipts, perhaps up to £30 million, but still below the original planning target of £59.9 million. Again, this means a considerably restricted capital housing improvement and grants programme. In addition, the approved financial plan may require further adjustment in response to the extra efficiency savings requirement announced in late May by the new United Kingdom Government. It is known that Northern Ireland will have to meet at least £128 million worth of savings but the contribution expected from housing is not yet known. This could increase depending on the outcome of the emergency Budget expected in June 2010.

For all periods up to and including the Year End 31 March 2009, the Housing Executive prepared its annual accounts in accordance with UK GAAP and the Financial Reporting Manual (FReM). Following the announcement in the 2007 Budget that the UK public sector would adopt International Financial Accounting Standards (IFRS), the Housing Executive has prepared its annual report and accounts in accordance with IFRS for the year end 31 March 2010.

In preparing these accounts, the Housing Executive has started from a Statement of Financial Position date as at 1 April 2008, the organisation's transition date to IFRS. Reconciliations of the Net Expenditure Account for the Year End 31 March 2009 and Statement of Financial Position as at 1 April 2008 and 31 March 2009 under IFRS to the results and financial position previously reported under UK GAAP are set out in Note 2.

In 2009/10 the Housing Executive received funding from the DSD of £479.2 million (2009: £501.9 million). This included £62 million for Supporting People grant, £157 million for the Social Housing Development Programme grant and additional grant of £66 million to support Private Sector Grants and Warm Homes Schemes. In addition the Housing Executive has accounted for Housing Benefit grant of £528 million. Note 33 within the Financial Statements provides a breakdown of that funding and how it was spent. The accounts show net expenditure for the year of £963 million. A corporation tax charge of £1.85m has been included to reflect the Housing Executive's liability as it does not have crown exempt status.

During the year a revaluation of the Housing Executive's land and property portfolio was undertaken by independent external valuers. More detail is provided in Note 12 and in the section below titled Property, Plant & Equipment.

The Housing Executive continues to undertake a significant programme of restructuring. In-year costs of £4.3 million have been included in the Net Expenditure Account, in accordance with International Accounting Standard 1, Presentation of Financial Statements. More details regarding the restructuring can be found in Note 6.

The annual pension report, which is provided by the appointed independent actuary, continued to show a significant deterioration in the pension valuation from a deficit of £142.5m in 2008/09 to a deficit of £282.8m in 2009/10. The actuary explained that the vast majority of the downturn was due to a significant increase in pension liabilities which resulted from less favourable financial assumptions used. Further, mortality assumptions have been strengthened to reflect improvements in life expectancy. This increase in liabilities has significantly outweighed the higher than expected returns from investment markets for the pension assets. Due to the rise in pension liabilities the funding level, that being the ratio of assets to liabilities, declined by 7%. Note 25 provides further pension disclosures.

PROPERTY, PLANT & EQUIPMENT

For Year end 31 March 2010 annual accounts, all of the Housing Executive's land and property has been revalued by an independent external valuer, Land and Property Services, an executive agency within the Department of Finance and Personnel for Northern Ireland. This ensured that all valuations were carried at fair value in accordance with International Accounting Standard 16.

Housing Stock continues to be valued at 'Existing Use Value for Social Housing', based on the 'Guidance on Stock Valuation for Resource Accounting' published by the Department of Communities & Local Government in Great Britain. Valuations were made in accordance with the Royal Institution of Chartered Surveyors' Red Book. Land, Commercial Properties and Offices are valued at open market value for existing use. Hostels and Traveller's sites are considered to be specialised assets and are valued at Depreciated Replacement Cost.

A revaluation of the Housing Executive's Property, Plant & Equipment as at 31 March 2010 resulted in an increase in value of £68.7 million which has been transferred to the Revaluation Reserve Account and the Donated Asset Reserve Account. Of this amount, £78.9 million represented an increase in the Housing Stock valuation. The land and other buildings within Operational Property suffered a downward revaluation movement of £14.1 million. Non-Operational Property reported a revaluation surplus of £2.5m.

During the current financial year, land which was previously identified as 'Amenity' has been reclassified as 'Undeveloped Land' which was valued at £4.2 million. Land classified as amenity land has no value and is reflected within the social housing values.

The realised revaluation surplus on the disposal of houses and land of £9.96 million has been transferred to the Revenue Reserve Account from the Revaluation Reserve Account. During the financial year the Housing Executive sold 296 dwellings. In addition 6 houses were transferred to Housing Associations.

EMPLOYEE INVOLVEMENT

Employee involvement is considered to be essential to the success of the organisation and is underpinned through our People Strategy.

Communication with staff is managed through our Communication Strategy which ensures that staff are involved and consulted on all aspects of the business. In particular, they are encouraged to contribute to the development of our Corporate and Business Plans and to organisational change through involvement in project teams. In addition, a system of Team Briefing provides the framework for Managers to update on a monthly basis on Board decisions, organisational topics and local issues, including progress against objectives.

Other channels include appraisal, best practice events, circulars and newsletters. 'Grapevine' allows staff to use the intranet to raise issues and seek views of other staff and managers.

The Business Excellence Model (EFQM) provides the framework for our activity on continued business improvement. In 2009, having already achieved the NI Quality Award, we applied for and were successful in achieving the UK Quality Award, the highest award under the awards framework operated by the British Quality Foundation. The use of this model ensures that a focus is maintained on high quality services as can be evidenced by the fact that all of our District Offices and Grants Offices were awarded Charter Mark. In 2008 we moved to the new Customer Service Excellence Standard and were awarded Standard Bearer Status, one of only 17 organisations across the United Kingdom to be selected.

Learning and development activity is key to supporting staff in the delivery of our objectives, particularly through a time of change as we implement our Modernising Services Agenda. The organisation holds Investors in People (IIP) status and places great emphasis on a co-ordinated approach to learning based on a competency framework,

the use of internal and external courses and the achievement of relevant qualifications. In 2009 we introduced an in-house accredited Level 3 Certificate, the first nationally accredited employer led qualification in Housing in the UK.

Volunteering has provided excellent opportunities for staff to contribute to the community whilst developing team skills. An employee led volunteering group plans and co-ordinates volunteering activities which include both fund raising and practical activities.

Over the past year staff helped raise £166,756 for a wide range of charitable causes through a variety of events.

All of these initiatives give staff the opportunity to contribute constructively to the work of the organisation.

EMPLOYEES WITH A DISABILITY

It is the Housing Executive's policy to ensure that equality of opportunity is provided to all employees and those seeking employment and to provide opportunities and make all reasonable adjustments to support the employment, training and development and retention of those with a disability.

The average number of staff with a disability employed by the organisation during the year was 128.

EQUALITY OF OPPORTUNITY (EMPLOYMENT)

The Housing Executive is an Equal Opportunities Employer and has a range of policies and procedures in place to ensure fair representation and participation in the workforce, irrespective of religious belief, political opinion, race or ethnic origin, gender, marital status, disability, age, sexual orientation or those with or without dependents.

An Affirmative Action policy is being implemented aimed at attracting more applications from the Protestant community, given their under representation in the workforce. This has included a major outreach programme to schools and youth organisations within this sector.

The impact of all employment policies on the composition of the workforce is monitored and actions required reflected in the Affirmative Action Programme. A range of policies are in place to ensure staff can balance their work and have responsibilities.

EQUALITY OF OPPORTUNITY (GENERAL)

The Housing Executive is committed to effective compliance with its obligations under Section 75 of the Northern Ireland Act 1998 and aims to ensure that, in practice, issues of equality of opportunity are given due prominence in all appropriate spheres of Housing Executive activity.

CHARITABLE DONATIONS

The Housing Executive made no charitable donations during the year.

RESEARCH AND DEVELOPMENT

Housing research plays an important role in helping the Housing Executive meet its key objectives. Each year the "Northern Ireland Housing Market: Review & Perspectives" is published, which underpins the Housing Executive's Corporate/Business Plan and its intervention in the market and as a source of information for public, private and voluntary sectors.

The Housing Executive completed survey work for the 2009 House Condition Survey which will now take place on a biennial basis. Full results will be available in early 2011.

Important reports on the Private Rented Sector, the Housing Needs of Older People and Housing Market Areas were carried out during the year. In addition a regular suite of research projects and surveys including the Continuous Tenant Omnibus Survey, covering customer and tenant attitudes and satisfaction levels, were completed.

HEALTH & SAFETY

The Housing Executive is committed to adhering to all existing legislation on health and safety at work to ensure that staff and customers enjoy the benefits of a safe environment.

OPEN GOVERNMENT

The Housing Executive complies with the Freedom of Information Act 2000.

PAYMENT TO CREDITORS

The Housing Executive is committed to the prompt payment of bills for goods and services. We aim to pay valid invoices within 10 working days in line with the Government Prompt Payment Target and within 30 days at the latest in line with our standard terms and conditions, unless otherwise stated in the contract.

The following statistics exclude benefit payments.

In 2009-10, a total of 488,941 invoices were processed with 451,830 (92.4%) being paid within 30 days of the invoice date.

In relation to the 10 day payment target, which relates to goods and services invoices only, a total of 422,758 invoices were processed of which 384,537 (91%) were paid within 10 days of the invoice date.

PENSIONS

The Housing Executive participates in the NILGOSC pension scheme for the majority of its employees. This is a defined benefit pension scheme. The assets are accumulated in the scheme, which is multi employer, and are held separately from the assets of the Housing Executive. The Housing Executive Accounting Policy 1(o) provides additional information on pensions.

FINANCIAL INSTRUMENTS

IFRS 7 Financial Instruments: Disclosures, requires the Housing Executive to disclose the significance of financial instruments for the Organisation's financial position and performance, the nature and extent of risks arising from financial instruments and how those risks are managed. The Housing Executive is not exposed to the same financial risks as that faced by commercial business as it is in receipt of subvention from the DSD, however full disclosure is given in Note 23.

DISCLOSURE OF RELEVANT AUDIT INFORMATION

There is no relevant audit information of which the auditors are unaware; the Accounting Officer has taken all the necessary steps to ensure that both he and the auditors are aware of all relevant audit information.

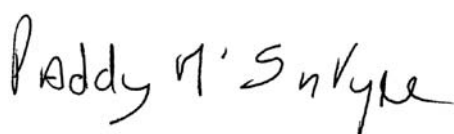
AUDITOR

The Comptroller and Auditor General was appointed the statutory Auditor from 1 April 2003 following the Audit and Accountability (Northern Ireland) Order 2003. He is the Head of the Northern Ireland Audit Office and he and his staff are wholly independent of the Northern Ireland Housing Executive and report his findings to the Northern Ireland Assembly.

COMMITTEE OF THE BOARD - AUDIT COMMITTEE

The Audit Committee is a committee of the Board. It is an advisory body which supports the Accounting Officer and the Board by offering objective advice on the risk, control and governance processes which have been established in the Housing Executive.

The Audit Committee comprises three Board members and one independent member. The Committee is chaired by the Vice Chairman and meets not less than four times each year.



P McIntyre
Chief Executive

Date: 30 June 2010

REMUNERATION REPORT

REMUNERATION POLICY

The remuneration of senior staff employed by the Housing Executive is determined by two factors:

- Results of the national negotiations by the Joint Negotiating Committee for Chief Officers (for Directors) and Joint Negotiating Committee for Chief Executives (for Chief Executive).
- Movement through the scale in line with guidance issued by the Department of Finance and Personnel

SERVICE CONTRACTS

Senior appointments are made in line with the organisation's Appointments and Promotions Procedure which requires appointments to be made on merit and on the basis of fair and open competition. Appointments are open-ended until officers reach retirement. Twelve weeks notice is required in relation to termination of contract.

Separate procedures are in place for short term or temporary arrangements.

REMUNERATION REPORT (CONTINUED)
CHAIRMAN AND DIRECTORS' EMOLUMENTS - AUDITED

Name and Title	Date of Contract	2010 Salary £'000	2009 Salary £'000
B Rowntree Chairman	5 Nov 2007	40-45	40-45
P McIntyre Chief Executive	1 March 2004	125-130	120-125
S Cuddy Director of Corporate Services/ Deputy Chief Executive	1 March 1998	100-105	100-105
C McCaughley Director of Housing & Regeneration	1 July 1999	90-95	90-95
M Taggart Director of Personnel & Management Services	1 Jan 1998	85-90	80-85
J McPeake Director of Design & Property Services	1 April 2002	75-80	70-75
C Bailie Director of Finance	1 Nov 2007	70-75	70-75

REMUNERATION REPORT (CONTINUED)
CHAIRMAN AND DIRECTORS' PENSIONS - AUDITED

Name and Title	Real Incr. in Pension Related Lump Sum at Age 60 £'000	Total Accrued Pension at Age 60 & Related Lump Sum £'000	CETV at 31/03/09 £'000	CETV at 31/03/10 £'000	Real Incr. in CETV after adj. £'000
P McIntyre Chief Executive	2.5-5 Plus Lump Sum 5-7.5	60-65 Plus 180-185 Lump Sum	1,445	1,569	104
S Cuddy Director of Corporate Services/Deputy Chief Executive	2.5-5 Plus Lump Sum 2.5-5	45-50 Plus 130-135 Lump Sum	976	1,097	104
C McCaughley Director of Housing & Regeneration	2.5-5 Plus Lump Sum 2.5-5	35-40 Plus 110-115 Lump Sum	847	951	93
M Taggart Director of Personnel & Management Services	2.5-5 Plus Lump Sum 2.5-5	40-45 Plus 120-125 Lump Sum	843	944	86
J McPeake Director of Design & Property Services	0-2.5 Plus Lump Sum 0-2.5	25-30 Plus 75-80 Lump Sum	458	522	51
C Bailie Director of Finance	20-25 Plus Lump Sum 70-75	25-30 Plus 70-75 Lump Sum	18	400	381

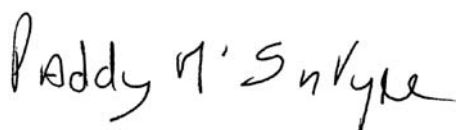
The Chairman is not a member of the NILGOSC Scheme.

REMUNERATION REPORT (CONTINUED)
BOARD MEMBERS' EMOLUMENTS - AUDITED

Name and Title	Date of Contract	2010 Salary £'000	2009 Salary £'000
A Henderson, Vice Chair	5th Nov 2007	15-20	15-20
B Mackin	5th Nov 2004	0-5	5-10
C Brolly	5th Nov 2004	0-5	5-10
A Joynes	5th Nov 2004	0-5	5-10
Dr M Wilson	5th Nov 2004	5-10	5-10
E O'Neill	4th Nov 2008	5-10	5-10
J Speers	4th Nov 2008	5-10	5-10
B Curran	4th Nov 2008	5-10	5-10
J Palmer	4th Nov 2008	5-10	5-10

The Chairman and Vice Chair were re-appointed on 5 November 2007 for a period of 5 years. Five Board Members were re-appointed on 5 November 2009 for a period of 5 years. The term ended for three Board Members on 4 November 2009.

Three new Board members have been appointed for a five year term from 1 June 2010 and are not included above as no remuneration was paid during 2009/10.



P McIntyre
 Chief Executive

Date: 30 June 2010

STATEMENT OF NORTHERN IRELAND HOUSING EXECUTIVE'S AND CHIEF EXECUTIVE'S RESPONSIBILITIES

Under Article 21(2) of the Housing (Northern Ireland) Order 1981 the Department for Social Development has directed the Northern Ireland Housing Executive to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Northern Ireland Housing Executive and of its income and expenditure, movement in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Department for Social Development, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed, and disclose and explain any material departure in the financial statements; and
- prepare the financial statements on a going concern basis.

The Accounting Officer of the Department for Social Development has designated the Chief Executive of the Northern Ireland Housing Executive as Accounting Officer for the Housing Executive. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Housing Executive's assets, are set out in the Accounting Officers' Memorandum issued by the Department of Finance and Personnel and published in Managing Public Money Northern Ireland.

STATEMENT ON INTERNAL CONTROL FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

SCOPE OF RESPONSIBILITY

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Northern Ireland Housing Executive (the Housing Executive) policies, aims and objectives, whilst safeguarding the public funds and the Housing Executive's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland.

The Management Statement and Financial Memorandum (The "Statement") issued to the Housing Executive by our Sponsoring Department (Department for Social Development) sets out the policy and resource framework within which we operate. It sets out the role and aims of the Housing Executive, its duties and powers, the responsibilities of the Chairman, Board and Chief Executive, and the relationship with the Minister and Sponsoring Department.

The "Statement", Managing Public Money Northern Ireland and relevant Dear Accounting Officer letters set out the controls to be exercised over the different areas of activity, either by the Department directly or by the Housing Executive, through its Board under delegated authority.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Housing Executive policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Housing Executive for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts, and accords with Department of Finance and Personnel guidance.

CAPACITY TO HANDLE RISK

The Housing Executive has a risk management policy approved by the Board which sets out the organisation's attitude to risk, defines the structures for the management and ownership of risk and for the management of situations should control failure lead to the realisation of risk. It also specifies the way in which risk issues are to be considered at each management level of business planning and details how new activities will be assessed for risk and defines the way in which the risk register and risk evaluation criteria will be regularly reviewed.

Officers from each division coordinate the risk process and they apply developments in risk management best practice from HM Treasury and Office of Government Commerce. Annual reviews are used as a vehicle to train and update managers on the Housing Executive's risk management and review processes and to develop and maintain those processes to ensure their continuing effectiveness.

THE RISK AND CONTROL FRAMEWORK

The Housing Executive, operating within a devolved government environment, agrees with its sponsoring Department, after extensive public consultation, a Corporate Plan which sets out objectives over a three year period and a Business Plan which details the business objectives for the first year of the Corporate Plan, together with appropriate targets and performance measures. Results against targets and performance measures are reported monthly and in the annual report at year-end.

The Housing Executive's corporate and business planning system provides the framework for the consideration of risks and risk appetite. Annual reviews of objectives and assessment of risks are undertaken by each division as part of that process.

Standard risk assessment forms provided ensure risks are recorded in a structured way and the use of defined criteria ensure that risks are evaluated consistently. Risk is evaluated taking account of the likelihood of the realisation of the risk and the impact of the realisation of the risk.

The Monthly Performance Review Committee oversees risk management, with progress reported quarterly to the Board and Chief Executive's Business Committee. Risk management is a standing agenda item on each Director's monthly management meeting.

A corporate risk register is maintained on the Housing Executive's intranet and acts as the link between divisional management, Directors and the Board.

Information Security policies, procedures and governance arrangements are well embedded and are subject to continuous review against emerging best practice and improvements identified through out Security Improvement Plan (SIP). Annually we prepare an information security risk assessment, as part of our accreditation process and an "IT Health Check" is undertaken which includes "Penetration Tests" performed on key applications by an accredited CHECK consultant.

Internal Audit through its risk-based audit plans provides assurance on Information Security. Further assurance is also provided to the Board and Audit committee through periodic presentations and reports presented by the Information Security Manager.

The Housing Executive holds the Quality Award (NI), which is the highest level of award available for organisations in Northern Ireland within the European Quality Awards Framework. This achievement recognises the organisation and its staff's ongoing commitment to maintaining high quality awards.

REVIEW OF EFFECTIVENESS

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is formed by the work of the internal auditors and executive managers within the Housing Executive who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and Performance Review Committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

The Housing Executive's Board ensures that affairs are managed with due regard to accountability, control and value for money considering:

- Monthly reports on physical, financial and service targets contained in the Business Plan.
- Bi-annual Accountability and Performance Review Meetings between the Minister and the Chairman to examine the Housing Executive's performance;
- The Departments monitoring and control of the Housing Executive's performance and expenditure through the Performance Review Meeting which meets monthly under the chair of the Department;
- Delegating powers and reserving matters, through Standing Orders which it has approved, and by monitoring approvals made under delegated powers;

The Performance Review Committee reports on their review of the effectiveness of control to contain risk and action plans to address weaknesses and ensure continuous improvement.

