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Northern Ireland Housing Executive Annual Report & Accounts
For the year ended 31 March 2011

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: 7 July 2011



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The Board of the Northern Ireland Housing Executive

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 Membership

1 APRIL 2010 – 31 MARCH 2011

Brian Rowntree CBE Chairman

Anne Henderson BSSc Vice Chair

Dr Monica Wilson OBE

Eamonn O'Neill

Jim Speers MBE

Brendan Curran

Jenny Palmer

Angela Coffey BSc (Hons) | Eng FIHE MCIHT MCMI
(From 1 June 2010)

Edna Dunbar MBE
(From 1 June 2010)

Kenneth Millar
(From 1 June 2010)



The Chief Executive's Business Committee

1 April 2010 – 31 March 2011

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

MEMBERSHIP

Paddy McIntyre

Chief Executive (Until 31 December 2010)

Stewart Cuddy

Director of Corporate Services/Deputy Chief Executive (Until 31 December 2010)

Chief Executive (Acting) (From 1 January 2011)

Clark Bailie

Director of Finance (Until 31 January 2011)

Director of Corporate Services (Acting) (From 1 February 2011)

David Lamb

Director of Finance (Acting) (From 1 February 2011)

Maureen Taggart

Director of Personnel & Management Services

Colm McCaughley

Director of Housing & Regeneration

Helen Walker

Director of Housing & Regeneration (Acting) (From 1 April – 31 August 2010)

Stephen Graham

Director of Housing & Regeneration (Acting) (From 1 September 2011 - 31 January 2011)

John McPeake

Director of Design & Property Services (Until 31 December 2010)

Director of Corporate Services/ Deputy Chief Executive (Acting) (From 1 - 31 January 2011)

Director of Housing & Regeneration/ Deputy Chief Executive (Acting) (From 1 February 2011)

Dolores Ferran

Director of Design & Property Services (Acting) (From 1 January 2011)

Imelda McGrath

Head of Information & Secretariat (Until 14 February 2011)

Jonathan Blease

Head of Information & Secretariat (Acting) (From 1 November 2010)



Brian Rowntree

Chairman's Foreword



I am honoured to be presenting the Housing Executive's annual report in the year of its 40th anniversary. You will see from this report that, whilst it was a difficult year for the organisation, it was another year of progress and achievement.

One of the main highlights has been the number of new build starts in 2010/11, the highest in the last ten years. Not just in urban areas, but the rural new build starts were the highest in decades. This was a tremendous achievement by our staff who managed the programme through funding from the Department for Social Development and our colleagues in the housing associations who delivered the programme.

This report gives numerous examples of how, in other areas of our work, Housing Executive teams excelled and set standards for other housing and local authorities. In recent months, both our housing management and private grants service were rewarded for their continued high performance with customer excellence awards.

I would like to take this opportunity to thank all staff for their contribution in 2010/11 and celebrate with them the 40th anniversary of this wonderful organisation.

Housing Executive staff also deserve much credit for their work through one of the most challenging years in its history.

One of our key challenges was on a very practical level - the unprecedented weather in December and early January required a round the clock response from our staff and contractors. We apologised to our tenants for the initial delay in responding and for the initial difficulties that they had in contacting us but I know that our tenants through this period were extremely patient and understanding. Whilst the organisation came in for criticism at the time, it should be remembered the scale of the problem we were dealing with: 41,546 repair orders for 25,462 properties in a 15 day period. Staff from our emergency services, customer services, district offices, and other divisions came in from Christmas holiday leave and family events to ensure our response matched the scale of the problem. I personally met with the senior management team, DSD officials and with Minister Attwood regularly over this time and would like to acknowledge their commitment.

The Board has been reassured by the lessons that have been learnt over that period and our emergency plans for the organisation have been revised and upgraded to help cope with similar situations if they arise in the future.

The winter period brought into sharp focus the ongoing problems with fuel poverty that many in Northern Ireland are facing. Our recent survey found that the level of fuel poverty has increased from 34% in 2006 to 44% of households in 2009. The Board has also raised the matter of investment in Housing Executive homes to ensure that they are protected from future cold spells.



Another challenge is that of the ongoing economic downturn faced by many individuals, businesses and public sector bodies in recent years. It has hit the housing community on three fronts:

- the lack of capital receipts from house and land sales has severely limited our ability to improve and maintain our own houses;
- the cuts in public expenditure have reduced overall investment in housing - one direct result has been the cuts in the private sector grants budget;
- we are experiencing an increasing number of people applying for social housing and Housing Benefit. There are now almost 40,000 households on the waiting list and an increase of 4.3% of households receiving Housing Benefit over the year.

The Board of the Housing Executive has argued continually that only with sustained and strategic investment across the entire housing sector can we tackle our current housing problems and add value to our local economy.

Only then can we guarantee our tenants that they will be getting better and more efficient housing, new bathrooms, new kitchens and new windows.

Only then can we ensure that the social new build programme will make real inroads into tackling housing need.

Only then can we help sustain the local construction industry and employment opportunities with much needed work.

And only then will we be able to offer affordable housing choice to people across Northern Ireland.

For these reasons we have welcomed the appointment by DSD of consultants, PricewaterhouseCoopers to examine the Housing Executive's functions and scope out the organisation's future role over the next 20 years. Whilst the current model has served housing and communities well in Northern Ireland over the past 40 years, the same levels of public investment in housing cannot be guaranteed or sustained in the future. It is therefore appropriate that the review has centred on the potential for other finance models in order to continue to maintain and improve homes for our tenants and assist the overall housing budget. Such a decision would require a radical change in the governance of the organisation and would ultimately require political approval, cross community support and major tenant consultation.

Over the year, the Board has had to deal with some serious matters concerning senior staff and contractors. These are matters for which we have had to commission internal and external investigations and reviews to make informed decisions. We expect that in forthcoming months that some of these issues will be resolved and that the organisation can move forward. We are committed to ensuring maximum accountability and utmost transparency in the delivery of all our services. It is incumbent on the Housing Executive to provide that assurance in all aspects of its work.

From December 2010 the Board and officers have also been working closely with the DSD on its reviews of governance and management of maintenance contracts within the Housing Executive. The Review concluded that the Housing Executive had good governance structures in place and there was much evidence of good practice. However, it also highlighted a number of areas where the existing framework of checks and balances could be improved further. Action to address these are underway and improvements have already been put in place.

As a son of a tenant of council housing and then a Housing Executive tenant myself for a period, I saw the significance of the formation of the Housing Executive immediately. Work needed to my parents' home, which had not previously been done, was carried out by the Housing Executive.



This was reciprocated over many homes in the first years. Over our 40 years the Housing Executive has significantly improved the homes of many people across Northern Ireland.

In the longer term, the work of the Housing Executive, the investment in housing by government and the new build schemes by housing associations has made social housing amongst the best in the British Isles. The rate of unfitness across all tenures has reduced from 19.6% in 1974 to 2.4% in 2009. Investment in housing has helped regenerate our cities, towns and villages.

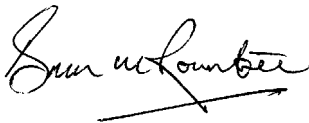
One area that remains a priority for us is the breaking down of barriers and making safe, peaceful, inclusive and secure communities. Staff in our Community Safety and Community Cohesion Units and the Housing Community Network are working to help improve relations between communities, through for example our shared neighbourhood programme, tackling anti-social behaviour and our neighbourhood officer service.

I would like to take this opportunity to thank Paddy McIntyre, who retired as Chief Executive in December, for his commitment to housing over 40 years. Responsible for the delivery of services which have made a difference to communities and the lives of people across Northern Ireland, his knowledge and expertise in housing has been invaluable. I am pleased to report that Dr John McPeake has been appointed the new Chief Executive and will take up his responsibilities next September.

I would also like to thank Alex Attwood MLA for his commitment to housing throughout the year, and welcome Nelson McCausland as the new Minister for Social Development. 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.

During the year we welcomed three new members to the Board, Angela Coffey, Edna Dunbar and Kenneth Millar. I would like to take this opportunity to thank my fellow Board Members for their support.

We, as an organisation, will continue to open doors and continue to make decent and affordable housing our key priorities.



Brian Rowntree
Chairman





Chief Executive's Management Commentary



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. In partnership with our customers, communities and their representatives, the Department for Social Development, the housing associations and a wide range of other organisations our staff work to meet the housing needs of existing and future generations.

It is a privilege to report on the Housing Executive's performance in the 40th year of the Housing Executive. As you will see from the report, this year we met or exceeded the vast majority of our targets and, despite the ongoing difficult economic climate, spend was managed against the budget available.

Key highlights of the year included:

- Starting 2,418 new homes through the Housing Executive's Social Housing Development Programme;
- Providing heating or insulation measures in 10,317 homes in the private sector through the Warm Homes Scheme which completed its first full year;
- Improving 6,397 Housing Executive homes;
- Rolling out the shared neighbourhood programme in 30 Housing Executive estates;
- The housing management and grants services achieved the Customer Service Excellence Standard.

I would like to pay tribute to all the staff for their contribution to the organisation's performance and achievements over the year. I would also like to take this opportunity to thank Paddy McIntyre who retired in 2010 and congratulate John McPeake who will take up post as our new Chief Executive in September 2011.

Governance Review

While this has been a successful year for the organisation, it has also been one of the most challenging in our history. There have been a number of matters involving the organisation which have received coverage in the local media and which have been raised in the Northern Ireland Assembly. As a consequence the DSD implemented a governance review of the organisation in October. It found that, while the Housing Executive had good governance structures in place and much evidence of good practice, there were also a number of issues where improvements were required. Action to implement the report's main recommendations are underway and due to be completed by September 2011. The recommendations from the procurement and contract management healthcheck are aligned with current procurements and should be implemented by November 2011.



Challenging Economic Times

The recession continues to have an impact on the entire public sector and recent budgets from the UK Government and Northern Ireland Executive have pointed to continuing reductions in public expenditure, especially in capital projects, for the foreseeable future. In addition, the collapse of the property market has had a direct effect on the amount of income that we receive from selling our houses and surplus land.

In common with other public bodies the Comprehensive Spending Review 2008-11 required us to reduce our running costs by 3% overall and by 5% on administration and staffing costs. We have had in place a programme to manage staffing levels and develop more efficient and effective technology to achieve these reductions whilst minimising the effects on our services.

The Housing Executive's focus is to prioritise its resources on those in greatest need and we made new housing our top priority and concentrated our funding on meeting housing need. In our third year of managing the social development programme with funding from the Department for Social Development and delivered by the housing associations, 2,418 new social housing starts were achieved, the highest number in over a decade.

With extra funding made available through the in-year monitoring rounds we were able to deliver additional work to improve our own houses. Our normal, day-to-day maintenance was not affected in 2010/11 and we continued to carry out repairs under this service.

Key Market Trends

Housing research continues to play an important role in helping the Housing Executive meet its key objectives. The "Northern Ireland Housing Market: Review & Perspectives" is published annually and provides the context for the Housing Executive's Corporate and Business Plans and its intervention in the market. The most recent edition was launched in February 2011.

The Housing Executive's District Housing Plans and Local Housing Strategies provide evidence-based information for housing investment in local areas. They also outline the 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, 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 identified areas of need.

Social Housing Need

There continues to be a substantial demand for social housing. 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.

At March 2011 there were 39,891 applicants registered on the social housing waiting list, with 20,967 deemed to be in housing stress, an increase on the previous year from 38,120 and 19,716 respectively.

During the year, the number of households presenting as homeless increased from 18,664 to 20,158. The number of households accepted as statutorily homeless also increased from 9,914 to 10,433 up 5% on the previous year.



Affordability

Despite house prices continuing to fall, ongoing caution by lenders and the requirement to pay substantial deposits mean that affordability remains a key policy issue.

Private Rented Sector

The supply of private rented accommodation in Northern Ireland, which had demonstrated rapid growth in recent years, has since subsided.

Housing Conditions

The House Condition Survey 2009 indicates the rate of unfitness has continued to fall from 3.4% to 2.4%. However, in order to ensure that current levels of unfitness are maintained and improved, adequate public funding is required, particularly in the light of the public expenditure constraints.

Emergency Response – Severe Weather Conditions

The importance of investing in Housing Executive stock came closely into focus during the Christmas period when the severe weather conditions impacted on many of our homes. Our staff and contractors had to deal with an unprecedented volume of calls, with 41,546 repair orders for 25,462 properties raised across the province. Whilst we acknowledge that we were caught on the back-foot at the outset, we believe that we proceeded to respond quickly and well to the significant scale and nature of the problems.

In light of the lessons learned from our experiences of the severe weather, we have reviewed our own emergency and business continuity plans as well as the plans prepared by our maintenance contractors. These plans specifically address our response required to increased telephony requirements and the contractors' response to increased workload both within and outside working hours during periods of exceptionally high service demand. In addition the plans consider other types of emergency which may occur and the necessary responses required. We have also examined what improvements are required to our homes to ensure that any similar weather conditions will not cause such difficulties again.

Business Objectives

The Annual Report 2010/11 looks at the wide range of work Housing Executive staff have undertaken over the course of the year. It has been prepared in accordance with the Government Financial Reporting Manual.

Our business objectives are informed by the shape and strength of the housing market, the level of housing need, funding available and Government policy as set out in the Programme for Government published in January 2008. The Programme for Government sets out detailed actions for each Government Department, many of which relate to housing activity.

The objectives and supporting strategies cover the whole social housing sector along with our role as Northern Ireland's largest landlord. They also deal with our wider strategic role which extends to wider housing issues in all tenures across the housing market.

This Commentary details the progress against our corporate objectives, mission statement and core values as set out in our Corporate Plan 2010/11 to 2012/13 and Business Plan for 2010/11. The "Northern Ireland Housing Market: Review & Perspectives" is published annually in order to provide the context for the Housing Executive's Corporate and Business Plans and its intervention in the market and also as a source of information for the public, private and voluntary sectors. The most recent edition was launched in February 2011.

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.

Our Objectives

Our objectives and supporting strategies aim to achieve the following:

- **Delivering the Decent Homes Standard;**
- **Promoting independent living;**
- **Fostering urban and rural regeneration;**
- **Promoting affordable housing;**
- **Building a stronger community;**
- **Delivering better public services.**

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's objectives and supporting strategies cover the whole social housing sector along with our role as Northern Ireland's largest landlord. They also deal with our wider strategic role and housing issues in all tenures across the housing market. We have a major operational role, delivering services to our 90,188 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 £713m, a total staff of 3,124 and a comprehensive network of local offices.

The following information gives a sense of the scale of the Housing Executive's business during 2010/11:

- **£525m** was invested in the local economy.
- **326,056** people visited our local offices for landlord services.
- **410,018** repair requests were dealt with.
- **£573m** was administered in Housing Benefit payments (£211.89m public, and £361.44m private).
- **Over 23,000** vulnerable people have had their quality of life enhanced through the Supporting People Programme.
- **£31.27m** (£14.4m public sector; £14.57m private sector; £2.3m housing associations) was invested on physical adaptations to help people to remain living independently in their own homes.
- **39,891** applicants were on the housing waiting list at 31 March 2011 and 20,967 of these were classified as being in housing stress.
- **10,433** housing applicants were found to be homeless after investigation.
- **2,418** new homes were started through the Housing Executive's Social Housing Development Programme Group.
- **5,367** allocations for social housing were made by the Housing Executive and a further 2,703 allocations were made by housing associations, giving a total of 8,070.
- **90,188** homes were managed by the Housing Executive.
- **922** tenants applied to buy their Housing Executive homes and 274 tenants completed their purchases.
- **2** new shared housing developments were started, giving a total of ten 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.
- **1,958** private sector grant applications were approved.
- **65** Neighbourhood Officers were employed, providing a vital link with residents to address local estate issues and concerns.
- **400** community groups worked in partnership with us through the Housing Community Network.
- **We handled 1.1 million** telephone calls.



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 2010/11 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 2010/11 covered the following areas:

- Failure to comply with Section 75 of the Northern Ireland Act 1998/ discrimination;
- Programme delivery;
- Social development programme;
- Supporting People;
- Traveller accommodation;
- Communications;
- Housing Benefit;
- Land & property assets;
- Fraud;
- Funding;
- Modernising Services;
- Procurement;
- Contract management;
- Health & Safety/Corporate manslaughter;
- Staffing issues;
- Information security – data loss.

The following sections set out the Housing Executive's performance for the year 2010/11 against each of the objectives and indicators included in the Business Plan for the year. The tables at the end of the Commentary show results against Key Performance Indicators (KPIs) in the Corporate and Business Plans for 2010/11. Where comparative figures are available for 2009/10 these are also shown.



Objective 1

Delivering the Decent Homes Standard

A decent home is one that meets modern standards relating to fitness, structure, energy efficiency and facilities. During 2010/11 we invested £195m through our programmes of improvement, planned and response maintenance.

Housing Conditions

Headline figures from the 2009 House Condition Survey were available in early 2010 and indicated 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 are now in this sector.

During 2010 the Building Research Establishment in Watford was commissioned to undertake further analysis of the results to update key government measures on Decent Homes, energy efficiency and Fuel Poverty. The resulting figures – including the steep rise in the level of Fuel Poverty from 34% in 2006 to 44% in 2009 - informs the Department for Social Development and our important strategic and policy decisions in relation to spending priorities.

Improvements to Housing Executive Homes

Our work to improve and maintain homes has been restricted by the reduction in our funding over the past couple of years. We had planned to reach the Decent Homes Standard by 2010 for all our homes, but that has not been achieved. One of the main reasons for our houses not meeting the standard relates to thermal comfort. This was the main focus of our investment programmes and during the year schemes were started to include heating installations in 3,802 homes. We also upgraded the energy efficiency in a further 2,385 homes.

In addition to heating schemes we started planned maintenance schemes to 8,241 homes, including kitchen replacement, and external cyclical maintenance work.

Improvements through the Grants Scheme

The reduction in funding for the Private Sector Grants Scheme meant we have been unable to accept any new discretionary grant enquiries for tackling disrepair and unfitness in private sector housing since May 2009. Mandatory Disabled Facility Grants and Repair Grants, along with all other grant applications which had been approved prior to May 2009, continued as normal and payments were made when work was completed.



However Discretionary Renovation, Replacement and Home Repair Assistance Grants could only be approved in exceptional circumstances.

Additional finance became available in early 2010 which allowed us to process cases for Discretionary Grants where a full statutory application had been made and to process enquiries from property owners within Town Centre Living Initiative areas. We were able to approve 889 Mandatory Repairs Grants, and 1,071 Discretionary Grants, bringing the total number of approvals to 1,960 compared to 1,296 grants in 2009/10 and 4,577 in 2008/09.

Property Services and Direct Labour Organisation

Following the reorganisation of Technical Services in 2009 five Design Groups were consolidated into one group based in Belfast. The Design Group provides an in-house multi disciplinary design service for major adaptations and new build for housing associations. In addition the unit provides a service for Construction Design Management services, and civil and structural engineering works throughout the organisation.

A new technical group was set up in each of the five areas to provide a project management discipline for the programmed delivery of revenue replacement kitchen schemes, external cyclical maintenance and major adaptations schemes. During the year these were successfully delivered with nearly all targets met or surpassed.

The Design and Property Services Technical Unit successfully achieved the ISO 9001 Quality Management System accreditation standard. This external award is an extremely valuable asset because business activities were subjected to thorough scrutiny during the evaluation procedure.

The Direct Labour Organisation (DLO) is the Housing Executive's in-house contractor employing 180 people and has an annual turnover of £7.2 million. During the year DLO provided a building and grounds maintenance and specialist works service as well as a 24 hour emergency response service across Northern Ireland.

Home Energy Conservation

A 21% improvement in the energy efficiency of the Northern Ireland housing stock has been recorded between 1996 and 2009. However, despite this improvement, the level of fuel poverty actually increased from 34% of households in 2006 to 44% of households in 2009. This was primarily due to escalating fuel prices.

We continued to administer the Warm Homes Scheme contract on behalf of DSD to improve domestic energy efficiency and reduce energy consumption in eligible households in the owner occupied and private rented sectors. During the year good progress has been made towards meeting the key objectives of the scheme: 10,167 homes had heating or insulation measures installed against a target of 9,000; an average energy efficiency gain of 25% was achieved against a target of 15%; 40% of the heating or insulation measures carried out were in rural areas against a target of 40% and the budget expenditure target of £12.8m was achieved.

Other energy efficiency activities during the year included:

- Investing in the heating programme for our homes;
- Commencing a review of our heating policy;
- Undertaking a retrofit research project in Newry to investigate various standards of energy efficiency improvements up to and including passive house standard;
- Completing in partnership with the Consumer Council and Bryson House a feasibility study on energy brokering;
- Providing energy efficiency advice through the Energy Saving Trust to 51,391 households and 220 schools;
- Delivering an energy marketing plan including TV advertisements jointly funded by ourselves and the Energy Saving Trust.



Objective 1 - Key Performance Indicators

KPI 1.1.1 - Improving our stock

To start planned maintenance work on at least 5,500 dwellings including external cyclical maintenance work to an estimated 3,500 dwellings and 2,000 kitchens replacements.

Performance 2010/11:

Schemes which started during 2010/11 were planned to include:

Performance 2009/10:

External Cyclical Maintenance	5,646	External Cyclical Maintenance	3,927
Kitchen replacements	2,595	Kitchen replacements	4,041
Total	8,241	Heating installations	2,707
		Total	10,675

KPI 1.1.2 – To start heating installations to 1,350 dwellings.

Performance 2010/11:

Schemes which started during 2010/11 were planned to include heating installations to 3,802 dwellings.

Performance 2009/10:

See KPI 1.1.1

KPI 1.2.1 – Improving private sector homes

To reduce disrepair in an estimated 800 private rented dwellings through the application of mandatory Repair Grant.

Performance 2010/11:

During the year a total of 889 Repair Grants were approved.

Performance 2009/10:

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

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 2010/11:

Client surveys conducted in respect of 92 schemes.
Overall, 99% (target of 85%) had scores of 7 or above.

Performance 2009/10:

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

KPI 1.3.2 – Encouraging sustainable methods of construction

To hold an international Design Competition for a Code 5 housing scheme and appoint a winner by December 2010.

Performance 2010/11:

The judging panel, organised by Royal Society of Ulster Architects met 16th September 2010 to evaluate proposals from the shortlisted 5 entries. A winning submission was chosen and a recommendation ratified by Oaklee's Board. The outcome was subsequently presented to the NIHE Board on 27 October 2010. Oaklee is currently progressing the scheme with monthly Design Team meetings.

Performance 2009/10:

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.



KPI 1.4.1 – Improving energy efficiency in existing stock

To upgrade the energy efficiency of at least 2,000 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 2010/11:

Energy efficiency work carried out on 6,187 dwellings.

The high result was as a result of additional funding for heating installations and External Cyclical Maintenance schemes.

Performance 2009/10:

Energy efficiency work was carried out on 4,402 dwellings.

This performance reflected additional funding for heating installations and External Cyclical Maintenance schemes.

KPI 1.4.2 – Improving energy efficiency in private sector homes

Through the Warm Homes Scheme, address heating and insulation problems in 9,000 privately owned properties and deliver an average SAP improvement of at least 15%.

Performance 2010/11:

10,167 interventions were carried out. An average Standard Assessment Procedure improvement of 25.44% was realised.

Performance 2009/10:

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.

KPI 1.4.3 – Monitor the Warm Homes Scheme

Manage the performance of the Warm Homes scheme contractors ensuring that installation works meet the required quality and service standards.

Performance 2010/11:

Installation works currently meet the required quality and service standards.

Performance 2009/10:

This was not previously identified as a KPI.

KPI 1.4.4 – 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 2010/11:

51,391 households were given advice through NI Energy Advice Centre and the Heatsmart Scheme. The target was not met due to reduced funding from the Energy Saving Trust.

Performance 2009/10:

51,425 households were given advice by the Energy Advice Centres and a further 11,764 households received advice through the Heatsmart scheme.

KPI 1.4.5 Developing partnerships to improve energy efficiency

Develop where opportunities arise, partnership schemes using Energy Efficiency Levy funding for private sector households.

Performance 2010/11:

NIHE has been awarded Primary Bidder Status for levy funding. We did not succeed in an application for additional wood pellet boilers and in applying for funding for 'Zone controls' in Housing Executive properties.

Performance 2009/10:

In partnership with Energy Efficiency Levy Funding the NIHE has provided £60k for cavity wall and loft insulation cash backs for private sector households.



KPI 1.4.6 – Improving energy efficiency awareness in schools

Deliver in partnership with others, the energy efficiency message to 120 schools throughout Northern Ireland.

Performance 2010/11:

In partnership with NI Energy Agency delivered the energy efficiency message to 220 Northern Ireland schools.

Performance 2009/10:

In partnership with NI Energy Agency, we delivered the energy efficiency message to 160 schools in Northern Ireland.

KPI 1.4.7 – Communicating the importance of energy efficiency

Develop the energy marketing plan by September 2010 and implement it by March 2011.