In line with government policy the organisation is implementing a major Modernising Services programme involving the remodelling of our business activities and the introduction of new technology and systems. Progress at year-end and the half year is reported to the Board. This is being managed in line with the principles established by the Office of Government Commerce for Managing Successful Programmes and the PRINCE2 methodology for managing projects. Accordingly the programme and projects are subject to independent gateway reviews and reports.

The Audit Committee in its advisory role promotes both a climate of robust financial discipline and control and the development of internal control, including risk management; at each meeting it reviews a major risk subject.

Internal Audit who operate in accordance with Government Internal Audit Standards provide an independent and objective opinion on risk management, control and governance through reporting on risk-based plans agreed annually by the Audit Committee and by providing independent and objective advice.

An annual stewardship statement is submitted by each Director on the work of each division in relation to risks identified and managed, and on regulatory and compliance action.

It is the intention of the Housing Executive to establish a central compliance and inspection team.

INTERNAL CONTROL ISSUES

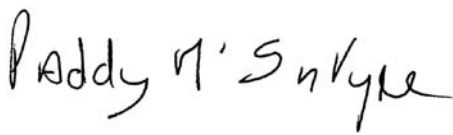
There were a number of separate investigations:

- In response to queries raised through Northern Ireland Audit Office (NIAO), the Housing Executive undertook a review of work carried out by a contractor. Having considered the findings of this internal review, the Housing Executive's Audit Committee commissioned an external review to consider the matters raised in depth. A draft report is under consideration.
- During early 2010, as a result of an internal review/investigation regarding a development site in North Belfast, it was decided to refer the matter to PSNI for consideration. At this time, PSNI enquiries are at a preliminary stage.
- During 2009, allegations surfaced regarding quality of work carried out by a contractor regarding maintenance work on Housing Executive properties. The substance of the allegations surrounded questions over the professional qualifications/competencies of personnel. These allegations have been the subject of ongoing investigation and are currently part of an on-going legal action.
- Again, during 2009, as a result of an internal Housing Executive inspection, indications of alleged overcharging by contractors carrying out work to Housing Executive properties were identified. A number of properties were tested by external specialists and a number of reports are currently under consideration by Housing Executive management. This is currently subject to Housing Executive Contracts Disputes procedure.

OTHER CONTROL ISSUES

- As a result of the internal control issues identified above the continuous review of fraud and error has been given a heightened focus.
- An evaluation of the Supporting People Programme by the Department for Social Development is being finalised and will need to be considered and addressed in the new financial year. The Northern Ireland Audit Office audit has also identified a number of issues which will require to be addressed in 2010/11.
- Continuous review of Housing Benefit fraud and error, identified as 2.6% of Housing Benefit expenditure by the Disability, Incapacity and Benefit Security Directorate Standards Assurance Unit of the Social Security Agency. This is a reduction from 2.8% previously reported.
- The implementation of the new Housing Management System represents a potentially significant risk. The core housing functions (maintenance, housing and rents) are planned to be in place by June 2011.
- The financial position remains constrained and under considerable pressure and the need for sound financial control at all levels within the organisation continues to be an imperative.
- A Northern Ireland Audit Office PAC report titled "The Management of Social Housing Rent Collection and Arrears" was published in 2009. This report highlighted that reduction in Housing Executive rent arrears have been achieved largely due to writing off high level of debts. The Housing Executive has undertaken a full review of the issues highlighted in the report. A comprehensive improvement plan has been drawn up to address the issues identified.
- Internal Audit returned a number of overall limited audit opinion classifications during 2009/10:
 - Treasury Management: Weaknesses were identified in management review and authorisation of transfers between accounts. A number of recommendations for improvement were made and the Audit Committee has followed the implementation of these through the Recommendation Monitor.
 - Repayment of Housing Benefit Overpayments: In this audit, Internal Audit found that Finance do not issue receipts for payment made via registry for Head Office - a best practice requirement. In addition there was limited control over reconciliation and supervision of Housing Benefit bank accounts. Management accepted the recommendations and the Audit Committee have monitored their implementation.

- Urban Renewal (Asset Management): In one instance a property purchased for £150k by the Housing Executive in April 2008 was not recorded as an asset in the PRAWL management information system. The asset was vandalised and subsequently demolished in July 2008. Not including assets in PRAWL increases the risk of them not being properly controlled by the Housing Executive.
- Internal Audit returned one overall unacceptable audit opinion classification during 2009/10:
 - During the year, Internal Audit carried out extensive work examining controls over surplus land disposal. Issues that arose included concerns over approval protocols for disposal, technical compliance with Managing Public Money for Northern Ireland (MPMNI), guidance on requiring economic appraisal analysis in land disposal, decisions and lack of progress in developing an electronic land terrier system, which would assist the completeness of land disposal process. The net collective effect of these concerns led to the issuing of an unacceptable audit opinion. Management is taking robust and immediate steps to address these concerns.



P McIntyre
Chief Executive

Date: 30 June 2010

THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

I certify that I have audited the financial statements of Northern Ireland Housing Executive for the year ended 31 March 2010 under the Housing (Northern Ireland) Order 1981. These comprise the Net Expenditure Account, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Movement in Taxpayers Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

RESPECTIVE RESPONSIBILITIES OF THE CHIEF EXECUTIVE AND AUDITOR

As explained more fully in the Statement of Chief Executive's Responsibilities, the Chief Executive is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Northern Ireland Housing Executive's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Northern Ireland Housing Executive and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

QUALIFIED OPINION ON REGULARITY ARISING FROM ERRONEOUS HOUSING BENEFIT AWARDS AND PAYMENT OF FRAUDULENT CLAIMS

As disclosed in my report based on the latest information provided by the Department for Social Development on the monetary value of errors in the payment of housing benefit, an estimated £9.3 million may have been lost through overpayments incorrectly paid in 2009 because of error and fraud. A further estimated amount of £3.4 million in housing benefit may have been underpaid because of official error. The total expenditure on housing benefit in 2009/10 was £527.6 million. Housing benefit overpayments made by the Northern Ireland Housing Executive, whether due to fraud and error, cannot be deemed regular as the expenditure has not been applied in accordance with the purposes intended by the Northern Ireland Assembly and fraudulent transactions cannot, by definition be regular since they are also without proper authority. In addition, under Housing Benefit legislation, the Northern Ireland Housing Executive is required to calculate housing benefit due in accordance with the Regulations.

I have therefore qualified my opinion on the regularity of housing benefit expenditure because of the level of overpayments attributable to fraud and error which have not been applied to the purposes intended by the Northern Ireland Assembly and because of the level of under and overpayments in such benefit expenditure which are not in conformity with the relevant authorities.

QUALIFIED OPINION ON REGULARITY ARISING FROM WEAKNESSES IN CONTROL AND MONITORING OF EXPENDITURE ON PART OF THE SUPPORTING PEOPLE GRANT

I was unable to obtain sufficient assurance that the Northern Ireland Housing Executive's control and monitoring of supporting people expenditure relating to the £2.2 million Special Needs Management Allowance was adequate to ensure the expenditure was used in accordance with the Regulations. The total expenditure on Supporting People grant was £63.4 million. While the Northern Ireland Housing Executive receive Departmental approval each year for the expenditure, I was not provided with sufficient evidence to enable me to confirm the payments had been applied for the purposes intended by the Assembly.

Because of the lack of evidence described above I was unable to form an opinion whether the expenditure of £2.2 million on supporting people had been applied for the purposes intended by the Assembly.

In my opinion except for Supporting People expenditure of £2.2 million and the £12.7 million of incorrect housing benefit payments attributable to fraud and error, both referred to above, in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

OPINION ON FINANCIAL STATEMENTS

In my opinion:

- the financial statements give a true and fair view, of the state of Northern Ireland Housing Executive's affairs as at 31 March 2010 and of its net expenditure, changes in reserves and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance the Housing (Northern Ireland) Order 1981 and Department for Social Development directions issued thereunder.

OPINION ON OTHER MATTERS

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department for Social Development directions issued under the Housing (Northern Ireland) Order 1981; and
- the information given in Directors' Report, the Management Commentary and Remuneration Report included in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH I REPORT BY EXCEPTION

In respect alone of the issue relating to Special Needs Management Allowance referred to above I have not received all of the information and explanations that I considered necessary to confirm the regularity of the payments for the purposes of my audit.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- the Statement on Internal Control does not reflect compliance with Department of Finance and Personnel's guidance.

REPORT

My detailed observations are included in my Report attached to the financial statements.



KJ Donnelly
Comptroller and Auditor General
Date: 30 June 2010

Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU

NORTHERN IRELAND HOUSING EXECUTIVE
NET EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

		2010	2009
	Note	£'000	Restated £'000
EXPENDITURE			
Staff Costs	4	94,095	89,027
Other Expenditures	5, 6 & 7	443,772	414,224
Housing Benefit - DSD	8	527,562	461,790
Depreciation, Amortisation, Write Offs & Write Down	12(a)	72,644	68,562
Total Expenditure		1,138,073	1,033,603
INCOME			
Rental Income	10	242,634	235,132
EU Income	10	2	-
Other Income	10	21,847	16,411
Total Income		264,483	251,543
Net Expenditure before Interest		(873,590)	(782,060)
Profit on Sale of Assets		3,586	2
Restructuring Costs	6	(4,349)	(4,734)
Interest Receivable		940	832
Financing Charges	9	(76,300)	(85,966)
Pension Financing Charges	25(d)	(11,444)	(701)
Net Expenditure before Taxation		(961,157)	(872,627)
Tax on Ordinary Activities	11	(1,850)	-
Net Expenditure after Taxation		(963,007)	(872,627)

All amounts in the Net Expenditure Account relate to the continuing operations of the Northern Ireland Housing Executive.

The notes on pages 130 to 202 form part of the accounts.

NORTHERN IRELAND HOUSING EXECUTIVE
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

		2010	2009	2008
	Note	£'000	Restated £'000	Restated £'000
NON-CURRENT ASSETS				
Property, Plant & Equipment - Operational	12(a)	3,847,650	3,814,357	6,278,346
Property, Plant & Equipment - Non Operational	12(b)	19,991	13,223	3,969
Intangible Assets	12(c)	5,202	3,690	3,142
Total Non-Current Assets		3,872,843	3,831,270	6,285,457
CURRENT ASSETS				
Assets Classified as Held for Sale	13	20,263	34,941	13,705
Inventories	14	8,188	10,315	6,725
Trade and Other Receivables	15	90,557	70,816	88,121
Cash and Cash Equivalents	17	76,966	41,585	70,387
Total Current Assets		195,974	157,657	178,938
TOTAL ASSETS		4,068,817	3,988,927	6,464,395
CURRENT LIABILITIES				
Trade and Other Payables	19	(238,458)	(195,078)	(247,484)
Provisions	24	(6,070)	(3,637)	(1,159)
Total Current Liabilities		(244,528)	(198,715)	(248,643)
NET CURRENT LIABILITIES		(48,554)	(41,058)	(69,705)
NON-CURRENT ASSETS		3,824,289	3,790,212	6,215,752
LESS NET CURRENT LIABILITIES				
NON-CURRENT LIABILITIES				
Other Payables	19	(11,541)	(11,036)	(9,542)
Loans Outstanding	21	(693,447)	(780,278)	(872,868)
Provisions	24	(7,720)	(14,492)	(850)
Pension Liability	25(d)	(282,839)	(142,517)	(39,293)
Total Non-Current Liabilities		(995,547)	(948,323)	(922,553)
Assets less Liabilities (C/Fwd)		2,828,742	2,841,889	5,293,199

NORTHERN IRELAND HOUSING EXECUTIVE

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010 (CONTINUED)

		2010	2009	2008
			Restated	Restated
	Note	£'000	£'000	£'000

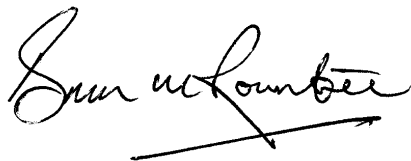
Assets less Liabilities (B/Fwd)		2,828,742	2,841,889	5,293,199
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RESERVES

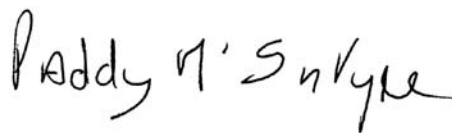
Revenue Reserve	26(a)	720,401	791,423	797,017
Revaluation Reserve	26(b)	2,082,358	2,024,723	4,469,481
Government Grants Reserve	26(c)	24,668	25,515	26,075
Donated Assets Reserve	26(d)	1,315	228	626

Total Reserves		2,828,742	2,841,889	5,293,199
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The financial statements on pages 124 to 202 were approved by the Board Members of the Northern Ireland Housing Executive on 30 June 2010 and signed on their behalf by:



B Rowntree
Chairman



P McIntyre
Chief Executive

Date: 30 June 2010

The notes on pages 130 to 202 form part of the accounts.

NORTHERN IRELAND HOUSING EXECUTIVE
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2010

		2010	2009
	Note	£'000	Restated £'000
Net Cash Outflow from Operating Activities	27(a)	(783,158)	(696,801)
Cashflow from Investing Activities	27(b)	(208,138)	(258,652)
Cashflow from Financing Activities	27(c)	1,006,714	963,706
Increase in Cash & Cash Equivalents		15,418	8,253

The notes on pages 130 to 202 form part of the accounts.

NORTHERN IRELAND HOUSING EXECUTIVE
STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2010

	Note	Revenue Reserve	Revaluation Reserve	Government Grants Reserve	Donated Assets Reserve	Total Reserves
		Restated £'000	Restated £'000	Restated £'000	Restated £'000	Restated £'000
BALANCE AT 31 MARCH 2008						
		971,988	4,297,966	26,075	626	5,296,655
CHANGES IN ACCOUNTING POLICY						
Prior Year Adjustment - Reclassify Revenue Expenditure		(171,515)	171,515	-	-	-
Prior Year Adjustment - Private Sector Grants Accrual		(3,456)	-	-	-	(3,456)
Restated balance at 31 March 2008		797,017	4,469,481	26,075	626	5,293,199
Prior Year Adjustment - Reclassify Expenditure		-	16,095	-	-	16,095
CHANGES IN RESERVES 2008/09						
Unrealised deficit on Revaluation:						
Housing Stock	26(b)	-	(2,300,351)	-	-	(2,300,351)
Land & Buildings	26(b)	-	(153,944)	-	-	(153,944)
Donated Assets	26(d)	-	-	-	(398)	(398)
Net Government Grants Reserve movement	26(e)	-	-	(560)	-	(560)
Realisation of assets on disposal	26(b)	6,558	(6,558)	-	-	-
Net Expenditure for year		(872,627)	-	-	-	(872,627)
Actuarial losses on defined benefit pension scheme	25(e)	(103,231)	-	-	-	(103,231)
Total 2008/09 Movements		(969,300)	(2,444,758)	(560)	(398)	(3,415,016)
TOTAL RECOGNISED INCOME & EXPENSE FOR 2008/09						
		(172,283)	2,024,723	25,515	228	1,878,183
Grant from Sponsoring Department	26(a)	963,706	-	-	-	963,706
Balance at 31 March 2009		791,423	2,024,723	25,515	228	2,841,889

The notes on pages 130 to 202 form part of the accounts.

NORTHERN IRELAND HOUSING EXECUTIVE
STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2010

	Note	Revenue Reserve £'000	Revaluation Reserve £'000	Government Grants Reserve £'000	Donated Assets Reserve £'000	Total Reserves £'000
BALANCE AT 31 MARCH 2009		791,423	2,024,723	25,515	228	2,841,889
CHANGES IN RESERVES 2009/10						
Unrealised deficit on Revaluation :						
Housing Stock	26(b)	-	78,906	-	-	78,906
Land & Buildings	26(b)	-	(14,101)	-	-	(14,101)
Non Operational Assets	26(b)	-	2,490	-	-	2,490
Other Assets	26(b)	-	299	-	-	299
Donated Assets	26(d)	-	-	-	1,087	1,087
Net Government Grants Reserve movement	26(e)	-	-	(847)	-	(847)
Realisation of assets on disposal	26(b)	9,959	(9,959)	-	-	-
Net Expenditure for year		(963,007)	-	-	-	(963,007)
Actuarial losses on defined benefit pension scheme	25(e)	(124,688)	-	-	-	(124,688)
Total 2009/10 Movements		(1,077,736)	57,635	(847)	1,087	(1,019,861)
TOTAL RECOGNISED INCOME & EXPENSE FOR 2009/10		(286,313)	2,082,358	24,668	1,315	1,822,028
Grant from Sponsoring Department	26(a)	1,006,714	-	-	-	1,006,714
Balance at 31 March 2010		720,401	2,082,358	24,668	1,315	2,828,742

The notes on pages 130 to 202 form part of the accounts.

NOTES TO THE ACCOUNTS

NOTE

1. ACCOUNTING POLICIES

INTRODUCTION

These financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by the Department of Finance and Personnel Northern Ireland (DFPNI). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Housing Executive for the purpose of giving a true and fair view has been selected. The particular accounting policies adopted by the Housing Executive are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

ADOPTION OF IFRS AND PRIOR YEAR ADJUSTMENTS

Details of adjustments as a result of adopting IFRS for the first time and of changes in accounting policy for the year ended 31 March 2010 are detailed below in Note 2(a) and 2(d) respectively.

The accounting policies which have a material impact on the accounts are as follows:

1.1 ACCOUNTING CONVENTION

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, Intangible Assets and inventories.

The policies which have a material impact on the accounts are as follows:

A) ACCOUNTING CONVENTIONS

- The revenue and capital accounts are maintained on an accruals basis (except for the treatment of Grant & Grant in Aid). This means that expenditure and income are recognized in the accounts in the period in which they are incurred or earned, not as money is paid or received.
- Income is matched with associated costs and expenses in so far as their relationship can be established or justifiably assumed.

- Income has only been disclosed in the accounts where there is reasonable certainty, and proper allowances have been made for all foreseeable losses and liabilities.
- Consistent accounting policies have been applied both within the year and between years. Where accounting policies are changed, the reason and effect have been separately disclosed.
- The accounts have been prepared on a going concern basis.
- Where estimating techniques are required to enable the accounting practices adopted to be applied, then the techniques which have been used are, in the Housing Executive's view, appropriate and consistently applied. Where the effect of a change to an estimation technique is material, a description of the change and, if practicable, the effect on the results for the current year is separately disclosed.

B) RENTS

Rental Income shown in the Net Expenditure Account is the gross rent collectable less rents collectable on voids (vacated dwellings) and abatements for housing stock and commercial properties. All arrears and advances are reported in the receivables and payables due within one year and after one year.

C) INSURANCE

It is the Housing Executive's policy to self insure and expense immediately against Public Liability Claims, damage to Housing Stock and Professional Indemnity Insurance.

D) HOUSING BENEFIT

Means tested housing benefit is administered by the Housing Executive on behalf of the DSD. All claimant payments and the majority of the administrative costs are funded by the Department. Housing Benefit overpayments are accounted for in the Housing Executive's books as a debtor due from the overpaid claimant and a creditor due to the DSD when the debt has been recovered. The Department's books will include as a debtor the amount of Housing Benefit recoverable by the Housing Executive.