Performance 2010/11:

The marketing plan was developed by September 2010. As part of the implementation we provided an energy efficiency advice stand at the Self Build Show in February 2011 at the Kings Hall, Belfast. The Power to Save is at your Fingertips TV and radio advertisements continued to run until February 2011.

Performance 2009/10:

Following approval of the plan by the Board, TV and radio adverts started airing in October 2009 and will continue to run.

KPI 1.4.8 – Developing innovative energy schemes

Develop, where feasible, demonstration schemes using innovative or renewable energy technologies in NIHE properties.

Performance 2010/11:

Geothermal – awaiting Department of Enterprise, Trade and Investment announcement of Renewable Heat Incentive in June 2011 before decisions can be made on biomass or geothermal community heating. A "Passive House" Scheme in Newry is being developed - four NIHE properties and one privately owned property. Air tightness tests and thermal images taken. Specifications currently being considered. Scheduled for onsite autumn 2011.

Air Source Heat Pump Trial – This scheme is not going to proceed. (Running costs were uneconomical.)

Bio-kerosene Trial - The NIHE is working in partnership with the Oil Fired Technical Association (OFTEC) on a field trial involving bio-kerosene as a home heating fuel. The fuel has been tested for its suitability and properties have been identified in Comber for this scheme. The two installations have now taken place and monitoring is ongoing.

Performance 2009/10:

A bid for 'Retrofit for the Future' was unsuccessful but negotiations are continuing.

A scheme to retrofit terrace houses to passive house standards is at design stage.

A potential geothermal energy project in Ballymena is at feasibility stage. A bio-kerosene heating scheme is also at feasibility stage.





OBJECTIVE 2

Promoting Independent Living

There is a continuing requirement to provide additional help to people across Northern Ireland to allow them 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. During the year we invested £100m to promote independent living including the Supporting People programme.

Supporting People

In 2010/11 four new Supporting People schemes were commissioned and came into operation and a further four schemes went on site. These will provide 128 units of accommodation for people with learning disabilities, mental health issues, dementia and victims of domestic violence. Supporting People schemes provide services to 23,000 vulnerable people during the year.

Achievements in 2010/11 included:

- Continued monitoring and review of Supporting People service providers, including 198 contract meetings and 60 validation visits. We also introduced financial validation visits;
- Introduced a new web-based system which facilitates management information and payments to be made to service providers;
- Review and piloting of a new Quality Assessment Framework;
- Commissioning of research into the future role of sheltered housing and a strategic review of temporary homeless accommodation;
- Outstanding issues from the previous year on three unaccredited providers resolved and subsequently accredited.
- Mechanisms formalised with DSD in relation to housing associations who fail a DSD inspection.

Homelessness

As has been mentioned earlier, the number of households presenting as homeless increased during the year from 18,664 to 20,158. The number of households accepted as statutorily homeless also increased from 9,914 to 10,433 up 5% on the previous year. Single households account for 38% of those accepted as homeless, while all types of relationship breakdown remain the major cause of homelessness and account for 41% of all homeless presentations.

The Housing Amendment Act 2010 came into effect on 13 April 2010 and included a statutory requirement for the Housing Executive to produce a homelessness strategy every 5 years. One of the stipulations of the new Act is that the other statutory agencies will be required to take into account the homelessness strategy in the implementation of their own functions.



In response to the new statutory duty to produce a homelessness strategy, our strategic approach remains focused on addressing the issues that lead to homelessness as well as meeting the temporary and permanent accommodation needs of those who present as homeless. The new homelessness strategy, to be produced in July 2011, will set out proposals for a comprehensive review of the temporary accommodation portfolio, as well as placing homelessness prevention at the forefront of our service delivery.

Temporary accommodation

We have continued to reduce the number of households in private shared temporary accommodation beyond the 6 week limit. At the end of March 2011 there was only one family remaining in shared temporary accommodation beyond this time period.

Repeat Homelessness

Work continued to help people break the cycle of homelessness and the target percentage of occurrence of repeat homelessness during the year was 7% against the target of 10%.

Rough Sleepers

Unfortunately some people continue to sleep rough on our streets. However, there are fewer than 12 rough sleepers on any given night in Belfast, due in part to active 'Street Outreach' services operating in the city and the 'Crash Facility' used to provide overnight accommodation. A similar service has recently been introduced in Derry City Council area.

During 2011, the Rough Sleepers' Strategy in Belfast will be reviewed and a further action plan will be implemented around developing a continuum of services for this client group.

Homelessness Advice

The new Housing Amendment Act 2010 also requires us to provide advice about homelessness and homelessness prevention to any person in Northern Ireland, free of charge. This is currently achieved through direct advice given to homelessness applicants, online advice managed on our behalf by Housing Rights Service and housing and homelessness advice provided in prison institutions. Improvements to the current advice service will be a feature of the implementation plan accompanying the new strategy.

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 Health and Social Services (Boards & Trusts) developed a joint working agreement in 2010. This sets out the roles and responsibilities of both agencies and demonstrates how each will respond in both planned and emergency situations. A phased implementation plan introduced procedures on communication and a comprehensive training programme was delivered to ensure staff from both agencies are equipped with the skills and knowledge to provide a seamless service for young homeless people.

In addition a joint project board comprising representatives from the Homeless Policy Unit, Supporting People, Health & Social Service Trusts and the voluntary sector has been developed to identify suitable and appropriate temporary accommodation for this vulnerable client group.

As part of the our overall preventative programme, more than £2.2m was invested in 2010/11 in the provision of homelessness and housing advice, education projects, prisoner advice, mediation work, rough sleeper services and rent deposit guarantee schemes.

Adaptations to Homes

We carry out adaptations for people across all sectors of the housing market including the grants scheme for the private sector so that they can live comfortably in their own homes. During the year we spent £31m (£14.4m public, £14.6m private and £2.3m housing associations) on adaptations.



- In 2010/11 we spent £5.9m on major and £8.5m on minor adaptations in our houses.
- In the private sector we approved 1,143 Disabled Facilities Grants to the value of just over £11.5m.

Working with the Traveller Community

We continued to work in partnership with voluntary and statutory agencies throughout the province in relation to Traveller issues. The Traveller Consultative Forum continues to meet on a quarterly basis which allows us to consult with the relevant government departments, councils, statutory agencies and Traveller support groups.

Progress on group housing schemes for the Traveller Community has been slow despite considerable and extensive consultation. We continue to engage with all stakeholders in an attempt to reach an agreed solution in respect of Father Cullen Park, Bessbrook and Brier View, Glen Road, Belfast.

During the year planning approval was received for a serviced site at Lake Road, Craigavon. It may however be difficult to acquire this site and concept plans have also been developed for 3 alternative sites. In order to ensure continued provision of Traveller accommodation in the Craigavon area an application has been made to the Planning Service to extend the current licence agreement at Legahory Close, Craigavon.

The provision of modern amenities involving the installation of 6 utility pods and considerable improvement to the infrastructure have been completed at the Glen Road site, Belfast. The utility pods at Legahory Close, Craigavon, have also been refurbished while both the serviced site in The Glen, Coalisland and transit site situated at Daisyfield in Londonderry have undergone extensive health and safety works.

The Traveller Accommodation Programme (2009-14) was reviewed in September 2010 and plans are currently underway to commission the comprehensive Traveller Accommodation Needs Assessment in 2013. A comprehensive review of all Housing Executive and non Housing Executive lands in areas of identified Traveller accommodation need was completed in October 2010. To date six key areas have been examined which include Belfast, Antrim, Armagh, Craigavon, Newry and Strabane.

Research into the Housing & Support Needs of Older People

A further three research projects on the housing and support needs of older people were completed: one examining the future accommodation needs for older people, and one looking at the potential for Electronic Assistive Technology; the third one looked at the provision of "Care and Repair" services in Northern Ireland. This research will provide a useful evidence base for policy makers addressing the issue of providing housing solutions for older people wishing to remain independently in their own homes.



Objective 2 – Key Performance Indicators

Performance shown as 100% or greater indicates that the target has been met or exceeded. For example where a target is 95% and actual performance is 96% that will be shown as 101 %.)

KPI 2.1.1 – Providing adaptations for homes

Based on demand, start an estimated 1,820 adaptations to NIHE homes (capital works only). Approve an estimated 1,750 Grants for adaptations in the private sector. Provide funding for adaptations to housing association homes.

Performance 2010/11:		Performance 2009/10:	
Housing Executive properties	1,878	Housing Executive properties	2,151
Grants	1,143	Grants	1,750
Overall	3,021	Overall	3,901
Housing Association Adaptations	1,430	Housing Association Adaptations	1,492

KPI 2.1.2 – Review the adaptations service

Contribute to review of Housing Adaptations service with DSD and Department of Health, Social Services and Public Safety (DHSSPS).

Performance 2010/11:	Performance 2009/10:
The review has been led out by the Housing Executive with representatives also playing a key role in the many inter-agency groups set up as part of the review process. The review is now at an advanced stage with a first draft of the main review report and a series of supplementary reports having been completed. Draft key findings and recommendations have been considered by all stakeholders and a draft review report has been finalised by both Departments. A meeting with the Department for Social Development to take place early summer will work towards seeking endorsement from the respective Ministers and public consultation will then follow.	This was not previously identified as a KPI.

KPI 2.2.1 – Helping vulnerable people

Implement the Supporting People (SP) Action Plan and report six-monthly to the Board.

Performance 2010/11:	Performance 2009/10:
Six monthly reports were made to the Board.	A six monthly progress report on Supporting People was presented to the Board in April 2010.
To develop a new Supporting People Strategy in conjunction with DSD by June 2010.	
Performance 2010/11:	Performance 2009/10:
Outline issues/ themes for strategy agreed with DSD. Seminar held with Providers March 2011 to receive input.	This was not previously identified as a KPI.
Strategy Group established. Aim for strategy to be ready for summer 2011 for formal consultation.	



To evaluate revised contracts and monitoring framework by October 2010.

Performance 2010/11:

New contract and monitoring framework evaluated and rolled out to all SP Providers. Initial report included in half year update to Board October 2010 and a further update was made to the Board in April 2011.

Performance 2009/10:

A contract management regime has been implemented throughout the 5 areas.

To carry out a post implementation review of Phase 1 of SP Modernisation project by October 2010.

Performance 2010/11:

Completed on time.

Performance 2009/10:

This was not previously identified as a KPI.

Initiate and implement Phase 2 of the SP Modernisation project by December 2010.

Performance 2010/11:

Completed on time.

Performance 2009/10:

Phase 1 of the implementation of the ICT system went live in December 2009.

Continue to commission appropriate research to support SP Strategy during 2010/11.

Performance 2010/11:

Research programme agreed with Research Department.

Performance 2009/10:

Homeless research terms of reference agreed and field work underway.

Support the provider sector through appropriate training following the evaluation of the pilot projects by March 2011.

Performance 2010/11:

Draft Northern Ireland Council for Voluntary Action (NICVA) report received and is being evaluated. Next steps are being given consideration. Women's Aid project on future of Women's Aid services ongoing. Progress highlighted in October Board paper on SP.

Performance 2009/10:

NICVA work programme exploring capacity for collaborative work underway.

Undertake accreditation of providers, in keeping with the planning cycle, during 2010/11.

Performance 2010/11:

Accreditation process ongoing. 3 "unaccredited" groups remain i.e. 3 housing associations for which "passport" removed following DSD inspections. Low risk due to overall funding involved.

Performance 2009/10:

Work on resolving the outstanding issues for 7 unaccredited providers is continuing. There is a total of 117 providers.

KPI 2.3.1 – Develop a new Homelessness Strategy

Develop a new 5 year Homelessness Strategy by March 2011.

Performance 2010/11:

Strategy to be published by end of July 2011.

Performance 2009/10:

This was not previously identified as a KPI.

KPI 2.3.2 – Simplify the homelessness appeals system

Introduce a single tier internal homelessness appeals system by March 2011.

Performance 2010/11:

New system introduced in December 2010.

Performance 2009/10:

This was not previously identified as a KPI.



KPI 2.3.3 – Improve the homelessness advice we offer

Redesign homelessness advice service in line with new legislation from June 2010.

Performance 2010/11:

Advice service compliant with legislation.

Performance 2009/10:

This was not previously identified as a KPI.

KPI 2.3.4 – Review temporary accommodation

Carry out a fundamental review of temporary accommodation needs by June 2010.

Performance 2010/11:

Consultant's report on review of temporary accommodation delayed. Process to begin following publication.

Performance 2009/10:

This was not previously identified as a KPI.

KPI 2.3.5 – Identifying groups at high risk of homelessness

Introduce a protocol for dealing with homeless 16-21 year olds in April 2011.

Performance 2010/11:

Protocol implemented December 2010.

Performance 2009/10:

This was not previously identified as a KPI.

KPI 2.3.6 – Dealing with homeless applications swiftly

To process at least 95% of homeless applications within 33 days.

Performance 2010/11:

Over 99% of homeless applications for the year ending 31 March 2011 have been processed within 33 days.

Performance 2009/10:

99% of homeless applications for the period ending 31 March 2010 have been processed within 33 days.

KPI 2.4.1 – Providing accommodation for Travellers

To meet accommodation needs of Travellers.

Implement the 2009/14 Traveller Accommodation programme including site acquisition and improvement of existing sites during 2010/11.

Performance 2010/11:

Burnside/Legahory Craigavon, planning applications for transit sites to be submitted to DOE Planning Service.

DSD lands being investigated for potential transit site in Strabane.

Assessment commenced of all NIHE lands in Craigavon, Strabane, Newry and West Belfast together with private lands as required for suitability of transit sites.

Work with local councils continued in delivering Traveller accommodation.

Performance 2009/10:

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

Programme published and annual review of ongoing needs initiated.

Update and plan on the NIHE website. Identification of suitable sites is ongoing.



OBJECTIVE 3

Urban and Rural Regeneration

We continue to assist urban and rural regeneration throughout Northern Ireland, making significant economic, community and social improvements with an investment of £28m during the year.

Urban Regeneration and Neighbourhood Renewal

Although the combination of our capital funding situation and the dormant property market has slowed the pace of much of our regeneration activity, this year has still seen considerable progress made in many of our strategies and programmes.

Under the Urban Renewal Programme newbuild or rehabilitation schemes were undertaken in eight areas in Belfast, with construction of the first phase of new homes in the Lawnbrook 2 Urban Renewal Area by Fold Housing Association commencing towards the end of the financial year.

In addition, considerable work was undertaken to prepare for the start of redevelopment work on site in 2011/12 in several other areas in Belfast. The renewal proposals for Upper New Lodge and the Parkside and Queen Victoria Gardens Urban Renewal Areas were approved in 2010 and the vesting procedure for the two Urban Renewal Areas is underway.

In the Village Urban Renewal Area the Vesting Order through which the Housing Executive acquires all of the properties to be redeveloped became operative in April 2010, a Design Team with local community representation was set up, the concept plan for the renewal zone was completed, and clearance has been ongoing in anticipation of the first newbuild scheme by Fold Housing Association; also, Hearth Housing Association will begin the programmed works in the improvement zone by rehabilitating eight properties in the designated Area of Townscape Character.

During the year we carried out a review of our Estate-Based Strategy Programme in which there are currently 34 estates for which regeneration strategies have been approved and are at various stages of implementation. In terms of impact the review found that the programme had been very successful in stabilising and 'turning around' many estates experiencing serious decline.

We have also continued to support the DSD's Neighbourhood Renewal Strategy. In addition to our representation on all of the Neighbourhood Partnerships driving the Strategy locally, we implemented several schemes in some of the Neighbourhood Renewal Areas, and administered the Small Pockets of Deprivation programme on behalf of DSD, delivering neighbourhood renewal funding to seventeen areas across Northern Ireland.

In rural areas, most of our regeneration activity has traditionally been through mainstream improvement and grant programmes, but in 2011/12 we introduced a rural regeneration fund through which we intend to support local schemes contributing to the 'Village Renewal' strand of DARD's Rural Development Programme where these will have beneficial housing or community outcomes.



Our sectoral strategies continued throughout the year. A major review of the Brownlow Strategy was completed in November 2010 and concluded that the critical challenges in Brownlow at the time of the previous review in 2004 had been significantly reduced or eliminated and that the Strategy should in future be re-focused on a smaller number of estates and issues that require significant intervention.

Following the end of its 10-year implementation period we will be carrying out a major review of the Derry/Londonderry Strategy this year. The North Belfast Strategy is now entering its tenth year of operation. Almost 2,200 new homes have been constructed, not only to address the housing shortage, but also to improve the quality of housing through redevelopment and renewal. Over the last three years, the waiting list for housing stress has been reducing, and in particular the number of families registered on the list has reduced significantly. There does, however, continue to be ongoing need.

Town Centre Living

Working in partnership with the Councils over the past seven years, the Housing Executive has helped promote private rented residential accommodation in town and city centres through Town Centre Living Areas (TCLiAs). There are currently 21 active TCLiAs which are making a valuable contribution to town centre regeneration. We offered grant assistance to encourage landlords to convert vacant or underused buildings into apartments and living spaces, often leaving the ground floor as a shop or office. During the year we were able to process all Discretionary Grant applications and enquiries from owners within TCLiAs.

The initial pilot schemes in Derry/Londonderry and Lisburn completed on 31 March 2010 after running for eight years.

Group Repair

During 2010/11 three Group Repair schemes were completed at Beechmount Phase 6 (46 dwellings), Glenard Phase 7 (52 dwellings) and Gainsborough Phase 4 (14 dwellings). These schemes formed part of the programmes of area based private sector improvement which were set out in the North and West Belfast strategies. Due to the reduction in finance available for Private Sector Improvements and the uncertainty over funding for 2011/12, only one Group Repair scheme commenced on site during 2010/11. This scheme, involving 48 dwellings at York Phase 7, is the final phase of Group Repair within the York Park area.

Rural Homes & People

In November 2009 we launched a three year 'Rural Homes and People' Action Plan, setting out our objectives for rural areas. One of the key sections in the plan set out measures we would take to help the development of social and affordable housing in rural areas.

The comparatively low levels of social new build had been a longstanding concern of rural communities. During 2010/11 considerable efforts were made to promote rural new build generally, resulting in the achievement of 302 units of new build in rural areas. This is the highest rural outturn in at least ten years and represents 12.5% of all starts and is therefore in line with the target for rural new build delivery.

In order to facilitate rural development in future years, latent test exercises were undertaken in 11 locations and we have ensured that housing associations are aware of rural areas where need exists through the on-line Unmet Need Prospectus. In addition, we have supported housing association applications under PPS21 in a number of locations and are currently examining the potential for PPS21 to assist delivery of social new build in Templepatrick (Antrim), Charlemont (Armagh), Derrytrasna (Craigavon) and Killinchy (Ards).

Other activity undertaken through our Rural Homes and People policy during 2010/11 has included work with the Rural Community Network and the Rural Residents' Forum; we have also built on our links with the Young Farmers Clubs of Ulster, publishing a housing guide for rural young people in August, followed more recently by a joint event promoting renewable energy options and energy conservation. We also continue to monitor how our services are rolled out in rural areas with the most recent survey showing that 94% of rural tenants expressed satisfaction with our overall service.



Objective 3 – 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 2010/11:

We have begun an inventory of all partnerships and this will be completed in summer 2012.

Performance 2009/10:

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.

Deliver DSD Neighbourhood Renewal funding in 17 areas through the Small Pockets of Deprivation (SPOD) programme.

Performance 2010/11:

The SPOD budget for 2010/11 of £425,000 was fully spent on projects.

Performance 2009/10:

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.

Contribute to implementation of the Arterial Routes Initiative with Belfast City Council.

Performance 2010/11:

NIHE has had no recent input to the Arterial Routes initiative. This particular exercise is considered completed.

Performance 2009/10:

Direct involvement in the "Renewing the Routes" initiative is ongoing.



KPI 3.2.1 – Implementing urban regeneration

To implement an Urban Renewal programme in 11 areas and continue to implement Urban Renewal Areas in 9 areas including The Village area of Belfast.

Performance 2010/11:

Tudor – Phase 3B (private) on site: final phase (Phase 4) for 11 social houses commenced in March 2011.

Mountcollyer – Since declaration of the URA 61 new social houses and 3 phases of group repair have been completed. 13 long-term vacant properties have been refurbished and a further 5 long-term voids are to be transferred to Clanmil Housing Association for refurbishment in 2011/12. Ovalbridge Development was appointed for a private housing scheme (80 units); demolition has been completed and planning was approved, but the scheme is no longer financially viable due to the housing market climate and alternative proposals for disposal will be presented to the Board.

Gainsborough – Phase 2 (11 dwellings - 8 affordable and 3 social) by Clanmil Housing Association commenced in March 2011. A development brief for private housing was approved by the Board but following public tendering only one offer was received and it was below the reserved valuation. The Board at its March 2011 meeting approved the disposal of the site on the open market.

Glenbryn – Phase 2 (private housing) on site; market is impeding completion. No further social housing is planned.

Torrens – Phase 3 (112 dwellings) on site.

Roden St – Phase 2 social (43 dwellings for Village overspill) on site.

Grove – Phase 4 (private) is nearing completion; final phase (social) completed.

Lawnbrook 2 – Vesting operative 25th May 2009. First phase of 20 dwellings by Fold Housing Association went on site in March 2011. Remainder of URA is located in an Area of Townscape Character and planning approval is therefore required for demolition. Concept Plan prepared by Planning and Feasibility submitted to Planning Service. Some demolition to be undertaken due to health and safety issues.

Village – Vesting Order became operative on 19th April 2010. Fold HA is now the sole strategic partner to deliver new social and affordable homes. P&F has completed a Concept Plan. A Design Team with community representatives and an independent chair have been set up. Overspill properties in Roden Street are complete.

Performance 2009/10:

Tudor – Phase 3B (private) on site - final phase (Phase 4) for 11 social houses has slipped.

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).

Glenbryn – Phase 2 (private housing) on site – 7 dwellings purchased for social housing.

Torrens – Phase 3 (112 units) on site.

Roden Street – Phase 2 social (43 dwellings for Village overspill) on site.

Grove – Phase 4 (private) and final phase (social) on site.

Lawnbrook 2 – Vesting operative from 25th May 2009. Location identified for first phase of 20 dwellings and Housing Association appointed. Remainder of URA is located in an Area of Townscape Character and planning approval is therefore required for demolition – work on the application is underway.

Village – Vesting application for renewal zone made in November 2008 – 116 objections. 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.



KPI 3.2.1 – Implementing urban regeneration continued

Complete URA assessments in 2 areas

Performance 2010/11:

Parkside – Achieved. Master Plan and review of Economic Assessment submitted to DSD in November 2008. Amendments to the Economic Assessment were agreed with DSD following a joint visit. A revised Economic Assessment was submitted to DSD in January 2010 and approved in May 2010. It was then submitted to and approved by the Board in June 2010. Social newbuild scheme of 56 units in 2011/12 programmed for Newington Housing Association.

Queen Victoria Gardens – Achieved. Master Plan and review of economic appraisal submitted to DSD in November 2008. Amendments to the economic assessment were agreed with DSD following a joint visit. A revised economic appraisal was submitted to DSD in January 2010 and approved in May 2010. It was then submitted to and approved by the Board in June 2010. Accord Procurement Group appointed to deliver 24 new social homes in 2011/12.

Performance 2009/10:

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.

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.

Upper New Lodge Area - In addition to the above a major area renewal scheme is being advanced for the Upper New Lodge Area.

This was not previously identified as a KPI.

KPI 3.2.2 – Work with councils on TCLIAs

To implement the recommendations from the review of Town Centre Living Initiative Areas (TCLIA) programme.

Performance 2010/11:

In line with the recommendations from the review, Planning and Feasibility continue to consult and work with councils in active TCLIA settlements. While work in Lisburn, Derry, Cookstown, Lurgan, Dungannon and Dromore is now complete, applications in the system continued to be progressed up until end of March 2011.

Performance 2009/10:

This was not previously included as a KPI.

KPI 3.2.3 – Promote the LOTS Scheme

To assist Councils in existing Town Centre Living Initiative Areas (TCLIA) in the promotion and delivery of Living over the Shop (LOTS) based regeneration.

Performance 2010/11:

£440k was made available for TCLIA funding via DSD in 2010/11; Planning & Feasibility continues to assist in progressing existing applications and promotion of further units in remaining 21 active TCLIA areas, pending confirmation of future funding from DSD; there is still no clarity on potential resources / funding for 2011/12. Considerable time and effort has been concentrated on seeking approvals for active schemes in the 2010/11 financial year, as these will be able to progress on site in 2011/12 and beyond. This is subject to funding.

Performance 2009/10:

This was not previously included as a KPI.



KPI 3.3.1 – Implementing rural regeneration

Implement the 3-year Rural Action Plan launched in November 2009. This contains over 50 actions to tackle rural issues affecting all tenures.

Produce an Annual Rural Report setting out progress against the Action Plan. By so doing, we aim to ensure appropriate share of resources is directed towards addressing rural needs.

Performance 2010/11:

The Annual Progress Report was published and circulated in June 2010; further updates were provided to the Housing Executive's Board in December 2010 and May 2011.