E) SERVICE CONCESSION ARRANGEMENT (STRATEGIC PARTNERSHIP WITH AN IT SERVICE PROVIDER)

In March 2005, the Housing Executive entered into a contract with an IT Service provider for the development, implementation and support of current and future ICT systems and services up to 2015. Under the terms of the contract, the provider is contractually obliged to provide IT services to the Housing Executive. The IT Service to be delivered by the provider is derived by service element components as specified by the Housing Executive at the outset of the contract.

IFRIC (International Financial Reporting Interpretations Committee) 12, Service Concession Arrangements, covers the accounting treatment of Public Private Partnership (PPP) arrangements, Private Finance Initiative (PFI) contracts or other similar contracts that meet the definition of service concession arrangements. The Housing Executive contract with the IT provider, although not a PFI contract, is within the scope of IFRIC 12 as the Housing Executive controls the ICT services that the IT provider must provide. Furthermore, the Housing Executive has right to the residual interest at the end of the contract when ownership of all assets pertinent to the contract, will revert to the Housing Executive.

In accordance with IFRIC 12, the Housing Executive recognises hardware and software as a non-current asset when it meets the recognition criteria for other non-current assets of that generic type. Hardware costs, recognised under IAS 16 as non-current assets, are accounted for as Property, Plant & Equipment within Note 12(a). Software costs, recognised under International Accounting Standard (IAS) 38 as non-current assets, are accounted for as Intangible Assets within note 12(c). An asset is only recognised as a non-current asset when the asset comes into use by the Housing Executive. Any payments, in advance of the asset coming into use, are treated as prepayments.

The Housing Executive measures non-current assets initially at cost. This represents the costs incurred by the provider in bringing the asset into use for each service element. Following initial recognition, non-current assets acquired under this contract are re-valued each year by reference to appropriate treasury approved indices. The accounting is in accordance with other non-current assets of that generic type as outlined below for Hardware in 'Property, Plant & Equipment' and Software in 'Intangible Assets'.

After a service element is brought into use, the Housing Executive starts to make unitary charge payments to the provider, which incorporates payments for the service element of the contract, a finance charge and payments for the capital element of the contract. Payments for the capital element of the contract are offset against the liability recognised for the capital value of assets brought into use. The service element and the finance charge are expensed annually to the Net Expenditure Account.

F) INTANGIBLE ASSETS

IAS 38, Intangible Assets, covers accounting for the recognition, measurement and amortisation of Intangible assets.

Computer Software

Computer Software is defined as an Intangible Asset under IAS 38. It is measured on initial recognition at cost. Following initial recognition, computer software is re-valued each year by reference to appropriate treasury approved indices. Computer software is carried at valuation less any accumulated amortisation and any accumulated impairment losses.

Computer software is amortised over the useful economic life and assessed for impairment whenever there is an indication that the Intangible asset may be impaired.

The amortisation period and the amortisation method for computer software with a finite useful life is reviewed, at least, at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on computer software is recognised in the Net Expenditure Account within Depreciation, Write Offs and Write Down.

Gains or losses arising from de-recognition of computer software are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Net Expenditure Accounts when the asset is derecognised.

Amortisation

It is policy to provide a full year's amortisation in the year of purchase. Computer Software is amortised on a straight line basis with no residual value. The principal rates used are:

- Computer Software purchased outside of the
IT service concession arrangement contract 5 years
- Computer Software purchased within the
IT service concession arrangement contract over the life of the contract

G) PROPERTY, PLANT & EQUIPMENT

IAS 16 Property, Plant & Equipment, covers accounting for the recognition, measurement, valuation and depreciation of non current assets. IAS 16 allows for revaluation of such assets and states that it will be sufficient to perform a full valuation by a qualified external valuer at least every five years, an interim valuation in year three, and an interim valuation in other years where there has been a material change in value. In interpreting IAS 16 for the public sector, the FReM permits a full valuation of assets every five years with annual indexation in the intervening years and no interim professional valuation. The Housing Executive has adopted this latter approach for all non current assets other than Housing Stock, which will continue to be revalued annually.

Operational Assets

- Operational Housing Stock and land is revalued each year on the basis of open market value for existing use (Existing Use Value for Social Housing).

To determine the open market value, the beacon approach to valuation is adopted for valuing the Housing Stock. Under the Beacon principle, the Housing Executive's total housing stock is split into property archetypes, through uniting characteristics material to the valuation. The value of a property archetype is determined by valuing a sample dwelling, representative of the property archetype, and using this value as the average value for the group. Internal inspections of each sample dwelling will be carried out every five years, in line with FReM. In intervening years, the Housing Executive's housing stock is subject to an annual 'desk-top' revaluation, by Land & Property Services, to reflect changes in stock numbers and local prices indices.

To obtain Existing Use Value for Social Housing, the market value for each group of assets is adjusted by a factor, to reflect a valuation for the properties if they were sold with sitting tenants who enjoy tenant's rights. The valuation method is carried out using guidance issued by the Department of Communities & Local Government in Great Britain titled 'Guidance on Stock Valuation for Resource Accounting'.

Voids which will be lettable are valued in line with normal stock valuations. Non Lettable voids are valued at Open Market Value, in line with the guidance issued by the Department of Communities & Local Government in Great Britain.

- Land is valued in accordance with IAS 16 on the basis of open market value and additions to the land bank have been valued by external qualified valuers. Amenity land is recorded at a Nil value as its value is considered to be reflected within the social house values but should there be a reclassification of such land to development use, a valuation will be undertaken. Departmental approval provides for the transfer of land to Housing Associations (HA) at Nil value. Such a transfer is recorded in the Housing Executive accounts as a loss on disposal.
- Commercial properties, hostels, offices and stores, and travellers sites are valued in accordance with the FReM and are revalued and relifed every five years by external professional valuers. In the intervening years appropriate indices are applied. Commercial Properties and Offices & Stores are valued on the basis of fair value for existing use. Hostels and Travellers sites are valued at depreciated replacement cost.
- Short life assets, which includes Motor Vehicles, Plant and Machinery, Estate Management Equipment and Computer Equipment are revalued each year by reference to appropriate Treasury approved indices.

De Minimis Rule

Non housing and housing stock related expenditure valued at £2,000 or less is charged to the Net Expenditure Account except for expenditure incurred in the initial capital costs of a new asset e.g. fitting out of a new hostel. Items of computer network and ancillary equipment are excluded from the de minimis rule. Expenditure on housing stock in excess of the de minimis rule which does not add financial value to the stock will be treated as Revenue.

Non Operational Assets

Redevelopment (Urban Regeneration) Expenditure is classified as non operational assets. Expenditure is incurred in the purchase of properties, demolition of properties and in site clearance. As the land acquisition and development costs exceed their brownfield site value the Housing Executive policy will write down the difference as impairment.

Other properties noted as surplus to requirements are also classified as non operational assets and valued at fair value.

H) DEPRECIATION

It is policy to provide a full year's depreciation in the year of purchase. Assets are depreciated on a straight line basis with no residual value. The principal rates used are:

Land	Not depreciated
Housing Stock (Building element)	50 year life
Other Buildings - Built or Purchased (Building element)	As directed by valuer
Office Premises Adaptations - Leased	Over Lease Period
Plant and Machinery	7 year life
Estate Management Equipment	4 year life
Motor Vehicles	4 year life
Office Furniture	7 year life
Specialised Equipment	5 year life
Furniture and Fittings - Hostels	7 year life
Computer Network and Ancillary Equipment	5 Year life

I) ASSETS HELD FOR SALE

Assets classified as held for sale are measured at the lower of carrying value and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and expected to be completed within one year from classification and the asset is available for sale in its present condition.

J) INVENTORIES

The valuation of inventory for the Direct Labour Organisation is stated at the lower of cost and net realisable value. Houses purchased under the Special Purchase of Evacuated Dwellings (SPED) Scheme are considered to be current assets as it is anticipated that such houses will be sold within 12 months of purchase. SPED inventory is valued at the lower of cost and net realisable value.

K) CASH & CASH EQUIVALENTS

Cash and Cash equivalents comprise cash on hand and deposits, and other short-term liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

L) FINANCIAL INSTRUMENTS

Financial Assets

Financial Assets are classified into four types:

- Financial Assets at fair value through profit or loss - assets that an entity determines are held for trading and for derivatives with a positive value
- Held to Maturity Investments - assets that have fixed or determinable payments and a fixed maturity
- Loans and Receivables - assets that have fixed or determinate payments but are not quoted in an active market
- Available for Sale Financial Assets - assets that have a quoted market price and / or do not have fixed or determinable payments

Loans and receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the Net Expenditure Account for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. This results in the amount presented in the Statement of Financial Position as the outstanding principal receivable and interest credited to the Net Expenditure Account as the amount receivable in the loan agreement.

Financial Liabilities

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Net Expenditure Account for Interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

The majority of the external borrowing that the Housing Executive has is with the Consolidated Loans Fund. In accordance with the Government FReM, Loans, Public Dividend Capital and other interests in public bodies outside the departmental boundary, should be reported at historical cost less impairment. Therefore, the Government and local authority loans are stated at historical cost in the accounts.

As required by IFRS 7, the fair value of the financial instruments, i.e. the loans inherited from former local authorities and loan advances received from the DSD, is disclosed in note 23.

M) GOVERNMENT GRANTS

Capital and Revenue Grants & Grant In Aid from Department for Social Development

NDPBs must treat grants and grant in aid received for revenue and capital purposes as financing because they are regarded as contributions from a controlling party which gives rise to a financial interest in the residual interest of NDPBs.

Any revenue and capital grants received from the Housing Executive's sponsoring body, the DSD, to assist the Housing Executive in carrying out its statutory function, must be accounted for through the Revenue Reserve Account on the Statement of Financial Position.

The Housing Executive receives grants from the DSD to support its operational activities and to enable it to administer the functions of Supporting People, Private Sector Grants, Warm Homes, Social Housing Development Programme and Housing Benefit.

Capital grants

Capital grants received for specific operational assets are accounted for in line with IAS 20, Accounting for Government Grants & Disclosure of Government Assistance, and are credited to the Government Grants Reserve Account, complete with annual amortisation of the grant over the estimated useful lives of the related assets.

Revenue grants

Grants receivable for revenue purposes are recognised in the Net Expenditure Account so as to match them with the expenditure towards which they are intended to contribute.

Grants Payable

The Housing Executive pays grants in accordance with the terms and conditions inherent within the respective funding agreement, letter of offer or grant approval scheme. Grants payable are recorded as expenditure in the period that the underlying event or activity giving entitlement to the grant occurs. Grants related to activity occurring over a specific time period, usually a financial year, are recorded as expenditure for that period.

N) LEASES

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Housing Executive as a lessee

Finance Leases

Finance leases, which transfer to the Housing Executive substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Net Expenditure Account.

Operating Leases

Operating lease payments are recognised as an expense in the Net Expenditure Account on a straight line basis over the lease term.

O) PENSIONS

The Housing Executive participates in the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) pension scheme for the majority of its employees. The Scheme's professionally qualified actuaries recommend the rates of contribution to be paid. The Housing Executive has accounted for its pension costs arising from the NILGOSC scheme, and for all unfunded discretionary benefits which it has granted, as defined benefit schemes.

NILGOSC Pension Scheme

For the NILGOSC defined benefit scheme, the Housing Executive has recognised its share of the pension fund assets and liabilities in its Statement of Financial Position as a pension liability, as well as recognising the full cost of providing for future retirement benefits in the Net Expenditure Account.

Measurement of Scheme Assets

The pension fund asset is accounted for at fair value.

Measurement of Scheme Liabilities

Pension liabilities are measured on an actuarial basis using the projected unit method. The scheme liabilities at the valuation date relate to:

- i) the benefits for pensioners and deferred pensioners and their dependants, allowing where appropriate for future increases, and
- ii) the accrued benefits for members in service on the valuation date.

Recognition of Net Pensions Liability

The Housing Executive has recognised a liability in its Statement of Financial Position for the shortfall in value of its share of pensions fund assets and liabilities at the Statement of Financial Position date. This shortfall is recoverable wholly from increases in future contributions made by the Housing Executive to the pension fund.

The movement in the pension liability is analysed across the following components:

- *Current Service Cost* - represents the increase in the present value of the scheme liabilities expected to arise from employee service in the current period. The current service cost is included in Employee Costs within the Net Expenditure Account.
- *Past Service Cost* - represents the increase in liabilities arising from decisions made during the year which affect years of service earned in earlier years, such as the award of early retirement with added years of service. The past service cost is included in Employee Costs within the Net Expenditure Account.
- *Interest Cost* - reflects the expected increase during the period in the present value of the scheme liabilities because the benefits are one year closer to retirement. The interest cost is included in financing costs within the Net Expenditure Account.

- *Expected rate of return on assets* - refers to the average rate of return expected over the remaining life of the related obligation on the actual assets held by the Scheme. The Expected rate of return on assets is included in financing costs within the Net Expenditure Account.
- *Actuarial Gains and Losses* - arise from differences because events have not coincided with the actuarial assumptions made for the last valuation or changes in the actuarial assumptions. Actuarial Gains and Losses are reflected in the Statement of Changes in Taxpayers' Equity.
- *Gains and losses on settlements and curtailments* - Settlements are actions that relieve the employer of the primary responsibility for a pension obligation. A curtailment reduces the expected years of future service or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Gains and losses on settlements and curtailments are included in employee costs within the Net Expenditure Account.

Added Years Discretionary Benefits

The Housing Executive recognises the actuarial liability from added years granted in respect of past employees who have retired early. Given projected life spans this liability will be payable over a number of years. The Housing Executive makes a provision each year based on the projected liability. Payments in respect of individual employees who have retired early are paid annually to NILGOSC and will continue to be paid until these employees cease to be recipients of the scheme.

P) TAXATION (INCLUDING VALUE ADDED TAX)

Corporation Tax

As the Housing Executive does not have Crown exemption, it is potentially liable to corporation tax on certain sources of income, (in this case interest receivable), earned in any year. In 2009/10 the Housing Executive has recognised a tax charge of £1.85m as disclosed in Note 11.

Value Added Tax

All revenues, expenses and assets are shown net of Value Added Tax (VAT) unless it is irrecoverable. The net amount of VAT recoverable from, or payable to, HMRC is included as part of receivables or payables in the Statement of Financial Position.

Q) PROVISIONS

Provisions are recognised when either a legal or constructive obligation, as a result of a past event, exists at the Statement of Financial Position date and where the amount of the obligation can be reasonably estimated.

R) CONTINGENT LIABILITIES

A contingent liability is disclosed in Note 28 if an obligation cannot be accurately estimated or if an outflow of economic benefit to settle the obligation is more than remote.

It is the Housing Executive's policy to challenge all public liability claims made against the organisation.

Payments in respect of settled claims are included in the Net Expenditure Account in the year in which they are made and a note of the possible liability is included in the supporting notes to the accounts.

S) RELATED PARTY TRANSACTIONS

Details of transactions and outstanding balances at the year end between the Housing Executive and related parties are disclosed in Note 30 in accordance with IAS 24.

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

A related party is a person or entity that is related to the Housing Executive. The following are classed as related parties for the Housing Executive:

- (a) A Director or Board Member (or a close member of that person's family);
- (b) An entity if any of the following conditions applies:
 - (i) The entity and the Housing Executive are members of the same group i.e. other Government body;
 - (ii) The entity is controlled or jointly controlled by a person identified in (a).

T) RESTATEMENT OF COMPARATIVES

The adoption of IFRS has required prior year comparatives to be restated. Notes 2(a) - 2(c) provides more detail on the restatement of comparatives due to adoption of IFRS. Further details of prior year adjustments which occurred during Year End 31 March 2010 are noted at 2(d).

2 EXPLANATION OF TRANSITION TO IFRS

Overview of IFRS reconciliations

For all periods up to and including the Year End 31 March 2009, the Housing Executive prepared its annual accounts in accordance with UK GAAP and the FReM. For the year end 31 March 2010, the Housing Executive is required to prepare its annual report and accounts in accordance with International Financial Reporting Standards (IFRS).

These accounts have been prepared in compliance with IFRS applicable for periods beginning on or after 1 April 2009. In preparing these accounts, the Housing Executive has started from a Statement of Financial Position at 1 April 2008, the organisation's transition date to IFRS. Reconciliations of the Net Expenditure Account for the Year End 31 March 2009 and Statement of Financial Position at 1 April 2008 and 31 March 2009 under IFRS to the results and financial position previously reported under UK GAAP are set out below.

The effect of moving from UK GAAP to IFRS had the following impact on the results for the Year End 31 March 2009:

1) Decrease in Net Assets of £2,040k

	£'000
Net Assets (UK GAAP)	2,847,774
Net Assets (IFRS)	2,845,734

A full explanation of the effect that the adoption of IFRS has had on the Housing Executive's Net assets at 31 March 2009 and the transition date 31 March 2008 is provided below in note 2 (b) & 2 (c) respectively.

2) Reduction in Net Expenditure of £20,509k

	£'000
Net Expenditure for the year (UK GAAP)	876,653
Net Expenditure for the year (IFRS)	856,144

A full explanation of the effect that the adoption of IFRS has had on the Housing Executive's results for the Year end 31 March 2009 is provided below.

IFRS Summary of Impact

As a result of first-time adoption of IFRS, reconciliations between the UK GAAP position and the IFRS position for Reserves at 31 March 2008 and 31 March 2009, together with a reconciliation of the Net Expenditure Account for the Year end 31 March 2009 are provided below in note 2 (a), (b) and (c).

The change in reporting from accounting under UK GAAP to accounting under IFRS principally impacts the following areas:

- IAS 19 Employee Benefits - Accrual of Holiday leave entitlements;
- IAS 16 Plant, Property & Equipment - Non depreciation of land element within buildings;
- IAS 38 Intangible Assets - Reclassification of software;
- IFRS 5 Non-Current Assets Held for Sale - Reclassification of Land Held for Sale;
- SIC 15 Operating Lease Incentives - Accounting for rent free periods of leases;
- IFRIC 12 Service Concession Arrangements - Accounting for the IT contract in accordance with IFRIC 12.

IAS 19 Employee Benefits

Under UK GAAP, the Housing Executive did not accrue for holiday leave entitlement at the financial year end.

Holiday leave accrued but not taken at the year end is now accounted for in accordance with IAS 19. An amount of £1.9m is included in Year end 31 March 2009 accruals (2008: £1.7m). The movement of £256k is expensed within staff costs in the Net Expenditure Account for Year end 31 March 2009.

IAS 16 Property, Plant & Equipment

Under UK GAAP, the Housing Executive accounted for depreciation on the land & building elements of property.

In accordance with IAS 16, no depreciation is provided on the land element of Property. Therefore depreciation was calculated on the building element only for all Housing Executive properties. The cumulative effect of this was calculated and accounted for through Property, Plant & Equipment, the revaluation reserve and revenue reserve at 31 March 2008. Further there was a reduction in depreciation charges of £22.79m for the Year end 31 March 2009. The cumulative effect has increased Property, Plant and Equipment by £1.7m, increased Revenue Reserve by £222m and reduced the Revaluation Reserve by £220m.

IAS 38 Intangible Assets

Under UK GAAP, software is accounted for as tangible fixed assets.

In accordance with IAS 38, software is now accounted for as Intangible Assets. This has resulted in the Net Book Value (NBV) at 31 March 2008 of £537k being reclassified from Property, Plant & Equipment to Intangible Assets. Further £186k of amortisation charges was previously accounted for as depreciation charges under UK GAAP for the Year End 31 March 2009. At 31 March 2009 Intangible Assets includes £303k, which was previously accounted for under Property, Plant & Equipment.