While budgetary issues have restricted activity in some areas, actions taken during 2010/11 have included:

At 31 March 2011, new build starts were achieved on 302 units in rural areas. This is the highest rural outturn in at least ten years far surpassing the previous highest return (185 units in 2009/10). The figure represents 12.5% of all starts and is therefore in line with the target for rural new build delivery (which is based on the percentage of applicants in housing need seeking housing in rural areas).

During the year considerable efforts had been made to promote rural new build generally; this included a seminar held for housing associations in September 2010 to emphasise the importance of rural delivery. It has also supported housing association applications under Planning Policy Statement PPS 21, in four locations and had identified a further four locations for specific PPS21 investigations. Latent testing has also taken place in 11 locations, focussing on areas where Housing Executive owns land – so as to facilitate development should need emerge.

The Rural Residents Forum has met five times since April 2010 discussing latent demand literature, neighbourhood wardens, community planning, rural homelessness, rural proofing and energy efficiency.

Work has also been continuing with the Young Farmers Clubs: a housing guide for rural young people was launched in August 2010, followed more recently by a joint event promoting renewable energy options and energy conservation.

The most recent monitor of tenant satisfaction shows that 94% of rural tenants expressed satisfaction with the overall service provided by the Housing Executive (compared to 87% in urban areas).

An Annual Progress Report setting out progress against all the actions in the Rural Homes and People Action Plan will be published and circulated to public and community representatives in summer 2011.

Performance 2009/10:

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.

The past year has also seen the first meetings of our new Rural Residents Forum which comprises community group representatives from across the region.

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.



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 2010/11:

The following housing and regeneration strategies are in place and form part of the District Housing Plans:

West Belfast – annual report at June 2010 Board.

North Belfast – annual report at June 2010 Board.

Shankill – annual report at June 2010 Board.

South Belfast – annual report at May 2010 Board.

East Belfast – annual report at May 2010 Board.

Derry/Londonderry – 10 year report planned for September 2011.

Brownlow – review approved at Board in November 2010.

Lisburn – annual report at June 2010 Board.

Performance 2009/10:

The following housing and regeneration strategies are in place and form part of the District Housing Plans:

West Belfast: annual report at July 2009 Board.

North Belfast: annual report at May 2009 Board.

Shankill: annual report at May 2010 Board.

South Belfast: annual report at May 2010 Board.

East Belfast: new strategy issued July 2009.

Derry/Londonderry: annual report at September 2009 Board.

Brownlow: annual report at May 2009 Board.

Lisburn: annual report at June 2010 Board.





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. During 2010/11 we invested £166m to promote affordable housing.

House Sales and Land

We continued to implement the House Sales Scheme, which provides an opportunity for tenants to own their home. There were 764 applications and 249 completions, both figures down from the previous year. The average sale price of a dwelling continued to drop, down 7.5% from last year to £45,934 after discount.

Two house sales under the Equity Sharing Scheme were completed in West Belfast and East Belfast. This scheme provides an option for those tenants who wish to part buy their homes but are unable to afford the full cost at the time of purchase.

The Social Housing Development Programme was supported with 49 transfers of Housing Executive land completed through the Housing Association Transfer Programme. Development briefs were completed on 16 sites for approximately 120 social housing units.

Social Housing Development Programme

Our Development Programme Group had another exceptional year, co-ordinating the development activity of housing associations to ensure that work commenced on the delivery of 2,418 new units of social housing accommodation before the end of the 2010/11 financial year. This was a record achievement for the Housing Executive and the housing association movement, working in partnership to guarantee the effective delivery of the 2010/11 Social Housing Development Programme and provide the highest number of social housing starts in the last 10 years. These units will meet the requirements of a wide cross-section of applicants, ranging from those with general housing needs (including a significant number of individuals and / or families with complex needs, such as severe physical impairment) through to applicants with supported housing needs (including people with learning disabilities and mental health issues).

Work commenced on a number of significant large-scale developments which will provide much-needed accommodation in areas with high levels of un-met social housing need, for example, 67 units at Ravenhill Road, Belfast; 67 units at Circular Road, Derry; 130 units at Castlewellan Road, Newcastle (all Apex Housing); and 146 units at Ballymacoss Hill, Lisburn (Ulidia Housing).

Housing associations also completed construction work on 1,409 new homes, which will make a significant contribution to addressing housing need across the province. Disability Adaptation Grants were also paid to



housing associations (1,430 against a target of 1,200) to facilitate the adaptation of dwellings for tenants with physical disabilities or sensory impairments.

The Code for Sustainable Homes is a star-rating system to evaluate the environmental performance of a new home against nine criteria, including mandatory standards for energy, CO₂ emissions, water, waste, materials and surface water run-off. New homes are ranked according to how well they perform from 1 to 6; where 6 is the closest rating to carbon neutral (using fuels that neither contribute to nor reduce the amount of carbon into the atmosphere).

Whilst all social housing new build schemes are currently required to achieve Code for Sustainable Homes Level 3, housing associations are actively encouraged to work towards attaining higher levels of the Code. During the 2010/11, in excess of 30% of new build starts will achieve Code for Sustainable Homes Level 4. In addition, Oaklee Housing started work on a scheme in Dungannon that will achieve Passive House standard and Code Level 4.

Work which started on two Oaklee schemes during the 2009/10 year was also completed recently, with the development at Breda Park, Newtownbreda achieving Code Level 4 certification, and Drumalla House, Carnlough being the first social scheme in Northern Ireland to be constructed using renewable (hemp-based) materials.

Houses in Multiple Occupation (HMOs) Registration Scheme and Strategy

Progress continued to be made in our HMO strategy which was published in April 2009 and includes 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. This is primarily being achieved through the implementation of the HMO Statutory Registration Scheme.

In 2010/11 we registered a further 1,008 HMOs, bringing the total registered to 3,936. During the year 425 HMO registrations were renewed. These properties were originally registered for a 5 year period from 2005/06. All HMOs in Northern Ireland should be registered by 2015.

Private Rented Sector

We continued to contribute to the Department for Social Development's Building Sound Foundations: A Strategy for the Private Rented Sector, published in 2010.

The main objective of the strategy is to "create the conditions in which the private rented sector contributes more fully to meeting our rapidly changing housing needs".

In supporting the strategy, we:

- Contributed to the Landlord Registration Stakeholder Forum for the introduction of a mandatory registration scheme for all private landlords and their agents;
- Participated in the Tenancy Deposit Stakeholder Forum to introduce a Northern Ireland wide rent deposit scheme to provide protection for deposits and a means of resolving disputes;
- Continued to look at ways of making best use of the private rented sector to address housing need for a range of people;
- Provided advice for those considering private rental as an option as part of the housing assessment process;
- Encouraged a good standard of management within the sector;
- Developing a Northern Ireland wide rent guarantee scheme in support of the Department's strategy.

Provisions to support the Strategy have been included in the Housing Bill with the intention that they should become law in 2011 – 2013.



Objective 4 – Key Performance Indicators

KPI 4.1.1 – Making homes more affordable

To implement appropriate actions arising from the Minister's New Housing Agenda to address affordable housing.

Performance 2010/11:

The contributions to the Minister's Housing Agenda are covered in a variety of actions listed in other performance indicators throughout the Corporate Plan.

Performance 2009/10:

The contribution to the Minister's Housing Agenda continues through a variety of actions, including the Shared Future Programme.

KPI 4.2.1 – Building new social housing

Work with housing associations to ensure delivery of a minimum of 2,000 starts and 1,450 completions in the 2010/11 programme year, subject to availability of resources.

Performance 2010/11:

2,418 starts were recorded for 2010/11 with 1,409 social housing units completed.

Performance 2009/10:

1,838 starts were recorded for 2009/10, with 1,504 social housing units completed.

KPI 4.2.2 – SHDP & Unmet Need

Construct a Social Housing Development Programme (SHDP) and Prospectus of Unmet Need and secure Board approval by January 2011.

Performance 2010/11:

The original Draft SHDP prepared was based on 2,250 units however with confirmation of the budget now received the target is reduced to 1,200 units for 2011/12. The SHDP targets have been revised using the Strategic Guidelines to realign the Draft SHDP. The revised Draft SHDP was approved at the April 2011 Board meeting.

Performance 2009/10:

This was not previously included as a KPI.

KPI 4.2.3 – Improve SHDP output

Develop proposals to improve SHDP output and scheme value for money to include leasing options and competition for Housing Association Grant.

Performance 2010/11:

A business case has been completed by PwC and submitted to DSD. However due to a change in DSD priorities a leasing scheme was not pursued during the 2010/11 year.

Performance 2009/10:

Ongoing discussions with a number of housing associations with regard to pilot leasing schemes. The Strategic Investment Board (SIB) has appointed PricewaterhouseCoopers (PwC) to advise. It is anticipated that a number of stakeholders will be involved in the course of the preparation of the business case.

KPI 4.2.4 – Review the Housing Need report

Contribute to review of Housing Need report with DSD and prepare implementation plan from the recommendations of the report.

Performance 2010/11:

Equality Impact Assessment on Housing Need Report (Intensification of Social Housing Development Programme) consultation results reported to Social Development Committee February 2011. Presentation to NIHE Board (April 2011) with implementation due as part of the 2011 review of the Strategic Guidelines (October 2011).

Performance 2009/10:

This was not previously included as a KPI.



KPI 4.2.5 – Delivering housing plans for all council areas

Prepare District Housing Plans (DHP), incorporating the key stages of Local Housing Strategies for consultation by June 2010.

Performance 2010/11:

All Plans were completed in June 2010. Consultation meetings with District Councils have been completed. Process for 2011/12 plans commenced with 2010/11 review in November. Board approved 2011/12 DHP template for Newry and Mourne in February. Pilot 3 year Local Housing Strategy for Belfast incorporating Housing Market Assessment (HMA) commenced in January 2011.

Performance 2009/10:

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.

KPI 4.2.6 – 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 2010/11:

We continue to work with DOE and DSD on review of PPS12 and introduction of draft PPS22. Draft policy complete, awaiting NI Executive approval to consult on draft PPS22. NIHE responded to draft North Antrim Plan (dNAP) strategic housing objections to assist Planning Service respond to 3rd party objections. Updated Planning Service with 2010 housing needs assessments, December 2010. NIHE completed protocol with Planning Service for implementation of Policy for Special Countryside Area CTY5 of PPS21. Training of housing associations on protocol completed summer 2010.

Performance 2009/10:

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.

Identify land and sites for social and affordable housing.

Performance 2010/11:

Following the signing off of a joint protocol for PPS21 by NIHE and Planning Service a number of pilot exercises were initiated to test Policy CTY5 in October 2010. This work is ongoing. Planning Service is currently assessing objection sites for use as social and affordable housing to be brought forward in the dNAP Public Examination.

Performance 2009/10:

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. Planning & Feasibility are continuing to assess sites and prepare development briefs for land to be transferred. Since April 2009 P&F have received 7 planning approvals (140 units) and there are live applications for 36 units of PPS8 sites.

The Housing Executive and DoE Planning Service have approved (April 2010) a joint protocol outlining the processes for housing associations in submitting applications under Policy CTY5 (PPS21) for planning permission.

KPI 4.2.7 – Developing better funding methods for housing

Explore, with DSD, alternative/ additional means of funding the social housing development programme.

Performance 2010/11:

As 4.2.3.

Performance 2009/10:

As 4.2.3



KPI 4.3.1 – Helping our tenants buy their own homes

Complete the sale of 240 dwellings to tenants.

Performance 2010/11:

249 properties were sold to tenants in 2010/11.

Performance 2009/10:

274 properties were sold to tenants.

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 2010/11:

Performance for the year was 98.7%.

Performance 2009/10:

Performance for the year was 99.6%.

KPI 4.3.3 – Managing our land portfolio effectively

Manage a disposal programme for surplus land.

Performance 2010/11:

47 sites with a book value of £25.8m are on the market of which:

- 13 sites have completed valued at £3.6m.
- 2 sites are at contract signed stage valued at £11m.
- 21 sites have offers totalling £7.3m against them but are not in contract and have a range of issues.
- 11 sites with a book value of £3.9m are on the market but with no offers.

Performance 2009/10:

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 issues. 30 sites with a book value of £5.7m are on the market but have had no offers.

KPI 4.4.1 – Managing Houses in Multiple Occupation

To register an estimated 1,000 Houses in Multiple Occupation (HMO) properties under the statutory HMO registration Scheme by March 2011.

Improve compliance with standards by enforcing HMO standards through the inspection of an estimated 1,600 properties by March 2011.

Performance 2010/11:

Registered 1,008 HMOs under the Statutory HMO registration scheme, 101% of target.

2,423 HMOs were inspected for enforcing HMO standards, 151% of target.

Performance 2009/10:

Registered 986 HMOs under the Statutory HMO registration scheme, 99% of the target.