IFRS 5 Non-current assets held for Sale

IFRS 5 establishes a classification of non-current assets known as 'held for sale'. In accordance with IFRS 5, assets which meet the criteria outlined in the IFRS must be disclosed separately from other assets in the Statement of Financial Position.

£13.9m of surplus land held for sale has been reclassified from Property, Plant & Equipment to assets classified as held for sale at 31 March 2008. Further the valuation of assets held for sale has been reduced by estimated selling costs of £167k to reflect fair value less costs to sell.

At 31 March 2009, a further £23.7m was transferred to assets held for sale from Property, Plant & Equipment. Additional estimated selling costs of £360k have been expensed through the Net Expenditure Account. Further, £2.3m has been expensed through the Net Expenditure Account, reflecting a reduction in the open market value of land that had been classified as held for sale at 31 March 2008.

SIC 15 Operating Lease Incentives

SIC 15 requires the recognition of incentives, such as rent free periods, relating to operating leases. As the lessee, the Housing Executive has accounted for rent free periods included within operating lease rental agreements by recognising the incentive over the lease term on a single amortisation method. This has resulted in recognising additional leasing costs of £6k through the revenue reserve account for the period to 31 March 2008. A current liability of £6k has been created to reflect an amount owing of £6k. Additional leasing costs of £1.7k are recognised as an expense through the Net Expenditure Account for the Year Ended 31 March 2009. This has increased the liability to £7.7k at 31 March 2009.

IFRIC 12 Service Concession Arrangements

In March 2005, the Housing Executive entered into a contract with an IT service provider for the development, implementation and support of current and future ICT systems and services ending in 2015. Under the terms of the contract, the IT service provider is contractually obliged to provide ICT services to the Housing Executive, the majority of which was specified at the outset of the contract.

Under UK GAAP, payments to the IT service provider, under the ICT contract were accounted for as a contract for services and were expensed immediately to the Net Expenditure Account. Further during the 2005/06 financial year, IT assets with a NBV of £763k were transferred to the service provider. Under the terms of the contract these assets will revert to the Housing Executive at the end of the contract period. Under UK GAAP, to reflect the Housing Executive's right to the residual interest, an intangible asset was accumulated at £76.3k per annum over the contract term. Further, £763k was reflected in the accounts as a prepayment to account for the transfer of the assets. The prepayments reduced by £76.3k per annum and the intangible asset increased by £76.3k per annum. At the end of the contract, under UK GAAP, the intangible asset would

then become a tangible asset to the Housing Executive. At 31 March 2009, the Housing Executive had an intangible asset of £305k (2008: £229k). The prepayment balance at 31 March 2009, under UK GAAP, was £458k (2008: £534k).

In accounting for the IT contract under IFRS, IFRIC (International Financial Reporting Interpretations Committee) 12, Service Concession Arrangements, which covers the accounting treatment of Public Private Partnership (PPP) arrangements, Private Finance Initiative (PFI) contracts or other similar contracts was used.

The Housing Executive contract with the IT service provider, although not a PFI contract, is within the scope of IFRIC 12 as the Housing Executive controls the ICT services that the IT service provider must deliver. Further the Housing Executive has right to the residual interest at the end of the contract.

In accordance with IFRIC 12, the Housing Executive has recognised hardware costs of £6.97m within Property, Plant and Equipment for the period to 31 March 2008. Software costs of £3.73m have been included within Intangible Assets for the same period. A liability has been recognised of £5m, representing the outstanding capital balance after reducing it for the capital payment element of the IT service provided. Payments by the Housing Executive of £214k for assets not brought into use are accounted for as a prepayment. Depreciation/Amortisation charges of £4.76m and adjustments of £1.38m for revaluation through indexation have reduced the value of the non current assets with the corresponding adjustment accounted for through the revenue reserve for the period to 31 March 2008.

For the Year End 31 March 2009, accounting under IFRIC 12 resulted in non current asset additions of £1.9m. Reductions occurred in the liability owing to the IT service provider and prepayments, with reductions of £107k and £76k respectively. Depreciation/amortisation charges of £1,461k were expensed thorough the Net Expenditure Account, together with £214k of revaluation adjustments for indexation. IT costs expensed through the Net Expenditure account were reduced by £2m reflecting the capital element of the IT service provided, accounted for now through the liability account. Further an amount of £43k has been reclassified from Other Expenditures to Finance Charges in the Net Expenditure Accounts. Details of the finance charge can be found in Note 9.

NOTE

2 (A) RECONCILIATION OF UK GAAP REPORTED RESERVES TO IFRS AT THE DATE OF TRANSITION 1 APRIL 2008

	UK GAAP £'000	Employee Benefits IAS 19 £'000	Intangible Assets IAS 38 £'000	Property Plant & Equipment IAS 16 £'000	Non-Current Assets Held For Sale IFRS 5 £'000	Operating Lease Incentives SIC 15 £'000	Service Concession Arrangements IFRIC 12 £'000	IFRS £'000
NON-CURRENT ASSETS								
Property, Plant & Equipment								
- Operational	6,289,464	-	(537)	1,330	(13,872)	-	1,961	6,278,346
- Non Operational	3,969	-	-	-	-	-	-	3,969
Intangible Assets	229	-	537	-	-	-	2,376	3,142
Total Non-Current Assets	6,293,662	-	-	1,330	(13,872)	-	4,337	6,285,457
CURRENT ASSETS								
Assets Classified as Held for Sale	-	-	-	-	13,705	-	-	13,705
Inventories	6,725	-	-	-	-	-	-	6,725
Trade and Other Receivables	88,335	-	-	-	-	-	(214)	88,121
Cash and Cash Equivalents	70,387	-	-	-	-	-	-	70,387
Total Current Assets	165,447	-	-	-	13,705	-	(214)	178,938
CURRENT LIABILITIES								
Trade and Other Payables	(240,963)	(1,686)	-	-	-	(6)	(1,373)	(244,028)
Provisions	(1,159)	-	-	-	-	-	-	(1,159)
Total Current Liabilities	(242,122)	(1,686)	-	-	-	(6)	(1,373)	(245,187)
NET CURRENT LIABILITIES								
	(76,675)	(1,686)	-	-	13,705	(6)	(1,587)	(66,249)
Non current Assets Less Net Current Liabilities C/fwd								
	6,216,987	(1,686)		1,330	(167)	(6)	2,750	6,219,208

NOTE

2 (A) RECONCILIATION OF UK GAAP REPORTED RESERVES TO IFRS AT THE DATE OF TRANSITION 1 APRIL 2008 (CONTINUED)

	UK GAAP £'000	Employee Benefits IAS 19 £'000	Intangible Assets IAS 38 £'000	Property Plant & Equipment IAS 16 £'000	Non-Current Assets Held For Sale IFRS 5 £'000	Operating Lease Incentives SIC 15 £'000	Service Concession Arrangements IFRIC 12 £'000	IFRS £'000
NON-CURRENT ASSETS LESS CURRENT LIABILITIES B/FWD	6,216,987	(1,686)	-	1,330	(167)	(6)	2,750	6,219,208
NON-CURRENT LIABILITIES								
Other Payables	(5,867)	-	-	-	-	-	(3,675)	(9,542)
Loans Outstanding	(872,868)	-	-	-	-	-	-	(872,868)
Provisions	(850)	-	-	-	-	-	-	(850)
Pension Liability	(39,293)	-	-	-	-	-	-	(39,293)
Total Non-Current Liabilities	(918,878)	-	-	-	-	-	(3,675)	(922,553)
Assets Less Liabilities	5,298,109	(1,686)	0.00	1,330	(167)	(6)	(925)	5,296,655
RESERVES								
Revenue Reserve	775,562	(1,686)	-	199,210	(167)	(6)	(925)	971,988
Revaluation Reserve	4,495,846	-	-	(197,880)	-	-	-	4,297,966
Government Grants Reserve	26,075	-	-	-	-	-	-	26,075
Donated Assets Reserve	626	-	-	-	-	-	-	626
Total Reserves	5,298,109	(1,686)		1,330	(167)	(6)	(925)	5,296,655

NOTE

2 (B) RECONCILIATION OF UK GAAP REPORTED RESERVES TO IFRS AT THE END OF FINAL UK GAAP REPORTING PERIOD 31 MARCH 2009

	UK GAAP £'000	Employee Benefits IAS 19 £'000	Intangible Assets IAS 38 £'000	Property Plant & Equipment IAS 16 £'000	Non-Current Assets Held For Sale IFRS 5 £'000	Operating Lease Incentives SIC 15 £'000	Service Concession Arrangements IFRIC 12 £'000	IFRS £'000
NON-CURRENT ASSETS								
Property, Plant & Equipment								
- Operational	3,847,694	-	(303)	1,728	(36,157)	-	1,395	3,814,357
- Non Operational	13,223	-	-	-	-	-	-	13,223
Intangible Assets	305	-	303	-	-	-	3,082	3,690
Total Non-Current Assets	3,861,222	-	-	1,728	(36,157)	-	4,477	3,831,270
CURRENT ASSETS								
Assets Classified as Held for Sale	-	-	-	-	34,941	-	-	34,941
Inventories	10,315	-	-	-	-	-	-	10,315
Trade and Other Receivables	70,954	-	-	-	-	-	(138)	70,816
Cash and Cash Equivalents	41,585	-	-	-	-	-	-	41,585
Total Current Assets	122,854	-	-	-	34,941	-	(138)	157,657
CURRENT LIABILITIES								
Trade and Other Payables	(187,673)	(1,942)	-	-	-	(8)	(1,610)	(191,233)
Provisions	(3,637)	-	-	-	-	-	-	(3,637)
Total Current Liabilities	(191,310)	(1,942)	-	-	-	(8)	(1,610)	(194,870)
Net Current Liabilities	(68,456)	(1,942)	-	-	34,941	(8)	(1,748)	(37,213)
NON-CURRENT ASSETS LESS								
NET CURRENT LIABILITIES	3,792,766	(1,942)	-	1,728	(1,216)	(8)	2,729	3,794,057

NOTE

2 (B) RECONCILIATION OF UK GAAP REPORTED RESERVES TO IFRS AT THE END OF FINAL UK GAAP REPORTING PERIOD
31 MARCH 2009 (CONTINUED)

	UK GAAP £'000	Employee Benefits IAS 19 £'000	Intangible Assets IAS 38 £'000	Property Plant & Equipment IAS 16 £'000	Non-Current Assets Held For Sale IFRS 5 £'000	Operating Lease Incentives SIC 15 £'000	Service Concession Arrangements IFRIC 12 £'000	IFRS £'000
NON-CURRENT ASSETS LESS								
CURRENT LIABILITIES B/FWD	3,792,766	(1,942)	-	1,728	(1,216)	(8)	2,729	3,794,057
NON-CURRENT LIABILITIES								
Other Payables	(7,705)	-	-	-	-	-	(3,331)	(11,036)
Loans Outstanding	(780,278)	-	-	-	-	-	-	(780,278)
Provisions	(14,492)	-	-	-	-	-	-	(14,492)
Pension Liability	(142,517)	-	-	-	-	-	-	(142,517)
Total Non-Current Liabilities	(944,992)	-	-	-	-	-	(3,331)	(948,323)
Assets Less Liabilities	2,847,774	(1,942)		1,728	(1,216)	(8)	(602)	2,845,734
RESERVES								
Revenue Reserve	765,942	(1,942)	-	222,000	(2,512)	(8)	(602)	982,878
Revaluation Reserve	2,056,089	-	-	(220,272)	1,296	-	-	1,837,113
Government Grants Reserve	25,515	-	-	-	-	-	-	25,515
Donated Assets Reserve	228	-	-	-	-	-	-	228
Total Reserves	2,847,774	(1,942)		1,728	(1,216)	(8)	(602)	2,845,734

NOTE

2 (C) RECONCILIATION OF UK GAAP REPORTED NET EXPENDITURE ACCOUNT TO IFRS FOR YEAR ENDED 31 MARCH 2009

	UK GAAP £'000	Employee Benefits IAS 19 £'000	Intangible Assets IAS 38 £'000	Property Plant & Equipment IAS 16 £'000	Non-Current Assets Held For Sale IFRS 5 £'000	Operating Lease Incentives SIC 15 £'000	Service Concession Arrangements IFRIC 12 £'000	IFRS £'000
EXPENDITURE								
Staff Costs	88,771	256	-	-	-	-	-	89,027
Other Expenditures	399,272	-	-	-	-	2	(2,040)	397,234
Housing Benefit - DSD	461,790	-	-	-	-	-	-	461,790
Depreciation, Amortisation, Write Offs & Write Down - Fixed Assets	87,333	-	-	(22,790)	2,345	-	1,675	68,563
Total Expenditure	1,037,166	256	-	(22,790)	2,345	2	(365)	1,016,614
INCOME								
Rental Income	235,032	-	-	-	-	-	-	235,032
EU Income	-	-	-	-	-	-	-	-
Other Operating Income	16,005	-	-	-	-	-	-	16,005
Total Income	251,037	-	-	-	-	-	-	251,037
Net Expenditure before Interest	(786,129)	(256)	-	22,790	(2,345)	(2)	365	(765,577)
Profit on Sale of Assets	2	-	-	-	-	-	-	2
Restructuring Costs	(4,734)	-	-	-	-	-	-	(4,734)
Interest Receivable	832	-	-	-	-	-	-	832
Financing Charges	(85,923)	-	-	-	-	-	(43)	(85,966)
Pension Financing Charges	(701)	-	-	-	-	-	-	(701)
Net Expenditure for the year	(876,653)	(256)	-	22,790	(2,345)	(2)	322	(856,144)

2 (D) PRIOR YEAR ADJUSTMENTS

Revenue expenditure - Disabled Adaptations and Heating

A prior year adjustment is required to reflect the change in accounting from capital to revenue for the following two types of expenditure:

1. Change in heating source for Housing Executive's housing stock

Previously expenditure resulting from a change in heating source for houses was capitalised. However such expenditure does not result in creation of future economic benefits as the heating source is being replaced with a similar standard of heating system.

2. Disabled Adaptations Alterations to include Showers, Heating, Stair lifts and Vertical lifts.

Expenditure on these types listed is considered temporary in nature and can be removed if required.

Such expenditure on the above is now correctly classified as revenue expenditure and the effect of this can be seen below with adjustments through the Revenue Reserve account and the Revaluation Reserve Account. Adjustments are accounted for through the Revaluation Reserve Account because, had the revenue element of these types been accounted for as revenue instead of capital, the revaluation adjustment would have been greater within the Housing Stock account when being revalued at the end of each year.

Accrual of Private Sector Grant Expenditure

A prior year adjustment is required to reflect a liability owing by the Housing Executive in respect of Private Sector grant expenditure. A liability is created for the Housing Executive to the grantee after the Housing Executive's Inspection Officer has verified that the work, in respect of the grant, has been completed to a required standard. Adjustments have been reflected within Trade and Other payables within the current year and prior year. Details can be found below.

Reclassification of Rental Income from Offices

A prior year adjustment is required to reflect the change in presentation necessary to disclose income received from rental of Office Accommodation which had previously been netted against expenditure relating to the same class of transaction. The relevant expenditure has, as a consequence of the removal of the income stream to Rental Income, been grossed up.

Accounting for Income received from Housing Association for House sales & the subsequent payment by the Housing Executive to DSD

This prior year adjustment refers to income received from two sources:

1. Income generated from House Sales for a Housing Association is accounted for within a Disposal Proceeds Fund within Housing Associations. Housing Associations must use this Income within three years against new starts in their Housing programme. Income unused within the three year period must be returned to the Housing Executive who in turn passes the proceeds back to DSD.
2. Income is also received from Housing Associations for sale of housing stock which had previously been funded by Housing Association Grant. The Housing Executive also returns the proceeds to DSD.

Previously the accounting for these two types was to match the Income and the Expenditure. A prior year adjustment is now required to reflect the Income received from the Housing Associations and the subsequent expenditure to DSD.

The effect on the financial statements is as follows:

Summary of impact of change on the Statement of Financial Position at the transition date 1 April 2008:

	At 1 April 2008 (without adopting new policy) £'000	Impact of adopting the new policy £'000	At 1 April 2008 (after adopting new policy) £'000
STATEMENT OF FINANCIAL POSITION			
CURRENT LIABILITIES			
Trade and Other Payables	(244,028)	(3,456)	(247,484)
- Private Sector Grants		(3,456)	
CAPITAL AND RESERVES			
Revenue Reserve	(971,988)	174,971	(797,017)
- Private Sector Grants		3,456	
- Heating Replacement		66,426	
- Disabled Adaptations		105,089	
Revaluation Reserve	(4,297,966)	(171,515)	(4,469,481)
- Heating Replacement		(66,426)	
- Disabled Adaptations		(105,089)	

Summary of impact of change on the results for the previous year:

	At 31 March 2009 (without adopting new policy) £'000	Impact of adopting the new policy £'000	At 31 March 2009 (after adopting new policy) £'000
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NET EXPENDITURE ACCOUNT

INCOME

Rental Income	235,032	100	235,132
- <i>Rental Income</i>		100	

Other Income	16,006	406	16,412
- <i>Other Income</i>		406	

EXPENDITURE

Other Operating Costs	(397,233)	(16,991)	(414,224)
- <i>Social Housing Development Programme</i>		(406)	
- <i>Private Sector Grants</i>		(389)	
- <i>Dwelling Related Costs</i>		(16,095)	
- <i>Supplies, Services, Write-Offs & Other Costs</i>		(15)	
- <i>Premises Related Costs</i>		(86)	

NET EXPENDITURE FOR 2008/09	(856,142)	(16,485)	(872,627)
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STATEMENT OF FINANCIAL POSITION

CURRENT LIABILITIES

Trade and Other Payables	(191,233)	(3,845)	(195,078)
- <i>Private Sector Grants</i>		(3,845)	

CAPITAL AND RESERVES

Revenue Reserve	(982,878)	191,455	(791,423)
- <i>Private Sector Grants</i>		3,845	
- <i>Heating Replacement</i>		76,943	
- <i>Disabled Adaptations</i>		110,666	

Revaluation Reserve	(1,837,112)	(187,609)	(2,024,723)
- <i>Heating Replacement</i>		(76,943)	
- <i>Disabled Adaptations</i>		(110,666)	

Summary of impact of change on the results for the current year:

	At 31 March 2010 (without adopting new policy) £'000	Impact of adopting the new policy £'000	At 31 March 2010 (after adopting new policy) £'000
NET EXPENDITURE ACCOUNT			
INCOME			
Rental Income	242,547	87	242,634
- <i>Rental Income</i>		87	
Other Income	21,726	121	21,847
- <i>Other Income</i>		121	
EXPENDITURE			
Other Operating Costs	(424,555)	(19,217)	(443,772)
- <i>Social Housing Development Programme</i>		(121)	
- <i>Private Sector Grants</i>		2,507	
- <i>Dwelling Related Costs</i>		(21,516)	
- <i>Supplies, Services, Write-Offs & Other Costs</i>		(15)	
- <i>Premises Related Costs</i>		(72)	
NET EXPENDITURE FOR 2009/10	(943,998)	(19,009)	(963,007)
STATEMENT OF FINANCIAL POSITION			
CURRENT LIABILITIES			
Trade and Other Payables	(237,120)	(1,338)	(238,458)
- <i>Private Sector Grants</i>		(1,338)	
CAPITAL AND RESERVES			
Revenue Reserve	(930,865)	210,464	(720,401)
- <i>Private Sector Grants</i>		1,338	
- <i>Heating Replacement</i>		90,733	
- <i>Disabled Adaptations</i>		118,393	
Revaluation Reserve	(1,873,232)	(209,126)	(2,082,358)
- <i>Heating Replacement</i>		(90,733)	
- <i>Disabled Adaptations</i>		(118,393)	

NOTES TO THE ACCOUNTS

NOTE 3

Analysis of Net Expenditure by Segment

IFRS 8 'Operating Segments' requires disclosure of financial information, about an organisation's reportable segments, based on the format & structure of internal reporting arrangements as evaluated regularly by the 'Chief Operating Decision Maker'. The 'Chief Operating Decision Maker' for the Housing Executive is deemed to be the Board as it has the authority and responsibility for directing the major activities of the Housing Executive at a corporate level during the year. In particular, the Housing Executive Board approves the annual budget and scrutinises financial performance against this on an ongoing basis. The allocation of resources through the information presented to the Board each month does not include non-cash items such as depreciation or impairment. The Housing Executive's objectives and programmes reflect its role as the regional strategic housing authority for Northern Ireland. It is fully committed to working with others to ensure everyone has access to a decent affordable home in a safe and healthy community. The Housing Executive aim to achieve this through the following objectives:

- Delivering the Decent Homes Standard
- Promoting independent living
- Urban and rural regeneration
- Promoting affordable housing
- Building a stronger community
- Better public services

The Board of the Housing Executive determines a comprehensive set of objectives and targets to ensure it meets its responsibilities across this wide range of programmes and services. This Board approved framework is then used to allocate resources, monitor performance (both financial and non-financial) and thereby control the activities of the organisation at corporate level.