2,198 HMOs were inspected for enforcing HMO standards, 157% of target.

KPI 4.4.2 – Delivering our private sector strategy

Continue implementation of the Private Rented Strategy Action Plan.

Following consultation phase, roll out NIHE actions of DSD Private Rented Strategy Action Plan during 2010/11.

Performance 2010/11:

DSD has advised October 2010 that they will develop specification for Landlord Registration scheme and develop draft regulations on the completion of the primary legislation expected early summer 2011.

Performance 2009/10:

Strategy document launched by DSD on 24 March 2010.

Progress remaining actions from Empty Homes Action Plan during 2010/11.

Performance 2010/11:

Update provided to DSD with a recommendation to mainstream this activity.

Performance 2009/10:

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



Harness the private rented sector to address increasing housing need via the Partner Landlord Scheme and housing advice during 2010/11.

Performance 2010/11:

The evaluation of the pilot Partner Landlord Scheme concluded that while there was positive interest in principle among both landlords and tenants, landlords in particular were strongly discouraged by the rental restrictions (Local Housing Allowance rates) and lack of incentives by way of management support offered by the pilot. Work is ongoing on the development of a revised model with a view to commissioning and delivering a Northern Ireland wide scheme - likely to be by 2012/13.

Performance 2009/10:

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.



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 invested £3.7m under this objective to ensure housing and housing investment plays its part in creating a society that is peaceful, inclusive, prosperous and fair.

Tackling Anti-Social Behaviour Associated with Houses in Multiple Occupation (HMOs)

The Housing Executive has been working to address problems of anti-social behaviour related to concentrations of HMO properties in an area through a range of initiatives:

- Working in close partnership with other bodies such as the councils, the universities, students unions and NUS-USI and 6th form colleges in relation to a wide range of issues;
- Playing a full role in the interagency group which addresses problems specific to the Holyland area of Belfast as well as participating in the Holyland and Wider University Area Strategic Study currently being carried out;
- Contributing towards the employment of community safety wardens in Belfast areas of HMO concentration (£150k per year), in the university area of Derry/Londonderry (£25k) and in Portstewart (£10k);
- Providing professional awareness seminars which were attended by over 200 landlords of HMO properties.

Community Involvement

The Community Involvement Strategy 2008-2011 has produced new and developed existing initiatives with the help of our strategic partners and the Housing Community Network.

We have provided 213 mini websites for community groups within the Housing Community Network. Groups have been provided with website training and email addresses which allow us to communicate electronically with the groups.

The Tenant Involvement Register has provided a useful tool, particularly for ad hoc surveys across a range of policy issues.

We have continued to engage with, support and reach the wider community through the provision of specialist support. This has included:

- Developing a Rural Residents Forum and "Village Voice" initiative;
- The Community and Education Partnership Award; the first five partnerships received their awards in October 2010 and the Award has been relaunched for 2011/12;



- Working with young people; a comic strip “A Foot in the Door” has been produced in both English and Polish.
- Working with Disability Action to develop a separate forum to consider the particular needs and services delivered to people with disabilities.

In 2010 an inspection of our anti-social behaviour service was carried out on a pilot basis by tenants. This provided valuable feedback on how our policies are translated into actual customer service provision. We are currently examining this further to involve communities in the delivery of services in their area.

Good Relations and Shared Future Housing

Northern Ireland’s residential sector continues to be deeply divided, with 90% of our estates being predominantly single identity. Despite this, the overwhelming majority of people would like to live in shared communities and we are committed to good relations in our estates.

We responded to the Northern Ireland Executive’s draft good relations strategy “Cohesion, Sharing and Integration” which suggested how the aspirations for an equal, shared and better society could be delivered on the ground. Responses to this document are currently being considered.

Our Good Relations Strategy aims to contribute to safer, more stable neighbourhoods and to promote a more inclusive society, whilst recognising that trust and safety will ultimately dictate the pace of change.

Our Good Relations Strategy is delivered within five themes:

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 30 existing estates. Eight shared new build schemes have been developed and a further two new shared schemes are currently being developed.

We secured £150k additional funding from Belfast City Council’s Peace III fund and have been delivering a very popular and very effective ‘Local Area Network’ which has brought communities together to build relationships and develop good relations projects in South Belfast and East Belfast.

Race Relations

Work on promoting good race relations continued in line with the Housing Executive’s Race Relations Policy and Action Plan initiated in 2005. This includes tackling racial harassment and intimidation, promoting Black and Ethnic Minority social inclusion, and community participation and development. In December 2010 the Housing Executive won the UK Award for Bridging Culture for its work supporting intercultural dialogue.

Flags, Emblems and Sectional Symbols

Local bonfire management was strengthened this year with 16 bonfires supported through the Housing Executive’s bonfire management programme.

The Housing Executive also supported a number of local re-imaging projects this year including Articlave, South Belfast, Dervock and East Belfast which have had major impacts within these communities.

Interface Areas

Supported by Peace III funding, we are working to develop and help communities on both sides of interfaces envisage how their safety can be maintained with the removal of existing peace walls. It is hoped this work, through a visioning tool, will commence in the autumn 2011.

Communities in Transition

The Housing Executive’s new Peace III funded the ‘Building Relationships in Communities’ (BRIC) programme



commenced in July 2010 and aims to put Good Relations at the heart of social housing. Work is underway to identify phase 1 of the 80 neighbourhood estates that will be supported through this programme. This programme will weave good relations into the heart of our estates and is a unique new venture delivered in partnership with the Rural Development Council and Tides training.

Addressing Community Safety

During 2010/11 a number of significant reviews were undertaken to ensure that our services keep pace with organisational and community demands.

We have built on the success of our community based partnership with Northern Ireland Alternatives and Community Restorative Justice Ireland. Both organisations now undertake mediation case referrals and community support work.

In seeking to build on such effective partnership working, in November 2010 we hosted an inter agency restorative justice seminar to consider the future use and funding of community based restorative justice schemes. From this a restorative justice steering group was established which will now consider a broad range of strategic issues which will inform future partnership working.

The Housing Executive has also contributed to the development of the Department of Justice draft Northern Ireland Community Safety Strategy (Building Safer, Shared and Confident Communities).

The Housing Executive is also leading out a European funded initiative designed to reduce re-offending rates amongst young men. The purpose of the initiative, entitled the Re-integration of Offenders Project is to ensure that appropriate services are made available to young men being released from Hydebank Prison. The scheme has been in place from October 2010 and has already worked with 14 offenders. A further 20 offenders have been identified for possible inclusion in the project. This is a one year pilot which will conclude in September 2011.

We have continued to expand our partnership arrangements with local councils in the provision of night time warden services which are now in place in Banbridge, Limavady, Derry/Londonderry, Belfast, Moyle, Antrim and Strabane. Night time warden services are now acknowledged as an important way of visibly reassuring the general public that statutory agencies are tackling anti-social behaviour head on.

This year we have also expanded the use of Information Sharing Protocols by introducing such arrangements into the Colin area of West Belfast. A protocol is now in place with seven housing associations, the Housing Executive and Lisburn PSNI to share information so that anti-social behaviour can be more speedily actioned.

Responding to Reports of Anti-Social Behaviour

Over the past 12 months our 35 district offices have received and processed 4,667 reports of anti-social behaviour (ASB). We will continue to work with communities and partner agencies in addressing such reports in order to stop ASB and minimise the potential for re-offending.

While we will always seek to intervene and resolve ASB as quickly as possible, there remain circumstances in which legal action is required. In 2010/11 a total of 62 properties were repossessed on the grounds of ASB. This represents a 14% increase over the previous 12 months when 54 properties were repossessed.

Preventative measures to address ASB continue to be used widely with over 70% of all reports of ASB being resolved through the use of visits, interviews and warning letters. The use of mediation as a means of resolving ASB rose significantly this year with 248 cases actioned through mediative interventions. We will continue to promote an early interventionist approach to resolving ASB and thus ensure that legal action to repossess properties remains the last resort.



Objective 5 – Key Performance Indicators

KPI 5.1.1 – Working with local communities

To implement and report progress on the Community Involvement Strategy.

Review with the Housing Community Network (HCN) performance information and demonstrate how best to present and report this information.

Performance 2010/11:

At District HCN level the districts' performance in relation to repairs and maintenance, housing applications and relets, community safety, anti-social behaviour (ASB) and vacant properties are presented to the HCN members. At Area HCN the managers from the service units update HCN members on Customer Service Unit (CSU), Housing Benefit and arrears performance.

Performance 2009/10:

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.

To work in collaboration with the education sector to obtain a further increase in the uptake of the Community & Education Partnership Award (C&EPA) (Building Social Enterprise) to demonstrate partnership working between schools and the local community.

Performance 2010/11:

A successful event was held in October 2010 to present the Community and Education Partnership Award to schools and community groups throughout the province.

Performance 2009/10:

The Housing Executive and Educational Guidance Service for Adults (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. 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.



KPI 5.1.1 – Working with local communities continued

Explore the development of a separate forum to consider the particular needs and services available to people with disabilities.

Performance 2010/11:

Draft proposals for the setting up of a Disability Forum have been presented to the HCN.

Performance 2009/10:

This was not previously included as a KPI.

Review pilot tenant led inspections to examine how our policies and procedures operate and develop way forward by March 2011.

Performance 2010/11:

Pilot tenant led inspection of anti - social behaviour has been completed. Results have been presented to HCN and Action Plan agreed.

Performance 2009/10:

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.

KPI 5.1.2 – Working on health related issues

Implement the recommendations of the review of the Housing & Health Strategy and report 6 monthly progress to the Board.

Performance 2010/11:

A paper presented to February 2011 Board meeting provided key proposals for taking forward an outcome-based approach.

Performance 2009/10:

Six monthly progress report to October Board; good progress is being made.

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 2010/11:

Bonfires

Bonfire management has been considerably strengthened this year with a record number of bonfires (16) being supported through the Cohesion Unit bonfire management programme. This has led to improvements in the collection of material, reductions in police callouts and reduced displays of sectarian imagery. New bonfire management projects have been initiated in Craigavon and Lurgan which saw the removal of flags in these areas

Performance 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.

Re-Imaging

The Cohesion Unit has been working with the Sandy Row community for many months and has been able to secure agreement for removal of the paramilitary mural at the entrance to Sandy Row. This transformation will have a major impact on this area as well as the City and will, it is hoped, act as a catalyst for further re-imaging of paramilitary murals across Belfast.

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.



Memorial, flags and murals

The Cohesion Unit is preparing a comprehensive database on all memorials, flags and murals located within NIHE estates which will assist in the Building Relationships in Communities (BRIC) programme. The Cohesion Unit will also be working on good relations issues in 80 estates over the coming 3 years.

Shared New Build

We have worked with housing associations to encourage the introduction of the Shared New Build brand to schemes deemed to have shared potential. In 2010/11 new shared schemes were brought forward in Loughbrickland and Sion Mills. Work is also underway to develop a Belfast City Centre waiting list that will bring all new city centre social housing schemes into a shared waiting list rather than align them with existing segregated housing areas. A proposal on this new policy has been put to the May 2011 Board.

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, Roads Service and a range of other partners.

This year new build schemes at Causeway Meadows in Lisburn and Sion Mills were formally launched and new build construction commenced at Gowanvale in Banbridge and 4 further schemes are currently being examined for future potential. From this year, the Housing Executive now deems all schemes in the programme as having shared future potential.

Segregation/ integration

Performance 2010/11:

We are continuing to deliver the Shared Neighbourhood Programme across 30 NIHE estates until the programme conclusion in June 2011. The evaluation of Phase 2 has once again shown the significant impact of the programme. DSD wishes to mainstream SNP and discussions were held in April 2011 with officials on how the new programme can be implemented. The Shared Neighbourhood staff were short listed for the National Housing Heroes Awards.

Performance 2009/10:

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.

Race Relations

Performance 2010/11:

Work on promoting good Race Relations is continuing in line with the Race Relations Policy and Action Plan initiated in 2005.

Racial Harassment and Intimidation:

Work continues with the Belfast City Council Community Safety Partnership Thematic Group on Hate Crime and Tension Monitoring.

The Hate Incidents Practical Action Scheme continues to provide practical support to the victims of hate crime.

We continued to support the Bi-lingual Advocacy Scheme in Belfast working to enhance good relations and tackle race relations issues. An in-house evaluation is underway.

Promoting Black and Minority Ethnic (BME) Social Inclusion:

Performance 2009/10:

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.

The Black and Minority Ethnic (BME) 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.



KPI 5.2.1 – Promoting good relations in communities continued

The BME Housing Forum met 4 times and discussed dealing with anti-social behaviour and provided input to the Housing Executive's response to the Cohesion, Sharing and Integration (CSI) document. The Forum is currently working on a pilot project in the Belfast area on improving service delivery to the BME population.