Operating segments can therefore be readily identified using the performance and resource framework already established by the Board and provide compliance with the reporting requirements of International Financial Reporting Standard (IFRS) 8.

The following operating segments have been identified:

- NIHE Landlord Function - this covers the expenditure, both capital and revenue, required to allow the Housing Executive to meet its statutory responsibility for the management and upkeep of some 90,000 housing units;

NOTES TO THE ACCOUNTS

NOTE 3

Analysis of Net Expenditure by Segment (continued)

- Social Housing Development Programme - sometimes described as the 'New Build' programme, this is mainly concerned with the grant support provided to Housing Associations;
- Urban Renewal Programme - this programme funds the acquisition of privately owned houses in designated inner-city areas to allow major development schemes to proceed;
- Private Sector Grants (including Warm Homes) - this scheme provides grants to private home owners to fund repair, improvements and adaptations and thereby improve the overall stock of housing within the region;
- Supporting People - the Housing Executive manages this Government Scheme which is aimed at providing housing based assistance to allow eligible individuals to obtain the benefits of independent living;
- Housing Benefit - the Housing Executive, on behalf of the Department of Social Development, is responsible for the administration of the housing benefit scheme which provides financial support to eligible persons on low income to help them pay their rent.
- Other - the 'other' category is comprised of purchase and sale of SPED properties, disabled adaptations expenditure, IT computer costs and non landlord supervision and management costs which are not required to be disclosed as the totals are below the quantitative thresholds required within IFRS 8.

NOTES TO THE ACCOUNTS

NOTE 3

Analysis of Net Expenditure by Segment (continued)

The following table summarises the budgeted spend as noted above for each of the operating segments for the year end 31 March 2010.

SEGMENT	Note	Expenditure			Less	Net
		Capital £'000	Revenue £'000	Loans £'000	Income £'000	Expend. £'000
Housing Executive Landlord Function		23,022	187,328	168,462	(249,097)	129,715
Social Housing Development Prog		157,273	-	-	-	157,273
Urban Renewal Programme		22,311	-	-	-	22,311
Private Sector Grants incl Warm Homes		54,149	-	-	-	54,149
Supporting People		-	63,453	-	-	63,453
Other		12,089	63,832	-	(5,244)	70,677
		268,844	314,613	168,462	(254,341)	497,578
Less Capital Receipts		(18,158)	-	-	-	(18,158)
Total		250,686	314,613	168,462	(254,341)	479,420
Working Capital						(417)
Excess Capital Receipts						149
Total Net Expenditure funded by DSD	33					479,152
Housing Benefit Expenditure	8					527,562
Other						(43,707)
Net Expenditure after Taxation						963,007

NOTES TO THE ACCOUNTS

NOTE 3

Analysis of Net Expenditure by Segment (continued)

The following table summarises the budgeted spend as noted above for each of the operating segments for the year end 31 March 2009.

SEGMENT	Note	Expenditure		Loans	Less Income	Net Expend.
		Capital £'000	Revenue £'000	£'000	£'000	£'000
Housing Executive Landlord Function		61,012	158,867	183,807	(241,338)	162,348
Social Housing Development Prog		128,097	-	-	-	128,097
Urban Renewal Programme		15,054	-	-	-	15,054
Private Sector Grants incl Warm Homes		62,277	-	-	-	62,277
Supporting People		-	62,635	-	-	62,635
Other		16,281	63,295	-	(194)	79,382
		282,721	284,797	183,807	(241,532)	509,793
Less Capital Receipts		(8,181)	-	-	-	(8,181)
Total		274,540	284,797	183,807	(241,532)	501,612
Working Capital						304
Total Net Expenditure funded by DSD	33					501,916
Housing Benefit Expenditure	8					461,790
Other						(91,079)
Net Expenditure after Taxation						872,627

NOTES TO THE ACCOUNTS

NOTE 4

STAFF NUMBERS AND RELATED COSTS

	2010				2009
	Total	Permanent Staff	Others	Board Members	Total
	£'000	£'000	£'000	£'000	£'000

a) Staff costs comprise

Wages and Salaries	73,292	70,706	2,479	107	73,624
Social Security Costs	5,247	5,072	168	7	5,266
Total Staff costs excl					
Pension Costs	78,539	75,778	2,647	114	78,890
Other Pension Costs	15,556				10,137
	94,095				89,027

The costs of staff seconded to other agencies have been netted off the Total Salaries Costs.

	2010	2009
	£'000	£'000
Wages and Salaries	649	549
Social Security Costs	94	43
Other Pension Costs	44	81
	787	673

The costs of staff seconded from other agencies are not included in Total Salaries Costs. Costs in respect of these secondees are included in Supplies, Services, Write-offs and Other Costs (Note 5(a)) and amount to £550k. In addition the Design Services Division incurred agency costs of £79k.

NOTES TO THE ACCOUNTS

NOTE 4

b) Average number of persons employed

The average number of whole-time equivalent persons employed during the year is shown in the table below.

	2010			2009	
	Total No	Permanent Staff No	Others No	Board Members No	Total No
Executive	15	6	-	9	6
Corporate Services	166	157	9	-	165
Housing & Regeneration	2,045	1,894	151	-	2,032
Design & Property Services	644	630	14	-	719
Finance	131	128	3	-	135
Personnel & Management Services	318	306	12	-	302
	3,319	3,121	189	9	3,359

NOTES TO THE ACCOUNTS

NOTE 5

OTHER EXPENDITURES

		2010	2010	2009
	Note	£'000	£'000	Restated £'000
OTHER EXPENDITURES COMPRISE:				
Direct Employees Costs			807	933
Transport Related Costs			2,615	2,552
Premises Related Costs			7,682	7,605
a) Supplies, Services, Write - Offs & Other Costs			22,557	20,297
External Audit				
- Auditor's Remuneration		150		
- Less Prior Year Over Accrual		(15)	135	181
Revenue Bank Charges			440	408
b) Dwelling Related Costs			144,752	149,314
Public Sector Expenditure			4,314	3,731
Rates Relief Expenditure			2,280	2,396
Lone Pensioner Allowance (LPA)			179	195
c) Private Sector Expenditure			17,898	13,402
d) Private Sector Grants			59,382	72,223
Supporting People			63,453	62,635
Public Liability Charges			2,602	2,342
e) Social Housing Development Programme			157,447	128,503
f) Impairment	12(b)		10,975	4,919
			497,518	471,636
LESS				
Recharges - salaries & overheads of Housing Executive staff providing professional services in the delivery of its core business.			(53,746)	(57,412)
			443,772	414,224

NOTES TO THE ACCOUNTS

NOTE 5

OTHER EXPENDITURES (CONTINUED)

- a) Includes costs in respect of staff seconded from other agencies, which amount to £550k.
- b) The major element of Dwelling Related Costs is for the maintenance of the Housing Executive's housing stock including grounds and general maintenance costs. Also included is the reduction of £4.5m in the provision for asbestos charge which relates to the future costs of managing asbestos where it is found in the housing stock.
More details regarding management of asbestos can be found in Note 24.
- c) Private Sector Expenditure includes £8,238k for the Special Purchase of Evacuated Dwellings (SPED) and £8,087k for Homelessness.
- d) This includes Group Repairs of £1,750k, Grants of £48,431k and Warm Homes Grants of £9,201k.
- e) Social Housing Development Programme includes payments to Housing Associations for the following:

	£'000
New Build	150,275
Advance Land Purchase Grant	4,003
Voluntary Purchase Grant	342
Small Adaptations Grant	2,706
Disposal Proceeds Fund Expenditure	121
	157,447

- (f) Impairment relates to the write down of Assets.
(See Note 12 b)).

NOTES TO THE ACCOUNTS

NOTE 6

EARLY DEPARTURE COSTS

	Note	2010	2009
		No. £'000	No. £'000

The cost of early departure decisions taken this year and in previous years are shown in the table below:

NET EXPENDITURE COSTS

a) Employees paid directly under the provisions of the former Belfast Corporation Scheme;	-	-	1	4
b) Cost of Housing Executive payments for added years lump sum to employees released under the provisions of the premature retirement programme this year;	-	-	-	-
c) Actuarial compensation paid by the Housing Executive for the early payment of pension benefits provided by NILGOSC to officers who retired early;	56	1,544	31	1,218
d) Restructuring compensation paid and accrued by the Housing Executive for the early retirement of Technical Services staff;	32	2,805	56	3,528

PENSION LIABILITY

e) Annual cost of added years pension granted by the Housing Executive to officers retiring early which is paid by NILGOSC on the Housing Executive's behalf;	25(d)	569	991	574	960
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During the year end 31 March 2009 restructuring schemes continued to be offered to employees. The restructuring schemes included a voluntary early release scheme for Technical Services staff. Employees retiring as part of the schemes are due to leave the Housing Executive between 31 March 2010 and 30 June 2010. Costs of staff leaving under this scheme are shown in the note above at parts (c) and (d) and on the face of the Net Expenditure Account in accordance with IAS 1 Presentation of Financial Statements.

Payments in respect of added years granted to individual employees who have retired early in previous years are paid annually to NILGOSC and will continue to be paid until those employees cease to be recipients from the scheme. These costs are accounted for in accordance with IAS 19 and are charged to the Net Pension Liability on the Statement of Financial Position.

Other Early Departure Costs are included in Direct Employees Costs, Note 5.

NOTES TO THE ACCOUNTS

NOTE 7

OTHER OPERATING COSTS

STATEMENT OF LOSSES AND SPECIAL PAYMENTS

	2010		2009	
	Number	£'000	Number	£'000
CLAIMS WAIVED (AMOUNTS WRITTEN OFF)				
Rent & Rates	2,127	912	2,269	1,040
Commercial Property	1	9	3	6
District Heating	8	12	8	1
Recoverable Charges - Damages	62	18	85	36
Recoverable Charges - Legal	382	112	484	112
Service Charges	11	1	4	1
Hostels	698	227	631	112
Housing Benefits Overpayments	5,889	1,289	5,991	1,008
	9,178	2,580	9,475	2,316
Extra Statutory Payments over £10,000	-	-	1	22
Ex Gratia Payments	21	24	18	16
Extra Statutory Payments	4	2	7	6
Debtors ledger	14	27	57	67
Other Write Offs and Cash losses - numerous	1,533	1,179	15	25
	10,750	3,812	9,573	2,452

Losses and Special Payments are included in Note 5.

NOTES TO THE ACCOUNTS

NOTE 8

HOUSING BENEFIT EXPENDITURE

Housing Benefit Expenditure Under the Social Security Administration (NI) Act 1992, the Housing Executive has responsibility for administering Housing Benefit on behalf of DSD. From 2007/08, the accounts of the Housing Executive include overpayments of Housing Benefit, shown as a debtor due from the overpaid claimant, and a creditor due to DSD upon recovery by the Housing Executive. Such overpayments are also accounted for in the DSD's books. Housing Benefit payments in the year are as follows:

	2010 £'000	2009 £'000
Housing Benefit - Public & Private	530,813	462,873
Housing Benefit - Overpayment recoveries	(12,793)	(10,462)
Net Funding from DSD	518,020	452,411
Administration Expenses	11,351	11,357
Transfer of Housing Benefit overpayment movement to overpayment debtor account	(3,109)	(2,589)
Increase in HB Overpayment Provision	1,300	611
Total Housing Benefit Costs	527,562	461,790

NOTE 9

FINANCING CHARGES

	2010 £'000	2009 £'000
Loan Interest Charges	(76,257)	(85,923)
Finance Charges on Service Concession Arrangements	(43)	(43)
	(76,300)	(85,966)

NOTES TO THE ACCOUNTS

NOTE 10

INCOME

The Housing Executive's core business activity is the provision of a public sector housing service and the rental income from this service is a principal source of income.

	2010 £'000	2009 £'000
RENTAL INCOME		
Dwellings & Garages	246,098	240,153
Commercial Properties	2,139	2,197
Lands	3	5
Miscellaneous	470	434
DLO Depots	171	171
	248,881	242,960
LESS: ABATEMENTS		
Dwellings & Garages	(1,088)	(1,189)
Commercial Properties	(22)	(25)
	(1,110)	(1,214)
LESS: VOIDS		
Dwellings & Garages	(5,014)	(6,510)
Commercial Properties	(123)	(104)
	(5,137)	(6,614)
Total Rental Income (C/Fwd)	242,634	235,132

NOTES TO THE ACCOUNTS

NOTE 10

INCOME (CONTINUED)

		2010	2009
	Note	£'000	Restated £'000
Total Rental Income (B/Fwd)		242,634	235,132
EU INCOME		2	-
OTHER OPERATING INCOME			
Income from Housing Associations		546	731
Disposal Proceeds Fund Income		121	406
Revenue Grants		1,111	836
Income from Land & Property Services:			
- Rates collection	30	5,485	5,322
- Rates Relief Income	30	2,280	2,396
- Lone Pensioner Allowance	30	179	195
Government Grants Reserve	26(c)	1,447	1,442
Income from Other Bodies		16	12
Income Property Enquiries		5	22
Legal Expenses Recovered		255	388
Ground Rents Receivable		73	75
Professional Indemnity Insurance		77	77
GTS Multiple Occupancy			
- Registration Fees		489	220
Group Repairs Income		109	560
SPED Income		5,479	440
Renovation Grant Recoupment		23	-
HMO Grant Recoupment		52	-
Income from Hostels		2,020	1,826
Income for Asylum Seekers		2,080	1,463
		21,847	16,411
Total Income		264,483	251,543

NOTES TO THE ACCOUNTS

NOTE 11

TAXATION

	2010	2009
		Restated
	£'000	£'000

A) TAXATION CHARGE IN THE YEAR

Analysis of charge in the year (estimate)

CURRENT TAX:

UK Corporation tax on taxable income for the current year	253	-
Adjustments to the tax charge in respect of previous periods	1,443	-
Interest due on overdue tax	154	-
	1,850	-

B) FACTORS AFFECTING THE TAX CHARGE

Interest Receivable - current year	940	-
- prior years	5,090	-
	6,030	-

Net Expenditure before taxation multiplied by the effective rate of Corporation tax in the UK for the current year (27%)	253	-
Net Expenditure before taxation multiplied by the effective rate of Corporation tax in the UK for prior years (28% approx)	1,443	-
Interest Penalties	154	-

Current tax charge	1,850
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A corporation tax charge of £1.85m has been recognised in the accounts. The Housing Executive do not have Crown exemption status in relation to corporation tax.

C) DEFERRED TAX

No provision for deferred tax has been made as at 31 March 2010 and for previous financial years.

NOTES TO THE ACCOUNTS

NOTE 12 A)

PROPERTY, PLANT & EQUIPMENT OPERATIONAL

	Housing Stock Restated £'000	Land Restated £'000	Commercial Property Restated £'000	Office Premises Restated £'000	Hostels Restated £'000	Travellers Sites Restated £'000	Other Assets Restated £'000	Total Restated £'000
COST OR VALUATION								
At 1 April 2008	5,914,046	290,554	19,494	49,365	9,027	1,948	13,140	6,297,574
Additions	85,338	102	61	1,592	140	41	847	88,121
Reclassification Uplift	-	5,737	-	-	-	-	-	5,737
Disposals	(7,813)	(7,829)	(58)	-	(90)	-	(111)	(15,901)
Demolitions	(2,902)	-	(59)	(294)	-	-	-	(3,255)
Write off Adaptations to Leased Offices	-	-	-	(462)	-	-	-	(462)
Transfer of Land from Redevelopment	-	(80)	-	-	-	-	-	(80)
Transfer to Non Current Held for Sale	-	(23,733)	-	-	-	-	-	(23,733)
Write down in valuation	-	(41)	-	-	-	-	-	(41)
Revaluation Adjustments	(2,351,013)	(156,466)	278	(3,871)	(465)	(398)	(86)	(2,512,021)
At 31 March 2009 (C/Fwd)	3,637,656	108,244	19,716	46,330	8,612	1,591	13,790	3,835,939

NOTES TO THE ACCOUNTS

NOTE 12 A)

PROPERTY, PLANT & EQUIPMENT OPERATIONAL (CONTINUED)

	Housing Stock Restated £'000	Land Restated £'000	Commercial Property Restated £'000	Office Premises Restated £'000	Hostels Restated £'000	Travellers Sites Restated £'000	Other Assets Restated £'000	Total Restated £'000
COST OR VALUATION								
At 31 March 2009 (B/Fwd)	3,637,656	108,244	19,716	46,330	8,612	1,591	13,790	3,835,939
Additions	30,867	14	30	192	-	31	3,257	34,391
Reclassification Uplift	-	4,715	-	-	-	-	-	4,715
Disposals	(12,207)	(6,583)	-	-	-	-	(179)	(18,969)
Demolitions	(5,889)	-	-	-	-	-	-	(5,889)
Write off Adapt to Leased Offices	-	-	-	(498)	-	-	-	(498)
Transfer of Land from Redevelopment	-	5,590	-	-	-	-	-	5,590
Transfer of Land to Travellers Sites	-	(11)	-	-	-	11	-	-
Transfer to Non Operational Property	-	-	(327)	(523)	-	-	-	(850)
Transfer to Non Current Assets Held for Sale	(4,029)	(4,318)	(23)	(220)	-	-	-	(8,590)
Transfer from Non Current Assets Held for Sale	-	16,313	-	-	-	-	-	16,313
Write down in valuation	-	(13)	-	-	-	-	-	(13)
Revaluation Adjustments	27,683	(24,001)	(2,889)	(10,614)	7,263	1,035	620	(903)
At 31 March 2010 (C/Fwd)	3,674,081	99,950	16,507	34,667	15,875	2,668	17,488	3,861,236

NOTES TO THE ACCOUNTS
NOTE 12 A)

PROPERTY, PLANT & EQUIPMENT OPERATIONAL (CONTINUED)

	Housing Stock Restated £'000	Land Restated £'000	Commercial Property Restated £'000	Office Premises Restated £'000	Hostels Restated £'000	Travellers Sites Restated £'000	Other Assets Restated £'000	Total Restated £'000
COST OR VALUATION								
At 31 March 2010 (B/Fwd)	3,674,081	99,950	16,507	34,667	15,875	2,668	17,488	3,861,236
DEPRECIATION								
At 1 April 2008	-	-	-	(9,029)	-	-	(10,199)	(19,228)
Charged in year	(50,662)	-	(703)	(777)	(152)	-	(1,586)	(53,880)
Written back on Revaluation	50,662	-	703	-	-	-	-	51,365
Backlog Depreciation	-	-	-	-	-	-	49	49
Disposals	-	-	-	-	-	-	112	112
At 31 March 2009	-	-	-	(9,806)	(152)	-	(11,624)	(21,582)
Charged in year	(51,224)	-	(376)	(731)	(360)	(52)	(1,822)	(54,565)
Written back on Revaluation	51,224	-	376	10,537	512	52	-	62,701
Backlog Depreciation	-	-	-	-	-	-	(319)	(319)
Disposals	-	-	-	-	-	-	179	179
At 31 March 2010	-	-	-	-	-	-	(13,586)	(13,586)
NET BOOK VALUE								
At 31 March 2010	3,674,081	99,950	16,507	34,667	15,875	2,668	3,902	3,847,650
At 31 March 2009	3,637,656	108,244	19,716	36,524	8,460	1,591	2,166	3,814,357
At 31 March 2008	5,914,046	290,554	19,494	40,336	9,027	1,948	2,941	6,278,346
ASSET FINANCING								
Owned	3,674,081	99,950	16,507	32,873	15,875	2,668	855	3,842,809
Finance Leased	-	-	-	1,794	-	-	-	1,794
On-balance sheet PFI contracts	-	-	-	-	-	-	3,047	3,047
Net book value at 31 March 2010	3,674,081	99,950	16,507	34,667	15,875	2,668	3,902	3,847,650

NOTES TO THE ACCOUNTS

NOTE 12 A)

PROPERTY, PLANT & EQUIPMENT (CONTINUED)

VALUATION METHODOLOGY

Housing Stock

Operational Housing Stock has been valued on the basis of Open Market Value for Existing Use (Existing Use Value for Social Housing), in accordance with guidance issued by the Department of Communities & Local Government in Great Britain titled "Guidance on Stock Valuation for Resource Accounting". To determine the Open Market Value at 31 March 2010, the beacon approach to valuation was adopted. Under the Beacon principle, the total housing stock was split into property archetypes, through uniting characteristics material to the valuation. The value of a property archetype has been determined by valuing a sample dwelling, representative of the property archetype, and using this value as the average value for the group. A full valuation was carried out by Land & Property Services at 31 March 2009, where valuers carried out an internal inspection of each sample dwelling. An internal inspection will be carried out every five years, in line with FReM.

At 31 March 2010 (and in other intervening years), the housing stock was subject to an annual 'desk-top' revaluation by Land & Property Services to reflect changes in stock numbers and local price indices. To obtain Existing Use Value for Social Housing the market values for each group of assets were adjusted by a factor to reflect a valuation for the properties if they were sold with sitting tenants who enjoy tenants rights.

Voids which will be lettable have been valued in line with normal stock valuations.

Non lettable voids are valued at Open Market Value in line with the above guidance.

NOTES TO THE ACCOUNTS

NOTE 12 A)

PROPERTY, PLANT & EQUIPMENT (CONTINUED)

VALUATION METHODOLOGY

Depreciation - Housing Stock

The building element of the Housing Stock is depreciated over a uniform 50 year life. There is no requirement for accumulated depreciation in respect of Housing Stock as property is valued net of depreciation.

Land and Other Buildings

Land and Other Buildings includes Land, Commercial Properties, Offices, Hostels and Travellers Sites. Land was revalued at 31 March 2010 on the basis of open market value by Land & Property Services. The valuation is in accordance with the Royal Institution of Chartered Surveyors appraisal and valuation manual. During the current financial year land, which was previously identified as amenity, has been reclassified as Undeveloped Land and was valued at £4,159k. Land classified as amenity land has no value and is reflected within the social house values.

Offices, Commercial Properties, Travellers Sites and Hostels have been revalued and relined at 31 March 2010 by professional valuers of Land & Property Services, using Fair Value for Existing Use. Offices and Commercial Properties have been revalued at 31 March 2010 using market value. Hostels and Travellers Sites have been revalued at 31 March 2010 using Depreciated Replacement Cost as they are considered specialised assets.

The building element of all of the above properties have been depreciated over the remaining useful life as directed by the valuer. Included within the Net Book Value of offices is £1.8m for adaptations relating to offices rented on short leases. Adaptations are written off over the life of the leases.

The FReM permits a full external valuation of assets once every five years with the use of appropriate indices in intervening years. Land & Property Services provide appropriate indices in the intervening financial years in order to revalue Offices, Commercial Properties, Travellers Sites and Hostels.

NOTES TO THE ACCOUNTS

NOTE 12 A)

PROPERTY, PLANT & EQUIPMENT (CONTINUED)

Other Assets

Other Assets includes Motor Vehicles, Plant and Machinery, Estate Management Equipment, Furniture, Equipment & Fittings and Computer Equipment which have been revalued by reference to appropriate Treasury approved indices.

Asset NBV	At 31 March 2010 £'000	At 31 March 2009 Restated £'000	At 31 March 2008 Restated £'000
Motor Vehicles	375	304	237
Plant and Machinery	50	47	57
Estate Management Equipment	224	228	313
Office Furniture	41	26	48
Office Equipment	3	8	18
Hostels Furniture & Fittings	13	25	38
Computer Hardware	3,196	1,528	2,230
	3,902	2,166	2,941

Depreciation, Amortisation, Write Offs and Write downs charged to the Net Expenditure Account consisted of the following:

	2010 £'000	2009 Restated £'000
Depreciation - less Backlog Depreciation	54,885	53,831
Amortisation - IT Software	1,290	732
Losses on disposal of Houses	-	3,021
Revaluation Adjustments	(1,096)	246
Writedown in Assets Held for Sale	4,373	2,345
Losses on sale of surplus land	295	-
Losses on Demolished Property	5,889	3,255
Write off Adaptations to Leased Offices	498	462
Losses on Transfer of Assets to Housing Associations	6,005	3,726
Losses on Sale of Other Assets	505	944
	72,644	68,562

NOTES TO THE ACCOUNTS

NOTE 12 B)

PROPERTY, PLANT & EQUIPMENT (CONTINUED)

Non Operational Assets

	Redevelopment Land £'000	Commercial Properties £'000	Offices £'000	Total £'000
At 1 April 2008	3,969	-	-	3,969
Expenditure in year	14,093	-	-	14,093
Transfer of Land from Operational Assets	80	-	-	80
Revaluation Adjustments	-	-	-	-
Impairment	(4,919)	-	-	(4,919)
At 31 March 2009	13,223			13,223
At 1 April 2009	13,223	-	-	13,223
Expenditure in year	19,993	-	-	19,993
Transfer of Land (to)/from Operational Assets	(5,590)	327	523	(4,740)
Revaluation Adjustments	2,437	-	53	2,490
Impairment	(10,302)	(317)	(356)	(10,975)
At 31 March 2010	19,761	10	220	19,991

Non Operational Assets comprises Redevelopment land. The main reason for the £10.3 million write down in the value of redevelopment land is that the land acquisition and development costs greatly exceed their brownfield site value. Additionally, once the individual pockets of redevelopment are converted to brownfield sites, they are usually transferred to Housing Associations at Nil proceeds. The Housing Executive's parent Department, the Department for Social Development, recoups the market value of these sites by deducting this value off the Housing Association grant paid to Housing Associations. The Department does not pass these proceeds over to the Housing Executive. Had the Housing Executive received the benefit of the market value rather than the Department then the loss on disposal for the year would have been reduced by £5.8m.

Non operational assets also comprise Commercial Properties which are due to be demolished and Offices which are currently not in use by the Housing Executive.

NOTES TO THE ACCOUNTS

NOTE 12 C)

INTANGIBLE ASSETS

	IT Software Restated £'000	Total Restated £'000
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COST OR VALUATION

At 1 April 2008	5,620	5,620
Additions	1,399	1,399
Reclassification Uplift	-	-
Disposals	-	-
Revaluation Adjustments	(119)	(119)
At 31 March 2009	6,900	6,900

Additions	2,015	2,015
Reclassification Uplift	-	-
Disposals	-	-
Revaluation Adjustments	787	787
At 31 March 2010	9,702	9,702

AMORTISATION

At 1 April 2008	(2,478)	(2,478)
Charged in year	(750)	(750)
Backlog Amortisation	18	18
Disposals	-	-
At 31 March 2009	(3,210)	(3,210)

Charged in year	(1,033)	(1,033)
Backlog Amortisation	(257)	(257)
Disposals	-	-
At 31 March 2010	(4,500)	(4,500)

NET BOOK VALUE

At 31 March 2010	5,202	5,202
At 31 March 2009	3,690	3,690
At 31 March 2008	3,142	3,142

NOTES TO THE ACCOUNTS

NOTE 13

ASSETS CLASSIFIED AS HELD FOR SALE

	Land £'000	Housing Stock £'000	Office Premises £'000	Commercial Properties £'000	2010 Total £'000	2009 Restated £'000
At 1 April 2009	34,941	-	-	-	34,941	13,705
Transfer from Land	4,318	-	-	-	4,318	23,733
Transfer from Buildings	-	4,029	220	23	4,272	
Disposals	(2,582)	-	-	-	(2,582)	(152)
Transfer to Land	(16,313)	-	-	-	(16,313)	
Revaluation Adjustments	(4,373)	-	-	-	(4,373)	(2,345)
At 31 March 2010	15,991	4,029	220	23	20,263	34,941

IFRS 5 details that non-current assets classified as held for sale must be disclosed separately from other assets in the Statement of Financial Position.

£16m of land classified as held for sale relates to surplus land which is available for immediate sale and where an active programme to locate a buyer is initiated.

Due to the significant downturn in market conditions it is uncertain whether the sale will occur within 12 months, however, the delay in the sale is due to circumstances which are beyond the Housing Executive's control.

£4m of Housing stock which has been reclassified as held for sale refers to sale proceeds received during the period April to June 2010.

A small number of Office Premises and Commercial Properties have been reclassified as held for sale and reflect actual properties being actively marketed for sale at the year end.

NOTE 14

INVENTORIES

	2010 £'000	2009 £'000	2008 £'000
Consumable Stores	289	286	274
Work in Progress - Housing Associations	307	912	913
SPED (Net of the Allowances at Note 16)	7,592	9,117	5,538
Total	8,188	10,315	6,725

NOTES TO THE ACCOUNTS

NOTE 15

TRADE RECEIVABLES & OTHER CURRENT ASSETS

	2010	2009	2008
		Restated	Restated
	£'000	£'000	£'000

AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade Receivables (Net of the Allowances at Note 16)	15,639	12,719	29,166
Other receivables	1,252	3,110	2,666
VAT	4,345	3,206	2,955
Prepayments and accrued income	57,096	40,993	44,242
	78,332	60,028	79,029

AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Trade Receivables (Net of the Allowances at Note 16)	12,207	10,782	9,073
Car Assisted Purchase Scheme	5	-	-
Home Loans Scheme	13	6	19
	12,225	10,788	9,092

Total	90,557	70,816	88,121
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NOTES TO THE ACCOUNTS

NOTE 16

ALLOWANCES FOR TRADE RECEIVABLES AND LOSSES

	Tenants Debt £'000	Home Loans £'000	HB Over- payments £'000	Other Debts £'000	SPED £'000	Total £'000
Opening Balance - at 1 April 2008	8,815	9	11,113	285	-	20,222
Movement in allowance in year	292	-	(397)	43	3,058	2,996
Movement in long term debt discount	(5)	-	123	-	-	118
At 31 March 2009	9,102	9	10,839	328	3,058	23,336
Movement in allowance in year	(532)	(5)	1,220	(134)	(531)	18
Movement in long term debt discount	(5)	-	80	12	-	87
At 31 March 2010	8,565	4	12,139	206	2,527	23,441

IAS 39 Financial Instruments: Recognition and Measurement requires long term debtors to be measured at amortised cost. This involves a review of debtors for impairment, forecasting the cash flows expected from the recoverable debts and discounting the cashflows to present day value.

NOTE 17

CASH & CASH EQUIVALENTS

	2010 £'000	2009 Restated £'000
Balance at 1 April 2009	41,585	70,387
Net Change in Cash & Cash Equivalent balances	35,381	(28,802)
Balance at 31 March 2010	76,966	41,585

THE FOLLOWING BALANCES AT 31 MARCH 2010 WERE HELD AT:

	2010 £'000	2009 £'000	2008 £'000
Commercial Banks and Cash in Hand	436	765	297
Short Term Investments	76,530	40,820	70,090
Balance at 31 March 2010	76,966	41,585	70,387

NOTES TO THE ACCOUNTS

NOTE 18

INTRA GOVERNMENT BALANCES

	Trade Receivables £'000	Trade Payables £'000
Balances with central government bodies	9,407	(18,682)
Balances with central government bodies - loans	-	(757,563)
Balances with local authorities - loans	-	(22,945)
At 31 March 2010	9,407	(799,190)

INTRA GOVERNMENT BALANCES

	Trade Receivables £'000	Trade Payables £'000
Balances with central government bodies	7,458	(17,067)
Balances with central government bodies - loans	-	(847,781)
Balances with local authorities - loans	-	(24,733)
At 31 March 2009	7,458	(889,581)

NOTE 19

TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2010 £'000	2009 Restated £'000	2008 Restated £'000
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AMOUNTS FALLING DUE WITHIN ONE YEAR

Bank Overdraft	(37,674)	(17,711)	(54,766)
Trade Payables	(2,393)	(2,149)	(2,114)
Taxation and social security	(2,028)	(1,899)	(1,837)
Corporation tax payable	(1,850)	-	-
Commitment under Service			
Concession arrangement	(728)	(1,610)	(1,373)
Other Payables	(5,249)	(4,256)	(5,394)
Accruals and Deferred Income	(101,474)	(75,217)	(84,471)
Loan Repayments	(87,062)	(92,236)	(97,529)
Total	(238,458)	(195,078)	(247,484)

NOTES TO THE ACCOUNTS

NOTE 19 (CONTINUED)

TRADE PAYABLES AND OTHER CURRENT LIABILITIES (CONTINUED)

	2010	2009	2008
		Restated	Restated
	£'000	£'000	£'000

AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Commitment under Service			
Concession arrangement	(2,471)	(3,331)	(3,675)
Other Payables	(9,070)	(7,705)	(5,867)
Total	(11,541)	(11,036)	(9,542)

NOTE 20

COMMITMENTS UNDER SERVICE CONCESSION ARRANGEMENT

In March 2004, the Housing Executive entered into a contract with an IT service provider for the development, implementation and support of current and future ICT systems and the services up to 2015. Under the terms of the contract, the service charge payable by the Housing Executive is for ICT services derived by service element components as specified by the Housing Executive at the outset of the contract.

At the year end the total future minimum payments due under this service concession arrangement are as follows:

	2010	2009	2008
		Restated	Restated
	£'000	£'000	£'000
Within one year	(2,556)	(9,297)	(3,205)
In the second to fifth years	(15,657)	(12,079)	(18,023)
After five years	(1,845)	(4,703)	(7,822)
Total	(20,058)	(26,079)	(29,050)

NOTES TO THE ACCOUNTS

NOTE 21

LOANS OUTSTANDING

	2010	2009	2008
	£'000	£'000	£'000
LOANS FROM THE GOVERNMENT LOANS FUND & FORMER LOCAL AUTHORITIES MATURING:			
Between 1 and 2 years	(78,871)	(87,063)	(92,158)
Between 2 and 5 years	(204,326)	(220,321)	(239,294)
Between 5 and 10 years	(224,648)	(171,656)	(289,208)
After 10 years	(185,602)	(301,238)	(252,208)
Total	(693,447)	(780,278)	(872,868)

- a) All Government Loans are repayable by Annuity and Local Authority Loans are repayable using an average Loans Pool rate.
- b) Interest rates are those current at time of borrowing.
- c) Loans are repayable to the Department of Finance and Personnel.
- d) A cost of capital charge is not included in these accounts due to the extent of the loans on the Statement of Financial Position and the interest paid on those loans.

NOTE 22

COMMITMENTS UNDER LEASES

Operating Leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

	2010	2009
	£'000	£'000
Obligations under operating leases comprise:		
PROPERTY		
Not later than one year	1,437	1,510
Later than one year and not later than five years	5,339	4,911
Later than five years	3,236	3,995
	10,012	10,416

NOTES TO THE ACCOUNTS

NOTE 23

FINANCIAL INSTRUMENTS

The Government FReM requires financial statements to comply with the accounting standards on Financial Instruments, namely IAS 32, IAS 39 and IFRS 7. The objective of these standards is to establish principles for presenting, recognising, measuring and disclosing Financial Instruments.

A Financial Instrument is “any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity”. Financial Assets include, amongst others, cash, trade receivables and loans to other entities. Financial Liabilities include, amongst others, trade payables, loans from other entities and accruals. Equity instruments include, amongst others, types of preference shares. They are unlikely to occur within the Housing Executive’s financial statements.

a) Significance of Financial Instruments for Financial Position and Performance

The borrowings and investments disclosed in the Statement of Financial Position are made up of the following categories of financial instruments:

	Long Term			Short Term		
	2010	2009	2008	2010	2009	2008
	£'000	£'000	£'000	£'000	£'000	£'000
Financial Assets at Fair Value through Profit or Loss	-	-	-	-	-	-
Held to Maturity Investments	-	-	-	-	-	-
Loans and Receivables	12,225	10,789	9,092	98,202	60,620	105,174
Available for Sale Financial Assets	-	-	-	-	-	-
Total Investments	12,225	10,789	9,092	98,202	60,620	105,174

NOTES TO THE ACCOUNTS

NOTE 23 (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

	Long Term			Short Term		
	2010	2009	2008	2010	2009	2008
	£'000	£'000	£'000	£'000	£'000	£'000

Financial Liabilities at fair value through profit or loss	-	-	-	-	-	-
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Financial Liabilities measured at amortised cost	704,988	791,314	882,410	238,458	195,078	247,484
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Total Borrowings	704,988	791,314	882,410	238,458	195,078	247,484
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The table above includes long term debtors, trade payables and receivables and cash balances held for working capital purposes.

b) Financial Instruments Gains and Losses

The gains and losses recognised in the Net Expenditure Account for Year end 31 March 2010 in relation to financial instruments are made up as follows:

FINANCIAL LIABILITIES

	Liabilities measured at fair value through profit or loss £'000	Liabilities measured at amortised cost £'000
Interest Expense	-	76,300
Losses on derecognition	-	-
Impairment Loss	-	-
Interest payable and similar charges		76,300
Interest Income	-	-
Gains on derecognition	-	-
Interest and Investment Income		

NOTES TO THE ACCOUNT

NOTE 23 (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

FINANCIAL ASSETS

	Financial assets held at fair value through profit or loss £'000	Held to maturity assets £'000	Loans and receivables £'000	Available for sale assets £'000
Interest Expense	-	-	-	-
Losses on derecognition	-	-	-	-
Impairment Loss	-	-	636	-
Interest payable and similar charges			636	
Interest Income	-	-	940	-
Gains on derecognition	-	-	-	-
Interest and Investment Income			940	

c) Fair Value of Assets and Liabilities Carried at Amortised Cost

IFRS 7 states that financial liabilities and financial assets represented by loans and receivables are carried on the Statement of Financial Position at amortised cost. The Housing Executive prepares its accounts in accordance with the Government FRM, which states that Loans, Public Dividend Capital and other interests in public bodies outside the departmental boundary should be reported at historical cost less impairment, therefore, the Government loans and Local Authority loans are stated at historical cost in these accounts. The majority of Housing Executive loans are repayable by fixed rate annuities. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- 1) For loans from the Consolidated Loans Fund and other loans payable, the real discount rate of 2.2%, as set by HM Treasury, has been applied to provide fair value;
- 2) No early repayment or impairment is recognised;
- 3) Where an instrument has a maturity of less than 12 months or is a trade or other receivable, the fair value is taken to be the principal outstanding or the billed amount.