Intercultural awareness training continued for staff (Coleraine, Lisburn and Ballymena) and community groups.

Ending Hate in our Communities was delivered to the North and West Belfast Housing Community Networks.

The Northern Ireland Council for Ethnic Minorities (NICEM) staff delivered talks on the operation of the Belfast Migrant Centre to Belfast Districts, Housing Benefit, Accounts, Homeless Service Unit and Counter staff prior to the official opening.

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 Scheme.

Community Participation and Development:

23 District Offices completed projects through the Race Relations Charter implementation fund. The first Community Welcome Pack (East Belfast) was launched on 16 March 2011 in Connswater Shopping Centre.

The 2009 Good Relations Awards resulted in 5 Housing Community Network (HCN) community groups being awarded £2,000 each to deliver innovative good relations projects in their local areas in 2010. A wide range of race related events were supported across NI.

The Intercultural Achievement Awards presented at Parliament Buildings on 22nd June 2010 (with Office of First Minister and Deputy First Minister, Department of Justice, Police Service Northern Ireland) promoted and shared best practice in the area of race relations, community safety and community cohesion. The winner of the Community Cohesion Award (sponsored by NIHE) was the South Belfast Round Table on Racism.

Migrant Workers:

The Housing Executive contributes to the Department of Education & Learning (DEL) Migrant Worker Sub-Group.

In December 2010 we won the UK Award for Bridging Cultures for work supporting intercultural dialogue. The Award recognised the Shared Race Relations Charter developed in partnership with Integrated Communities Network and Supporting Communities Northern Ireland.



Interface areas

Performance 2010/11:

Procurement is now underway for the development of a visioning tool to help interface communities develop their communities without the barriers. This was initiated through the recently undertaken BRIC project. It is hoped this work, which will commence summer 2011, will contribute to interface communities exploring the possibility of the removal of existing peace walls, by allowing communities on both sides of the wall to see how their safety can be maintained without the provision of walls.

Performance 2009/10:

The Community Relations Council 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.

Communities in transition

Performance 2010/11:

We have drawn up selection criteria to identify Housing Executive estates for inclusion in the BRIC programme that will assist communities to move forward into becoming more shared and welcoming for all.

Performance 2009/10:

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.

KPI 5.2.2 – Encouraging people to live in shared neighbourhoods

Work in partnership with housing associations to implement the Shared Future Housing Programme whereby all schemes in the programme are deemed potential shared future housing. To examine the potential for further shared housing schemes in existing Housing Executive and housing association stock.

Performance 2010/11:

In 2010/11 new shared schemes were brought forward in Loughbrickland and Sion Mills. Work is also underway to develop a Belfast City Centre waiting list that will bring all new city centre social housing schemes into a shared waiting list rather than align them with existing segregated housing areas.

Performance 2009/10:

A total of 4 additional shared new build schemes were developed by our Housing Association partners in Pond Park Lisburn, Abbey Drive Enniskillen, Sycamore Drive Cavanaleck in Enniskillen and the Curzon 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, Ballyfatton Close, Sion Mills, Gowanvale, Banbridge, 2008. From this year, the Housing Executive now deems all schemes in the programme as having shared future potential. 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.



KPI 5.2.3 – Deliver the Shared Neighbourhood Programme

To continue to deliver the Shared Neighbourhood Programme to 30 existing Housing Executive estates across the province.

Performance 2010/11:

All 30 shared neighbourhoods are now participating in the programme. An external evaluation of Phase 1 and 2 of the programme has been completed and findings were overwhelmingly supportive of the work.

Performance 2009/10:

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.

KPI 5.2.4 – Implement the Good Relations programme

To implement the regional Good Relations programme “Putting Good Relations at the Heart of Social Housing”.

Performance 2010/11:

The Building Relationships in the Community (BRIC) programme commenced in July 2010 and all 12 new members of staff (6 of which are NIHE staff) have been recruited and are in post. A comprehensive training programme for new staff was completed in December 2010 and training of NIHE policy staff and senior managers commenced in February 2011. The Boards of NIHE, Rural Development Council and Tides will be jointly trained in April 2011. Work is also underway to identify the initial 80 community participants in the neighbourhood programme and procurement for 3 research projects (including regeneration and cohesion, cross-border housing markets and the interface visioning tool) is underway.

Performance 2009/10:

This was not previously included as a KPI.

KPI 5.2.5 – Promote good race relations

Continue to implement the Race Relations Action Plan

Performance 2010/11:

See 5.2.1

Performance 2009/10:

See 5.2.1

KPI 5.3.1 – Helping to improve communities

To meet the targets in the Community Safety Strategy 2008-2011; Building Safer Communities and report twice yearly to the Board.

Performance 2010/11:

Achieved.

Performance 2009/10:

Progress reports were made to the Board.



To respond to all reports of anti-social behaviour as soon as possible and in any case within 3 working days. To work in partnership with the statutory, community and voluntary sectors in developing and delivering improved community safety at estate level.

Performance 2010/11:

Achieved.

Additional anti-social behaviour (ASB) performance reports have been introduced across all district offices. These performance reports have the traffic light system applied to aid performance monitoring.

HQ, Area Offices and District Offices are all engaged in the development and delivery of a wide range of community safety initiatives including:

- The Reintegration of Offenders Project.
- Night time warden services in Belfast, Moyle, Banbridge, Derry, Antrim, Strabane and Limavady.
- 25 ASB Fora.
- Assisting People and Communities service now extended to include Mediation Panel referrals.

Performance 2009/10:

During 2009/10, 4,684 ASB reports were registered in District Offices. A range of partnerships were developed and implemented during the year:

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 on expansion of the Assisting People and Communities 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.

Performance 2010/11:

Continual monitoring of Community Restorative Justice Ireland, and Northern Ireland Alternatives ongoing. Following an inter agency seminar on the future of restorative practices, held on 25 November 2010, a Restorative Practices Steering Inter agency group has now been established with a view to developing future funding/ partnership arrangements.

Performance 2009/10:

Both Community Restorative Justice Ireland and Northern Ireland Alternatives 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.



OBJECTIVE 6

Better Public Services

During the year we invested £31m in our aim to deliver the best possible housing services within a framework of continuous improvement.

Personal Data

We have security systems in place to ensure the protection of all personal data which we hold. In particular laptops which can be used outside of the normal office environment are encrypted so that data held on them cannot be accessed by unauthorized parties.

During the year we had four security incidents. In two of the incidents there was no data loss. The other two cases related to the theft of cars belonging to staff which contained a small number of hard copy files. In one of these cases the files were retrieved. Awareness bulletins have been issued to staff during the year on the importance of information security.

Customer Satisfaction

The annual Continuous Tenant Omnibus Survey continues to provide a wealth of customer views on how well the Housing Executive is delivering its key services. The 2009 survey, the results of which were published in 2010, indicated high levels of satisfaction with services. 88% of customers expressed satisfaction with the overall service.

Equality

In 2010/11 we continued to promote the equality agenda. Our Children and Young People's policy was approved and the priority of training staff in child protection got underway.

Consultation and participation remained a key focus and a new toolkit on consulting was developed and is currently being tested. The Consultative Forum on Equality met on four occasions with the main focus on the next generation of the equality scheme which is due to be submitted to the Equality Commission on 2012.

Language and communication support was enhanced with the delivery of information and services in over 20 languages in addition to sensory disability support. We reviewed and will be launching a new Disability Action Plan which is based on the views of our customers and their representatives.

An equality impact assessment was conducted on further revisions to the Strategic Guidelines for the Social Housing Development Programme which included a presentation to the Social Development Committee.

We continue to monitor our services for equality of opportunity and provide information on the diversity of our customers.

Affirmative Action

Our 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. Our Community Liaison Officer has undertaken around 100 interventions in controlled and voluntary grammar schools in the secondary education sector, covering career talks, support for interview skills, work experience and contributions to aspects of the curriculum.

Our People Strategy

The aim of the People Strategy is to set out the strategic context for our personnel and development policies, which aim to enable staff to make the best contribution they can to ensuring that the organisation meets its objectives. There was a range of key activities and themes within the Strategy over the year.

Sickness Absence

We maintained a strong emphasis on managing attendance. The level of absence at year end was 5.5% (average absence of 12.1 days per employee). This represents an 8% reduction in the level of absence over the year.

Manpower – Staffing Levels

We achieved the efficiency savings within the salary budget as agreed with DSD, while ensuring that our key objectives were met.

Modernising Services

Over the last three years we have radically changed the ways in which we deliver services through our Modernising Services programme. The vision is being delivered through a programme of business change addressing Information Communication Technology (ICT) services, structural and process changes, developing new customer contact channels and the implementation of a new approach to learning and development.

Our 11 Service Units across Northern Ireland provide an efficient telephone service for tenants and customers to report repairs and apply for housing as well as facilitating the processing of Housing Benefit and rent accounting. The development of new LEAN technology applied to Housing Benefit has shown major improvements in service delivery, faster assessment times for applications and improved levels of customer satisfaction. This will be introduced to more business units and in particular arrears management, response maintenance and financial systems. We have rationalised the number of District Offices to continue the facility for direct face to face contact with our customers.

The new telephony system has provided major savings and introduced dedicated numbers for repairs and Housing Benefit reducing the number of telephone numbers from 69 to 3. A total of 1.1 million calls were managed by our switchboard in 2010/11 and performance figures show that the average time taken to answer these calls was less than four seconds. Further benefits for the customer include telephone applications for housing and appointments made at first point of contact.

A new housing management system supports the management of landlord services such as allocations, maintenance and rents. The system continues through a significant phased upgrade to improve functionality and service delivery. Phase 1 was completed incrementally between January 2010 and July 2010. Phase 2 is programmed to complete by July 2011 with the final Phase 3 introduced incrementally by March 2012. The new system will provide further opportunities for mobile working, document scanning and web transactions.

During the year we completed a review of our Technical Services group and, undertook a review of our Grants Offices which led to a reduced number of outlets from ten offices to six with a sub office in Fermanagh.

Learning & Development

A range of functional and knowledge based learning programmes as well as programmes meeting corporate and legislative learning needs, were delivered during the year. In all some 1,000 learning and development sessions were undertaken involving over 10,700 participants.



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 year we 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.

Housing Benefit Administration

During 2010/11 we paid out a total of £573.3m in Housing Benefit. £211.9m was paid in respect of public sector claims and £361.4m in respect of private sector claims (this includes payments for housing association tenant claims). This was an increase of 10.7% over the previous year. The number of people receiving Housing Benefit increased by 4.3% during the year to a total of 156,991 (68,121 in Housing Executive tenancies, 22,395 in housing association tenancies and 66,475 in the private rented sector).

In addition, a further £2.2m was paid to 17,867 Rate Relief claimants and £0.5m was paid to 4,147 Lone Pensioner Allowance claimants.

We continued our efforts to reduce the level of fraudulent claims and during the year 276 cases were referred to the Benefit Investigation Service of the Social Security Agency for investigation.

The level of overpayments increased from £23.4m to stand at £26.9m at the end of the year. During the year overpayments amounting to £18.4m were identified and £13.1m was recovered with a further £1.8m being written off.

Rent & Arrears Controls

We have an annual rental income of £245.9m and by the end of the year we were managing 90,188 homes. At 31 March 2011 total rent and rates arrears were £12.6m, a decrease of £654k.

During the year we continued to provide advice and support, including debt counselling and preventative arrangements for those who had difficulty paying their rent as well as taking firm action against those who persisted in not paying their rent.

Allocating Vacant Properties

At March 2010 there were 774 lettable vacant properties, representing just 1% of the housing stock.

Commitment & Professionalism of Staff

We are committed to providing services to our customers in a professional manner. Our grants service was successful in obtaining accreditation to the Customer Service Excellence Standard in December 2010. In addition Housing and Regeneration Division was successful in being re-accredited with the Customer Service Excellence Standard, demonstrating staff commitment to continuous customer service improvement.



Objective 6 – Key Performance Indicators

Performance shown as 100% or greater indicates that the target has been met or exceeded. For example where a target is 95% and actual performance is 96% that will be shown as 101 %.)

KPI 6.1.1 – Maintaining an excellent research programme

Deliver the 2010/11 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. Develop a research programme for 2011/12.

Performance 2010/11:

The 2010/11 research programme has been delivered in line with agreed timescales and budget. The research programme for 2011/12 has been developed in partnership with key clients and was approved by the March 2011 Board.

Performance 2009/10:

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.

KPI 6.1.2 – Working with other organisations

Meet and brief the Housing Council on a monthly basis, the Social Development Statutory Committee and other public representatives and groups as required.