NOTES TO THE ACCOUNTS
NOTE 23 (CONTINUED)
FINANCIAL INSTRUMENTS (CONTINUED)

The fair values calculated are as follows:

	2010		2009	
	Carrying Amt	Fair Value	Carrying Amt	Fair Value
	£'000	£'000	£'000	£'000
FINANCIAL LIABILITIES				
Consolidated Loans Fund	757,563	1,116,699	848,781	1,253,323
Non Consolidated Loans Fund	22,945	33,823	24,733	36,564
Total Debt	780,508	1,150,522	873,514	1,289,887
LOANS AND RECEIVABLES				
Long term Debtors	12,988	12,225	11,464	10,790
Total Investments	12,988	12,225	11,464	10,790

Long term trade debtors are stated at amortised cost using the effective interest rate of 2.2%. An assessment is made on the future collectability of the debtors based on historic trends which is profiled over future years. The cash flows are discounted using the effective interest rate of 2.2%. This is a method used to calculate the carrying value and the fair value.

The fair values for trade payables and receivables and cash balances are not included in the table above as the fair value is taken to be the invoiced or billed amount.

Nature and Extent of Risks arising from Financial Instruments

IFRS 7, Financial Instruments: Disclosures, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Due to the largely non trading nature of its activities and the way in which the entity is financed, the Housing Executive is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. As a result, the sensitivity analysis on market risk, as required by IFRS 7, has not been undertaken due to the majority of the Housing Executive loans carrying fixed rates of interest.

Details of financial risks which the Housing Executive's activities expose it to are noted below:

Credit Risk

Credit risk arises from deposits with banks, as well as credit exposure to the Housing Executive's customers, specifically tenant arrears and Housing Benefit overpayment debt. There is no historical experience of default in relation to deposits with banks, therefore, there is no estimated exposure to risk of default. The provision for bad and doubtful debts reflects the Housing Executive's assessment of the risk of non-payment by trade debtors and, as such, there is no additional estimated exposure to default and inability to collect.

NOTES TO THE ACCOUNTS

NOTE 23 (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity Risk

The Housing Executive's net revenue and net capital funding requirements are financed by a deficit grant and a capital grant respectively from DSD. Due to current market conditions the Housing Executive has experienced a decline in capital receipts from the sale of houses and land. This is managed through a reduction in the Housing Executive's capital programme. There is no risk that the Housing Executive is unable to meet its commitments to repay loan balances in accordance with the repayment timetable as the loans are fully funded by DSD. The maturity analysis of financial liabilities is included in Note 21.

Market Risk

Interest-Rate Risk

Approximately 97% of the Housing Executive's financial liabilities carry fixed rates of interest and the Housing Executive is not therefore exposed to significant interest rate risk with respect to loans.

The continued low bank interest rates has maintained the low level of interest receivable on Investments held with banks. Due to the continued reduced capital receipts from sale of houses and land, less funds are made available for investment which limits the effect of the interest rate risk.

Foreign Currency Risk

The Housing Executive has no exposure to foreign currency risk.

Fair Value

The fair value of loans outstanding after one year at 31 March 2010 for the Government Loans Funds is £1,061m (2009: £1,085m), and the estimated fair value of Local Authority Loans is £31m (2009: £34m).

NOTES TO THE ACCOUNTS

NOTE 24

PROVISION FOR LIABILITIES AND CHARGES

	Public Liability Claims £'000	Managing Asbestos £'000	Total £'000
Opening Balance - at 1 April 2008	(2,009)	-	(2,009)
Net Expenditure charge	(2,342)	(16,000)	(18,342)
Applied	2,222	-	2,222
At 31 March 2009	(2,129)	(16,000)	(18,129)
Net Expenditure charge	(2,054)	636	(1,418)
Applied	1,893	3,864	5,757
At 31 March 2010	(2,290)	(11,500)	(13,790)
	2010 £'000	2009 £'000	2008 £'000
AMOUNT DUE FOR SETTLEMENT			
Within 12 months	(6,070)	(3,637)	(1,159)
After 12 months	(7,720)	(14,492)	(850)
	(13,790)	(18,129)	(2,009)

a) Public Liability Claims see Note 28 (Contingent Liabilities)

b) The Housing Executive have undertaken to survey all their housing stock to identify the presence of asbestos and the risk it presents.

The costs of surveying and managing asbestos in the 53,000 houses approximately remaining to be surveyed has been estimated at £11.5m (2009: £16m).

NOTES TO THE ACCOUNTS

NOTE 25

PENSIONS

a) Pensions

The Housing Executive participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC) for the majority of its employees. Pension benefits are provided through the NILGOSC Scheme. This is a statutory scheme that benefits on a "final salary" basis at a normal retirement age of 65.

Prior to 1 April 09 benefits accrued at the rate of 1/80th of pensionable salary for each year of service. In addition a lump sum equivalent to 3/80ths of pensionable salary for each year of service, prior to 1 April 2009, is payable on retirement. From 1 April 2009 the scheme changed and benefits from this date accrue at the rate of 1/60th of pensionable pay for each year of service. The scheme's professionally qualified actuaries recommended the rates of administrative employees prior to 1 January 2003, and 6% thereafter, and 16% employer. As part of a general review of public sector pension schemes from 1 April 2009, the Government has introduced changes to the contribution rates. Instead of most people paying a standard contribution rate of 6% of their pensionable pay, there are now different contribution rates for different pay bands. The new rates are between 5.5% and 7.5% of pensionable pay.

The total contributions paid by the Housing Executive in respect of employer and employees contributions in this financial year were £14.6m (2009: £13.9m).

In accordance with IAS 19, the Housing Executive accounts for employer pension contributions as a defined benefit scheme. Under IAS 19 the Housing Executive is required to account for their share of assets and liabilities in the scheme. Added years discretionary benefits awarded to former employees who retired early are also accounted for as a defined benefit scheme, as in accordance with IAS 19. This liability represents the actuarial liability of future costs to NILGOSC in respect of past employees who retired early. Given projected lifespans this liability will be payable over a number of years.

The latest formal actuarial valuation of the fund was carried out as at 31 March 2010. Results are still outstanding at the date of this financial report. In calculating the Housing Executive's assets and liabilities the fund's actuaries have rolled forward the values calculated at the latest valuation. Further, the fund's actuaries had to make a number of assumptions about events and circumstances in the future meaning that the results of actuarial calculations are subject to uncertainties within a range of possible values.

NOTES TO THE ACCOUNTS

NOTE 25

PENSIONS (CONTINUED)

b) The following actuarial assumptions were accepted on the recommendation of the actuary:

	As At 31 March 2010	As At 31 March 2009
Actuarial Assumptions used		
Rate of Inflation	3.8%	3.1%
Rate of Increase in Salaries	4.8%	4.6%
Rate of Increase in Pensions	3.8%	3.1%
Discount Rate	5.5%	6.9%
Expected Rate of Return on Assets	7.2%	6.5%

Mortality Assumptions

Actuarial Assumptions for average future life expectancy at age 65	Males	Females
Current Pensioners	20.8 years	24.1 years
Future Pensioners	22.3 years	25.7 years

The mortality assumptions affect the length of time the benefits would be expected to be paid for. The mortality assumptions adopted are based on the PFA92 and PMA92 year of birth tables.

Sensitivity Analysis

IAS 19 valuation results depend critically on the principal assumptions used in the calculations. The discount rate used to value the liabilities is prescribed under IAS 19 and the results are particularly sensitive to the discount rate. A reduction in the net discount rate will increase the liabilities as a higher value is placed on benefits in the future. Regarding mortality assumptions, if longevity improves at a faster rate than allowed for in the assumptions then, a higher value would be placed on the employer's liabilities. Further increases in pensionable pay, inflation and hence pension, more than allowed for in the assumptions, will increase the value of the liabilities.

NOTES TO THE ACCOUNTS

NOTE 25

PENSIONS (CONTINUED)

c) The fair value of the assets held by the pension scheme attributable to the Housing Executive are analysed as follows:

Asset Class	Assets at 31 March 2010 £'000	Expected Return at 31 March 2010	Assets at 31 March 2009 £'000	Expected Return at 31 March 2009
Equities	405,603	7.8%	273,969	7.0%
Bonds	73,746	5.0%	52,542	5.4%
Property	31,605	5.8%	26,271	4.9%
Cash	15,803	4.8%	22,518	4.0%
	526,757		375,300	

The above asset values as at 31 March 2010 are at bid value as required under IAS 19. The bid value of assets is the value which can be realised immediately upon a sale.

STATEMENT OF FINANCIAL POSITION

Year Ended	31-Mar-10 £'000	31-Mar-09 £'000
Fair Value of Employer Assets	526,757	375,300
Present value of Funded Liabilities	(793,662)	(502,809)
Net Underfunding in Funded Plans	(266,905)	(127,509)
Present value of Unfunded Liabilities	(15,934)	(15,008)
Unrecognised Actuarial (Gain)/Loss	-	-
Unrecognised Transition (Asset)/Liability	-	-
Net Liability	(282,839)	(142,517)

Amounts in the Statement of Financial Position

Liabilities	(282,839)	(142,517)
Assets	-	-
Net Asset/(Liability)	(282,839)	(142,517)

NOTES TO THE ACCOUNTS

NOTE 25

PENSIONS (CONTINUED)

d) Notes to the Net Expenditure Account

	Year End 31 March 2010		Year End 31 March 2009	
	£'000	% of Payroll	£'000	% of Payroll
Amount Charged to Employee Costs				
Current Service Cost	8,714	13.5%	9,728	14.7%
Past Service Cost	6,026	9.3%	7	0.0%
Curtailment and Settlements	833	1.3%	460	0.7%
Decrease in Irrecoverable Surplus	-	-	-	-
Total Operating Charge (A)	15,573	24.1%	10,195	15.4%

	Year End 31 March 2010		Year End 31 March 2009	
	£'000	% of Payroll	£'000	% of Payroll
Amount (Debited)/Credited to Other				
Financing costs				
Expected Return on Employer Assets	24,262	37.5%	35,996	54.6%
Interest on Pension Scheme Liabilities	(35,706)	(55.1%)	(36,697)	(55.6%)
Net Return (B)	(11,444)	(17.6%)	(701)	(1.0%)

Net Revenue Account Cost (A) - (B)	27,017	41.7%	10,896	16.4%
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Actual return on Plan Assets	155,606	(114,315)
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Notes to the Statement of Changes in Reserves

	31 Mar 2010 £'000	31 Mar 2009 £'000
Actuarial Losses on Plan Assets	132,116	(151,585)
Actuarial Gains on Obligation	(256,804)	48,354
Actuarial Gain/(Loss) Recognised in Statement of changes in Reserves	(124,688)	(103,231)
Cumulative Actuarial Loss Recognised in Statement of changes in Reserves	(227,919)	(103,231)

NOTES TO THE ACCOUNTS

NOTE 25

PENSIONS (CONTINUED)

d) The attributable movement in the scheme liabilities during the period was as follows:

	Year End 31 March 2010	Year End 31 March 2009
	£'000	£'000
Reconciliation of Defined Benefit Obligation		
Opening Defined Benefit Obligation	(517,817)	(534,280)
Current Service Cost	(8,714)	(9,728)
Past Service Cost	(6,026)	(7)
Losses on Curtailments	(833)	(460)
Interest on Obligation	(35,706)	(36,697)
Members Contributions	(4,168)	(3,983)
Unfunded Benefits Paid	991	960
Estimated Benefits Paid	19,481	18,024
Actuarial (loss)/Gain	(256,804)	48,354
Closing Defined Benefit Obligation	(809,596)	(517,817)

The attributable movement in the scheme assets during the period was as follows:

	Year End 31 March 2010	Year End 31 March 2009
	£'000	£'000
Reconciliation of Fair Value of Employer Assets		
Opening Fair Value of Employer Assets	375,300	494,987
Employer Contributions	10,392	9,943
Members Contributions	4,168	3,983
Expected Return on Assets	24,262	35,996
Contributions in respect of Unfunded Benefits	991	960
Unfunded Benefits Paid	(991)	(960)
Benefits Paid	(19,481)	(18,024)
Actuarial Gain/(Loss)	132,116	(151,585)
Closing Fair Value of Employer Assets	526,757	375,300
Net Pension Liability	(282,839)	(142,517)

NOTES TO THE ACCOUNTS

NOTE 25 (CONTINUED)

PENSIONS (CONTINUED)

d) The liabilities show the underlying commitment that the Housing Executive has in the long term to pay retirement benefits. The total pension liability is £810m (2009: £518m) and results in a net overall deficit balance of £282m (2009: £143m) which is recorded on the Statement of Financial Position. The deficit on the NILGOSC scheme will be funded over a period of many years through increased employer contributions over the remaining working life of employees as assessed by the scheme actuary. For 2009/10, employers participating in the scheme increased contributions to 16% (2008/09 15%). Contribution rates will continue to increase to 17% for the 2010/11 year.

e) Actuarial gains and losses represent the extent to which actual outcomes have differed from the assumptions which were used in calculating IAS 19 figures.

For assets the gain/loss is normally the difference between the actual and expected return on assets, and for liabilities the the gain/loss normally arises from the change in financial assumptions. These actuarial gains/losses are shown in the table below as Experience Gains and Losses. Actuarial gains and losses are recognised as movements in reserves with no impact on the Net Expenditure Account.

Amounts for the current and previous accounting periods	Year End 31 March				
	2010 £'000	2009 £'000	2008 £'000	2007 £'000	2006 £'000
Fair Value of Employer Assets	526,757	375,300	494,987	504,350	481,615
Present Value of Defined Benefit Liability	(809,596)	(517,817)	(534,280)	(601,780)	(503,900)
(Deficit)/Surplus	(282,839)	(142,517)	(39,293)	(97,430)	(22,285)
Experience Gains/(Losses) on Assets	132,116	(151,585)	(36,515)	(5,704)	72,817
Experience Gains on Liabilities	1,641	830	4,204	1,495	148
Actuarial Gains/(Losses):					
On Employer Assets	132,116	(151,585)	(36,515)	(5,704)	72,817
On Obligation	(256,804)	48,354	93,163	(69,168)	(57,544)
Recognised in Statement of changes in Taxpayers' Equity	(124,688)	(103,231)	56,648	(74,872)	15,273

NOTES TO THE ACCOUNTS

NOTE 26

RECONCILIATION OF MOVEMENT ON RESERVES

		2010	2009
	Note	£'000	Restated £'000
A) REVENUE RESERVE			
Opening Balance - at 1 April 2009		791,423	971,988
PYA - Reclassify Revenue Expenditure		-	(171,515)
PYA - Private Sector Grants Accrual	2	-	(3,456)
Opening Balance - restated		791,423	797,017
Capital grant in aid	102,986	146,524	
Revenue grants and grant in aid	218,916	227,157	
Revenue grant - Housing Benefit	8 527,562	461,790	
Revenue grant - Soc Housing Devel Prog	157,250	128,235	
Total grant received from DSD		1,006,714	963,706
Actuarial gain/(loss) on pension	25(d)	(124,688)	(103,231)
Net Expenditure for Year		(963,007)	(872,627)
Realisation of Assets on Disposal		9,959	6,558
At 31 March 2010		720,401	791,423

		2010	2009
		£'000	Restated £'000
B) REVALUATION RESERVE			
Opening Balance - At 1 April 2009		2,024,723	4,297,966
PYA-Reclassify Revenue Expenditure		-	171,515
		2,024,723	4,469,481
PYA-Reclassify Revenue Expenditure		-	16,095
(Dec)/Inc in Revaluation -Housing Stock		78,906	(2,300,351)
(Dec)/Inc in Revaluation -Land & Buildings		(14,101)	(153,944)
(Dec)/Inc in Revaluation -Non Operational Assets		2,490	-
(Dec)/Inc in Revaluation -Other Assets		299	-
Realisation of Assets on Disposal		(9,959)	(6,558)
At 31 March 2010		2,082,358	2,024,723

NOTES TO THE ACCOUNTS

NOTE 26

RECONCILIATION OF MOVEMENT ON RESERVES (CONTINUED)

	Note	2010 £'000	2009 £'000
C) GOVERNMENT GRANTS RESERVE			
Opening Balance - At 1 April 2009		25,515	26,075
Grants Received		600	882
Released Net Expenditure Account	3	(1,447)	(1,442)
At 31 March 2010		24,668	25,515

Of the £24,668k, grants from the European Union are £719k and the balance of £23,949k are United Kingdom Government grants.

	2010 £'000	2009 £'000
D) DONATED ASSETS RESERVE		
Opening Balance - at 1 April 2009	228	626
Revaluation movement	1,087	(398)
At 31 March 2010	1,315	228

	2010 £'000	2009 Restated £'000
E) NET MOVEMENT ON RESERVES		
Revenue Reserve	(71,022)	(180,565)
Revaluation Reserve	57,635	(2,273,243)
Government Grants Reserve	(847)	(560)
Donated Asset Reserve	1,087	(398)
Net Movement on Reserves	(13,147)	(2,454,766)

NOTES TO THE ACCOUNTS

NOTE 27

NOTES TO THE STATEMENT OF CASH FLOWS

	2010	2009
		Restated
	£'000	£'000
A) RECONCILIATION OF NET EXPENDITURE BEFORE INTEREST TO OPERATING CASH FLOWS		
Net Expenditure before Interest	(873,590)	(782,060)
Restructuring costs	(4,349)	(4,734)
Depreciation of Property, Plant & Equipment	54,885	53,649
Amortisation of Software	1,290	915
Impairment	10,975	4,919
Government Grants Reserve	(1,447)	(1,442)
(Increase)/Decrease in Inventories	2,125	(3,590)
Decrease/(Increase) in Receivables	(19,808)	17,291
Incr/(Decr) in Payables and Provisions	30,292	4,253
Loss on Disposals and Write Offs	16,469	13,998
Net Cash Outflow from Operating Activities	(783,158)	(696,801)

NOTES TO THE ACCOUNTS

NOTE 27

NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

	2010	2009
		Restated
	£'000	£'000
B) CASHFLOW FROM INVESTING ACTIVITIES		
PAYMENTS TO ACQUIRE NON-CURRENT ASSETS		
Land and Buildings	(32,585)	(68,247)
Other Operational Assets	(484)	(333)
IT Hardware and Software	(6,530)	(2,020)
Non Operational Assets	(19,993)	(14,093)
Total Expenditure	(59,592)	(84,693)
INCOME FROM SALE OF NON-CURRENT ASSETS AND GRANTS		
House Sales (Inc. Land & Buildings)	18,147	8,172
Plant & Equipment	7	7
Government Grants	659	865
Total Income and Grants	18,813	9,044
REPAYMENT OF LOANS		
Repayment of Loan Debt	(92,006)	(97,884)
FINANCING CHARGES		
Loan Interest Charges	(76,257)	(85,923)
Other Financing Charges	(43)	(43)
Total Financing Charges	(76,300)	(85,966)
Interest Receivable	940	832
OTHER INVESTING ACTIVITIES		
Home Loan Repayments	12	15
Other Loan Advancements	(6)	-
Other Loan Repayments	1	-
Total Other Investing Activities	7	15
Net Cash (Outflow) from Investing Activities	(208,138)	(258,652)

NOTES TO THE ACCOUNTS

NOTE 27

NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

	2010	2009
		Restated
	£'000	£'000

C) CASHFLOW FROM FINANCING ACTIVITIES

Grant from Sponsoring Department	1,006,714	963,706
	1,006,714	963,706

	At 1 April 2009 Restated £'000	Cash Flows £'000	Other Changes £'000	At 31 March 2010 £'000
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D) ANALYSIS OF CHANGE IN CASH AND CASH EQUIVALENTS

Cash at Bank and in Hand	41,585	35,381	-	76,966
Overdrafts	(17,711)	(19,963)	-	(37,674)
Total	23,874	15,418		39,292

	At 1 April 2008 Restated £'000	Cash Flows Restated £'000	Other Changes Restated £'000	At 31 March 2009 Restated £'000
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Cash at Bank and in Hand	70,387	(28,802)	-	41,585
Overdrafts	(54,766)	37,055	-	(17,711)
Total	15,621	8,253		23,874

Prior year amounts have been restated in order to reflect actual cash position.

NOTES TO THE ACCOUNTS

NOTE 27

NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

	2010	2009
		Restated
	£'000	£'000

D) ANALYSIS OF CHANGE IN CASH AND CASH EQUIVALENTS (CONTINUED)

Cash and Bank balances are held with the following commercial banks:

Northern Bank	38,856	23,109
Alliance & Leicester	346	521
Co-Operative	72	227
	39,274	23,857
Cash in hand	18	17
	39,292	23,874

	2010	2009
		Restated
	£'000	£'000

E) RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH & CASH EQUIVALENTS

Net Increase in Cash & Cash Equivalents in Period	15,418	8,253
Cash & Cash Equivalents at 1 April 2009	23,874	15,621
Cash & Cash Equivalents at 31 March 2010	39,292	23,874

NOTE 28

CONTINGENT LIABILITIES

At 31 March 2010 public liability claims notified and not processed amounted to an estimated potential liability of £5.3m (2009: £7.6m) in respect of 1,225 claims (2009: 1,903). Further, the closing provision at 31 March 2010 has been increased to £13.9m, based on past payments history, in respect of claims which may become a debt in a future financial year.

NOTES TO THE ACCOUNTS

NOTE 29

COMMITMENTS

The Housing Executive has to plan its Capital and Revenue budgeted spend in advance of work proceeding. At 31 March 2010 the Housing Executive has entered into contracts which will incur expenditure of £130m in future years. Of this £130m private sector grant approvals up to 31 March 2010 of £25m have been committed by the Housing Executive but not yet paid.

NOTE 30

RELATED PARTY TRANSACTIONS

The Housing Executive is a Non Departmental Public Body sponsored by the DSD, who are regarded as a related party. Note 33 details the funding received from DSD and how it was spent. During the year the Housing Executive has had various material transactions with the DSD with respect to Housing Benefit. Note 8 provides a breakdown of that expenditure. In addition, the Housing Executive has had a number of transactions with other Government Departments and Agencies, the most material of which related to repayment of loans to DFP. Notes 19 and 21 detail the schedule of repayments.

The Housing Executive collects rates for its own properties, which are payable to Land & Property Services (LPS), for which it receives an allowance. Rates collected during 2009/10 amounted to £36.5m. After an allowance of £5.5m was received, £31m was paid over to LPS. LPS also funded the Housing Executive for its part in administering the Rates Relief and Lone Pensioner Allowance systems for which the Housing Executive received £2.3m and £179k respectively. Notes 5 and 10 show the income received and expenditure incurred in respect of these two forms of relief.

None of the Board Members, members of the key management staff or other related parties has undertaken any material transactions with the Housing Executive during the year. However, during the previous year an amount of £25,517, which was a debt due from Intercomm Enterprises, was written off. No other transactions were undertaken between the two parties. The Housing Executive and Intercomm Enterprises had a Board Member in common.

The Housing Executive administers a number of schemes which are separately funded and not reflected in these accounts. The schemes relate to the Home Energy Conservation Act, Energy Efficiency Schemes, Shared Future Neighbourhood Programme and the Creating Common Ground Consortium. The latter scheme has now completed.

The aggregate cash transactions through the separate bank accounts in the year were as follows:

Opening Balance 1 April 2009 £'000	Income £'000	Expenditure £'000	Closing Balance 31 March 2010 £'000
33	135	(156)	12

NOTES TO THE ACCOUNTS

NOTE 31

FRAUD AND ERROR

The Housing Executive administers Housing Benefit on behalf of the Department for Social Development. Levels of fraud and error in Housing Benefit for tenants are reported by the Disability, Incapacity & Benefit Security Directorate Standards Assurance Unit of the Social Security Agency through Benefit Reviews, which measure Official Error, Customer Fraud and Customer Error.

The Social Security Agency 'Fraud and Error for Housing Benefit' Report issued its report for the calendar year 1 January 2009 to 31 December 2009 in May 2010. This report highlighted an amount of £9.3m overpaid (customer fraud £4.5m, customer error £1.2m and official error £3.6m) and £3.8m underpaid (customer error £0.4m and official error £3.4m) through fraud and error in Housing Benefit for tenants. This represents approximately 2.6% of the related expenditure for the calendar year. Official Error, Customer Error and Customer Fraud estimates for Housing Benefit for tenants are based on the results of Benefit Reviews in 2009.

NOTE 32

NET EXPENDITURE ANALYSIS

	2005/06 £'000 Restated	2006/07 £'000 Restated	2007/08 £'000 Restated	2008/09 £'000 Restated	2009/10 £'000
Income	243,033	241,528	244,814	251,543	264,483
Expenditure	(788,230)	(971,267)	(1,077,128)	(1,033,603)	(1,138,073)
Net Expenditure before Interest and Other Charges	(545,197)	(729,739)	(832,314)	(782,060)	(873,590)
Interest and Other Charges	(98,835)	(84,052)	(69,033)	(90,567)	(89,417)
Net Expenditure for the year	(644,032)	(813,791)	(901,347)	(872,627)	(963,007)

NOTES TO THE ACCOUNTS

NOTE 33

KEY FINANCIAL TARGET

The Northern Ireland Housing Executive was set the key financial target of managing the financial resources allocated by the Department to support the performance targets within the Business Plan. The following tables show the final outturns for 2009/10 and 2008/09 matched to the total funding provided.

The tables do not include non cash items eg. Depreciation and Impairment.

Non departmental grant income of £1.7m has been excluded.

	2010	2010	2009
	£'000	£'000	£'000

FUNDED BY DSD

Deficit Grant	162,496		
less SPED sales	(5,500)	156,996	164,587
Social Housing Development Programme (SHDP)		157,250	128,235
Supporting People Grant		62,000	62,570
Grant to support:			
Private Sector Grants		65,700	62,280
Capital Improvements	55,215		
less capital receipts	(18,009)	37,206	84,244
		479,152	501,916

	2010 Outturn	2009 Outturn
	£'000	£'000

NET EXPENDITURE

Capital Expenditure	57,422	92,347
SHDP	157,273	128,097
Private Sector Grants	54,149	62,277
Capital Receipts	(18,158)	(8,181)
Excess Capital receipts	149	-
Working Capital	(417)	304
Revenue Expenditure	483,074	468,604
Rents & Other Income	(254,340)	(241,532)
	479,152	501,916

NOTE 34

AUTHORISATION DATE

The financial statements were authorised for issue on 30 June 2010 by the Chairman and Chief Executive of the Housing Executive.

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

INTRODUCTION

1. The Northern Ireland Housing Executive (NIHE) is a Non-Departmental Public Body (NDPB) sponsored by the Department for Social Development (DSD). NIHE was established by the Housing Executive Act (Northern Ireland) 1971 (since superseded by the Housing (Northern Ireland) Order 1981 and 2003). Under the terms of the Act, NIHE took over the housing responsibilities of 65 separate authorities and became Northern Ireland's overall housing authority.
2. In accordance with Article 21(3) and (4) of the Housing (Northern Ireland) Order 1981, as amended by the Audit and Accountability (Northern Ireland) Order 2003, I have audited the accounts of the Northern Ireland Housing Executive for the year ended 31 March 2010 and I now report thereon.
3. This report reviews the results of my audit of Housing Benefit and Supporting People expenditure and sets out the reasons for my qualified audit opinion. For a considerable number of years I have qualified my audit opinion because of significant levels of fraud and error in housing benefit expenditure, and do so again this year. In addition I have qualified my audit opinion in relation to £2.2m of Supporting People grant (which represents an amount equal to Special Needs Management Allowance). In 2009-10, NIHE accounted for £527.6m in housing benefit expenditure and £63.4m in Supporting People grants.
4. This report also comments on a number of other matters in relation to my audit of the accounts of NIHE.

QUALIFIED OPINION DUE TO IRREGULAR HOUSING BENEFIT PAYMENTS

5. I am required to report my opinion as to whether the financial statements give a true and fair view. I am also required to report my opinion on regularity, that is, whether in all material respects the expenditure and income have been applied to the purposes intended by the Northern Ireland Assembly and the financial transactions conform to the authorities which govern them.

6. The levels of fraud and error for Housing Benefit for the year 1 January 2009 to 31 December 2009, issued by the Department for Social Development in May 2010 highlighted estimated levels of fraud and error of £9.3m overpayments (customer fraud £4.5m, customer error £1.2m and official error £3.6m) and £3.4m underpayments due to official error, in total representing some 2.5% of housing benefit expenditure.
7. I have therefore qualified my opinion on the regularity of housing benefit expenditure because of the level of overpayments attributable to fraud and error which do not conform to the intention of the Northern Ireland Assembly; and because of the level of under and overpayments in such benefit expenditure which are not in conformity with the relevant authorities.
8. I recognise the considerable efforts and resources committed by NIHE to address housing benefit fraud and error. NIHE has a robust Fraud and Error Strategy in place to detect and prosecute instances of customer fraud and to minimise instances of customer error. The Housing Executive continues to deploy a range of measures to address the risk of fraud and error including data matching and involvement in the National Fraud Initiative. A substantial investment in additional resources has been maintained for the current year. I would encourage NIHE to continue to employ strategies to reduce the levels of loss.
9. The Department informed me that it welcomes the fact that this report acknowledges the considerable efforts and resources committed by NIHE to address Housing Benefit fraud and error. The Department indicated that it is equally committed to assisting the NIHE in their efforts to reduce the current levels of fraud and error and have an ongoing monitoring process in place to review progress.

HOUSING BENEFIT OVERPAYMENTS OWED BY CLAIMANTS

10. At 31 March 2010, the levels of Housing Benefit overpayments have increased to £23.45m (08-09, £20.34m) less a provision of £12.14m (08-09, £10.84m), resulting in a net figure of £11.31m (08-09, £9.5m). Since 2008-09, Housing Benefit overpayments written off are now disclosed in NIHE's financial statements. In 2009-10, an amount of £1.29m (08-09, £1.01m) was written off. I recognise that dealing with Housing Benefit overpayments remains a priority for NIHE. A full review of the overpayments strategy was undertaken this year and a plan drawn up addressing current issues and actions to be taken over the next two years to ensure the strategy remains focussed and relevant in addressing this important issue. It should be noted that successfully identifying Housing Benefit Fraud increases the level of Housing Benefit Overpayments. I would encourage NIHE to continue to develop and improve the means of preventing and recovering Housing Benefit overpayments.

11. The Department informed me that it is pleased that the NIAO have recognised the relationship between greater success in identifying fraud and error and increasing levels of Housing Benefit Overpayments and that as part of its overall governance arrangements, the Governance Unit within Housing Division will continue to monitor the effectiveness of the actions taken by NIHE to implement the overpayments strategy.

QUALIFIED OPINION DUE TO IRREGULARITY OF SUPPORTING PEOPLE PAYMENTS

12. I have also qualified my opinion on regularity of grant payments in respect of £2.2m paid as a Special Needs Management Allowance (SNMA) to 34 Registered Care Homes from the Supporting People budget.
13. NIHE administer the payments of the Special Needs Management Allowance (SNMA) on behalf of DSD which was paid to registered care schemes prior to March 2003. This allowance was previously administered by DSD from the Housing Budget. From 1 April 2003 transitional arrangements were put in place under Article 3 of the Housing Support Services Regulations (Northern Ireland) 2003 that makes provision for Supporting People funding to be paid to Registered Care Schemes in receipt of Special Needs Management Allowance for the year ending 31 March 2003. NIHE has continued to pay the providers of the registered schemes on an annual basis from 1 April 2003. A letter of approval to continue to pay these fixed amounts is provided by DSD each year. The total amount paid under this programme for 2009-10 amounted to £2.2m to twenty-four providers of registered schemes. These payments have not been appropriately monitored by either DSD or NIHE since the above arrangement was put in place, and continue to be paid at the same amount without consideration of any change in circumstances. The lack of monitoring of the use of these payments by either DSD or NIHE means I cannot be satisfied that they were used for the purposes intended by the Northern Ireland Assembly and therefore I have qualified my opinion on the grounds of regularity. DSD has committed to “conduct a fundamental review of the payment of SNMA from the Supporting People grant in line with the original policy intent”.

OTHER CONCERNS WITH REGARD TO SUPPORTING PEOPLE GRANTS

14. The Supporting People programme is administered in accordance with The Housing Support Services (NI) Order 2002 and the principal aim is to improve the quality of life of vulnerable people and maximise their independence. During 2009-10, NIHE spent £63.4m in administering the Supporting People programme. In addition to the above Order, NIHE also used the English based Department of Communities and Local Government (DCLG) guidance and DSD's Positive Steps guidance to administer the programme. NIHE did not ask the Department to formally approve the use of this guidance as required under paragraph 4.2 of the Dossier of Controls. NIHE have advised that they believed that as Supporting People was a national programme

introduced across the four jurisdictions the guidance provided by DCLG was appropriate for all jurisdictions to use and thus there was no requirement to seek DSD approval. I note that DSD are committed to “develop detailed guidance on the terms and conditions of eligible/ineligible cost for Supporting People Grant and will also include guidance on restricted reserves”.

15. When Supporting People funding was introduced in 2003 all providers of Housing Support services were to be subject to the accreditation process. This is a key risk management tool for Supporting People. The process makes sure that all organizations providing Supporting People services have the capability, structure and capacity to continue to deliver quality services during the duration of the funding agreement. However, DSD informed NIHE that Housing Associations who provided housing support services should be passported to receiving Supporting People funding as they were already regulated by the Department. My investigation has noted that until recently DSD failed to inform NIHE when Housing Associations had received an unacceptable rating in respect of their financial management or corporate governance arrangements. In my view, poor financial management or corporate governance arrangements could impact on their ability to administer public funds. Following the completed first round of inspections by DSD’s Regulatory and Inspection Unit, 14 Housing Associations received an unacceptable rating with four being issued with formal notice that the housing grant was being withdrawn. Despite the fact that the housing grant was withdrawn, NIHE continued to make supporting people grant payments to these organisations. These 14 Housing Associations received funding amounting to £460k during 2009-10. NIHE advised that the renewal or lack of accreditation is not itself a reason for suspension or removal of Supporting People funding from a provider who continues to provide housing support services to vulnerable clients. NIHE takes the view that the risk to continue to fund these Associations for the Supporting People services provided is minimal and that for three of the four organisations is approximately £60,000 in respect of a number of sheltered schemes operating with wardens, paid retrospectively.
16. During 2009-10, £2.27m of Supporting People expenditure was paid to seven organisations which were not accredited by NIHE or passported by DSD. They had been in receipt of Supporting People funding since 2004-05. Whilst I note that there are now only two organisations which remain unaccredited, the accreditation only took place at the end of this financial year. I also noted that NIHE Internal Audit gave a Limited Assurance classification to one aspect of their review relating to the control objective of “to ensure that the Supporting People controls that management have identified, through the risk management process, are in place and are being complied with”. NIHE advised that the seven organisations were well on the way to full accreditation and that it would have been unjustified and irresponsible to remove funding for a service to vulnerable clients in the circumstances. NIHE also advise that of today six of the seven providers have attained accreditation status.

17. There are currently 115 Supporting People providers running 808 schemes. NIHE began reviewing schemes in 2005, with an expectation of carrying out 120 reviews per year. NIHE introduced a new Contract Management Process with effect from 1 April 2009 which is a risk based approach to the review of providers. This, with new scheme grouping arrangements, may result in a number of schemes not being individually reviewed. NIHE has advised that under the new contract management approach those services with the highest risk will be targeted more regularly and that over a 3 year cycle all services will be reviewed.
18. As part of the audit process during 2009-10 we carried out a number of site visits with organisations in receipt of Supporting People funding and our findings from five of the visits highlighted a number of issues which included:
- i) Expenditure which required clarification as to whether or not it was eligible under the Supporting People programme ;
 - ii) Potential for cross subsidisation in funding between Care and Supporting People funding;
 - iii) A number of organisations with consistently low occupation rates over a long period of time (for example, an organisation visited had average occupancy rates for the last five years below 75% and required additional funding from NIHE to keep it afloat);
 - iv) Possible inappropriate apportionment of costs on the basis of historical information;
 - v) Lack of transparency by organisations in their audited financial statements to the makeup of reserves and how much relates to Supporting People funding; and
 - vi) Evidence that surpluses are not being clawed back by NIHE. (note that whilst the above comments do not relate to each of the five organisations visited they represent issues which could apply to other organisations in the Supporting People programme).
- NIHE has provided explanation and responses to each of the issues raised and take the view that their management of the Supporting People programme addresses such issues on an ongoing basis.
19. Although site visits raised a number of issues including eligibility and the potential for cross subsidisation which require clarification, I am content that based on other evidence available within NIHE; I should not place a qualification on the total Supporting People spend.

OTHER MATTERS

20. In October 2008 DSD commenced an evaluation of the Supporting People programme entitled "The impact of the Supporting People Policy and its administration". The evaluation was completed in March 2010 and since the end of the financial year, DSD has issued its report. The report contained 13 recommendations and addressed issues including guidance, passporting, and regulation and inspection. In particular I note that DSD has raised the potential for transferring a substantial portion of the Supporting People programme to another Department. In addition, as indicated at paragraph 18 above, our site visits raise the potential for cross subsidisation between Care and Supporting People funding and funding being based on possible inappropriate apportionment of costs on the basis of historical information. There are 13 recommendations in the report (9 of which NIHE are generally in agreement with) and I am pleased to note that currently these issues are being taken forward in discussions between DSD and NIHE.
21. A PAC report titled "The Management of Social Housing Rent Collection and Arrears" was published in 2009. This report highlights that reductions in NIHE rent arrears have been achieved largely due to writing off high levels of rent debt. A proportion of the NIHE rent arrears debt comprises Housing Benefit overpayments. NIHE cannot provide a breakdown of these amounts. At 31 March 2010, the level of rent arrears was £13.30m (08-09, £13.91m). In arriving at this figure, an amount of £0.91m (08-09, £1.04m) was written off.
22. NIHE has undertaken a full review of the issues highlighted in this report including the write off of irrecoverable debt. A comprehensive improvement plan has been drawn up addressing current issues and actions to be undertaken over the next two years to ensure a focus in addressing this important matter. I would encourage NIHE to continue to reduce the level of rent arrears.
23. The Statement of Internal Control refers to four significant topics under investigation, one of which has been referred to the PSNI. I will keep the results of these investigations under review.



KJ Donnelly
Comptroller and Auditor General
30 June 2010

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