Performance 2010/11:

Completed and ongoing.

Performance 2009/10:

Ongoing. This service is delivered on a monthly basis.

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 2010.

Performance 2010/11:

Housing News was published at the end of September 2010 and has been delivered to all tenants.

Performance 2009/10:

Achieved. Housing News delivered to all residents at end of September 2009.

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. Target 3% over 3 years.

Performance 2010/11:

Satisfaction with overall service to target 86%;	Actual 88%
Satisfaction with the repairs service to target 74%;	Actual 76%
Satisfaction with the Grants service to target 72%.	Actual 92%

Performance 2009/10:

Satisfaction with overall service to target 86%;	Actual 85%
Satisfaction with the repairs service to target 74%;	Actual 75%
Satisfaction with the Grants service to target 72%.	Actual 87%



KPI 6.2.1 – Improving customer satisfaction continued

Performance 2010/11:			Performance 2009/10:		
	Target	Outcome		Target	Actual
Attend tenants visiting the district office within 15 minutes;	95%	91%	Attend tenants visiting the district office within 15 minutes;	95%	91%
Demonstrate satisfaction with telephone service;	87%	91%	Demonstrate satisfaction with telephone service;	87%	88%
Satisfaction with opportunities for participation in the management of their estate/area;	54%	50%	Satisfaction with opportunities for participation in the management of their estate/area;	54%	52%
Demonstrate satisfaction with staff courtesy;	96%	95%	Demonstrate satisfaction with staff courtesy;	96%	92%
Demonstrate satisfaction with consultation.	69%	74%	Demonstrate satisfaction with consultation.	79%	70%

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 2010/11:	Performance 2009/10:
91% of complaints were dealt with within the 15 day timescale for reply.	91% of complaints were dealt with within the 15 day timescale for reply.

KPI 6.2.3 – Minimising complaints

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

Performance 2010/11:	Performance 2009/10:
Out of 7 complaints dealt with by the Commissioner for Complaints 5 were upheld by Commissioner.	Out of 8 complaints dealt with by the Commissioner for Complaints, 5 were upheld by the Commissioner.

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 European Foundation for Quality Management (EFQM) model as a basis for business improvement.

Secure Private Sector Improvement Services (PSIS) accreditation under the Customer Service Excellence standards by December 2010.

Performance 2010/11:	Performance 2009/10:
Housing & Regeneration has obtained Customer Service Excellence. A full Customer Service Excellence Assessment was carried out by the accredited Assessor from 29 November – 1 December 2010 and the Assessor has accredited PSIS with the Customer Service Excellence Standard. Use of the EFQM continues.	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.



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 2010/11:

The 2009/10 Strategic Guidelines Equality Impact Assessment (EQIA) has 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 developed and approved by the Board in April 2010. Consultation was delayed pending input from the Social Development Committee (SDC) however following recent correspondence from the Committee consultation was formally commenced in October 2010 and completed 31 December 2010. A presentation was made to the SDC and a final report will be presented to the Board in April 2011. Screening of new and amended policies continues with screening reports completed on the “Transfer of vacant stock”, “Proposal to transfer 55 dwellings at Rinmore, Creggan”, Grants Outlet Review and Local Housing Allowance.

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. We responded to DARD’s ‘Rural Champion’ proposals which include possible revised ideas on rural proofing. When DARD finalises these proposals, we will review our rural proofing process to take account of any new DARD guidelines.

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 2010/11:

Environmental Management System externally assessed and re-accreditation confirmed November 2010 and May 2011. NI Environmental Benchmarking Survey completed June 2010, results launched October 2010, retained 1st quintile position.

Performance 2009/10:

Achieved October 2009.

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 2010/11:

Revised Sustainable Development Policy published. Consultation on draft implementation plan circulated and paper sent to October 2010 Board. We continue to report to the Board twice yearly on our contribution to the strategy. Staff mileage still monitored. Waste outputs segregated and recorded.

Performance 2009/10:

Our Sustainable Development reporting methodology has been developed and achieved.



KPI 6.3.1 – Reducing arrears

Ensure that total arrears at 31 March 2011 show a £100k reduction from the figure at 31 March 2010.

Performance 2010/11:

Arrears decreased by £654k in 2010/11 to £12,657k.

Performance 2009/10:

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

Reduce total arrears figure to 5% of collectable income.

Arrears reduced to 4.4% of collectable income.

This was not previously included as a KPI.

Reduce the number of tenants more than 13 weeks in arrears to 4% of all tenants by 31 March 2011.

Reduced to 3.4% of all tenants.

This was not previously included as a KPI.

Reduce arrears written off to 0.38% of collectable income by 31 March 2011.

Reduced to 0.33%.

This was not previously included as a KPI.

Reduce Past Tenant debt to <1% of collectable income by 31 March 2011.

Reduced to 1.34%

This was not previously included as a KPI.

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. Implement the debt prevention strategy.

Performance 2010/11:

A Financial Inclusion team has been set up to co-ordinate a comprehensive Financial Inclusion Strategy. A review of the Financial Inclusion strategy was prepared for the April 2011 Board to advise on the progress made 2010/11.

Credit and debit card payments are available. However with the introduction of the new Housing Management System (HMS) direct debits will also be available.

The evaluation and review of Money Advice has been completed.

Performance 2009/10:

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 26 days of previous tenancy termination.

Performance 2010/11:

A number of issues with the extraction of information used for reporting against this indicator give rise to concerns about the accuracy of this report.

Performance 2009/10:

Over the year 92% of properties were re-let within two weeks.

KPI 6.3.4 – Minimising the number of empty properties

Ensure that the number of void properties does not exceed 1% of stock.

Performance 2010/11:

At March 2011 there were 774 lettable void properties (0.86% of the housing stock).

Performance 2009/10:

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



KPI 6.3.5 – Comparing our performance to that of others

Implement the benchmarking strategy.

Performance 2010/11:

During the 2010/11 year the following benchmarking exercises have been completed with all results reported to the Board:

- Core Landlord Services
- Rent Collection and Arrears
- Repairs Value for Money
- Resident Involvement
- Complaints Service
- Customer Service Units
- Estate Management
- Tenant Satisfaction
- Housing Benefit

The Board has recommended that the organisation select a number of activities where our performance compares unfavourably with other organisations and formulate an action plan to bring about improvements.

Performance 2009/10:

2008/09 benchmarking exercise completed. NIHE management costs remain in the lowest quartile, with performance improvements in a number of areas.

KPI 6.3.6 – Processing housing applications promptly

Process at least 90% of housing applications within 20 working days.

Performance 2010/11:

97% of housing applications were processed within target.

Performance 2009/10:

97% 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 2010/11:

There are a number of issues with the new Housing Management System used for reporting against this indicator, which give rise to concerns about the accuracy of reporting. Hence performance cannot be accurately reported for 2010 /11. Accurate information should be available from 2011/12 onwards.

Performance 2009/10:

Emergency repairs, urgent repairs and routine repairs all exceeded the target at 96%.



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 2010/11:

84% of schedules were issued within 12 weeks of inspection.**

Performance 2009/10:

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

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

Performance 2010/11:

87% of approvals were issued within 6 months of documentation being received.**

Performance 2009/10:

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

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

Performance 2010/11:

94% of payments were made within six weeks of the request for inspection.

Performance 2009/10:

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

**DFGs only.

KPI 6.3.9 – Delivering adaptations promptly

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

Performance 2010/11:	Performance 2009/10:	Performance 2010/11:	Performance 2009/10:
Item	Achieved %	Item	Achieved %
12 weeks for lifts.	63	12 weeks for lifts	83
46 weeks for extensions.	32	50 weeks for extensions.	36
12 weeks for urgent heating.	62	12 weeks for urgent heating.	89
35 weeks for standard+ heating.	82	35 weeks for standard+ heating.	93
52 weeks for standard heating.	94	52 weeks for standard heating.	91
10 weeks for urgent showers.	100	10 weeks for urgent showers.	99
40 weeks for non-urgent showers.	100	40 weeks for non-urgent showers.	100
8 weeks for other minor adaptations (including ramps).	90	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.

(a) Process new Housing Benefit claims within an average 25 days.

Performance 2010/11:			Performance 2009/10:		
	Target	Actual		Target	Actual
Overall	25	21.4	Overall	29	28.7

(b) Process changes of circumstances within an average of 10 days.

Performance 2010/11:			Performance 2009/10:		
	Target	Actual		Target	Actual
Overall	10	5.9	Overall	10	13.3

(c) Ensure an accuracy rate of 96% for Housing Benefit assessments.

Performance 2010/11:	Performance 2009/10:
The performance at end of year was 96%.	The performance at end of year was 96.8%.

(d) Recover at least 85% of overpayments raised during the year.

Performance 2010/11:	Performance 2009/10:
We recovered 71.3% of overpayments.	Due to computer system problems this was not reported.

(e) Reduce the level of fraud and error in Housing Benefit to 2.43% of annual benefit expenditure by March 2011.

Based on a sampling exercise, the most up-to-date percentage is estimated at 3.1% of annual benefit expenditure for the year ended 31 December 2010.

Performance was 2.6% against a target of 2.43%

(f) Ensure that 100% of overpayments have timely and appropriate action taken.

This measure was used to report overpayment cases where preliminary action had not been taken within 2 weeks. It is a snapshot at every month end. At the beginning of the year, 2010/11, there were 2,909 Housing Benefit overpayments cases not actioned in a timely manner. However, this has substantially reduced and as at the 31 March 2011 there are only 16 cases that have not had preliminary action taken on a timely basis.

This was not previously included as a KPI.

KPI 6.3.11 – Managing our assets effectively

Implement and report on asset management plan.

Performance 2010/11:	Performance 2009/10:
The 2009/10 report on the Asset Management Strategy and Plan (Land and Property) 2009-2012 was presented to and noted by the Board in June 2010.	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.
The third meeting of the Corporate Asset Management Forum was held on 6 December 2010.	



KPI 6.4.1 – Ensuring our services are efficient

Deliver a programme of 'Lean' Reviews by March 2011.

Performance 2010/11:

The programme of Lean Process Reviews is underway in Housing Benefit and Area Accounts. Finance has commenced a Lean project in the Payments Section. Phase 1 complete.

Performance 2009/10:

This was not previously included as a KPI.

KPI 6.4.2 – Improving systems to deal with core activities

Implement the agreed Business Improvement Plan and prepare for the European Quality Award.

Performance 2010/11:

Business Improvement Plan on target. A decision on when to apply for the European Quality Award has been postponed pending organisational developments.

Performance 2009/10:

Complete. The Business Improvement Strategy was delivered and we won the UK Quality Award in October 2009.

KPI 6.4.3 – Deliver the Office Accommodation Strategy

Work with Housing and Regeneration to implement agreed actions under the Office Accommodation Strategy by March 2011.

Performance 2010/11:

On target – monthly meetings in place with Housing & Regeneration to progress strategy.

Performance 2009/10:

This was not previously included as a KPI.

KPI 6.4.4 – Improving security in our systems

Implement the Security Improvement Plan ensuring that NIHE maintains its Northern Ireland Civil Service (NICS) accreditation status by December 2010.

Performance 2010/11:

Security improvement plan implemented and re-accreditation achieved in December 2010.

Performance 2009/10:

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.



KPI 6.4.5 – Delivering the HMS Programme

Work with the relevant divisions to ensure that: the agreed Housing Management System (HMS) programme is implemented by March 2011.

Performance 2010/11:

HMS phase 1 (Maintenance) complete, phase 2 (Housing/Accounts) going live 4 July 2011, final phase (Homeless Service Charges) targeted for March 2012.

Performance 2009/10:

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 and will be complete by June 2010 with phase 2 (Housing and Accounts) scheduled for November 2010 and the final phase (minor modules) scheduled for March 2011

The Private Sector Improvement Services (PSIS) system is implemented by June 2010.

Performance 2010/11:

PSIS implementation completed on time.

Performance 2009/10:

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 6.4.6 – Develop transactions on the website

Work with divisions to agree the scope of web transactions and implement the agreed programme by March 2011.

Performance 2010/11:

Priorities identified. Implementation plan to be agreed for introduction of the new Housing Management System (HMS).

“Report a Repair” transaction has been added to the website.

Performance 2009/10:

This was not previously included as a KPI.

KPI 6.5.1 – Developing staff

Implement the actions agreed in the People Strategy by March 2011.

Performance 2010/11:

Action from the Strategy continued throughout the year. An update on the People Strategy was agreed at the April 2011 Board meeting.

Performance 2009/10:

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.



KPI 6.5.2 – Managing our salary budget

Implement the Manpower Plan for the year ensuring that the efficiency savings required are met.

Performance 2010/11:

The salary budget for 2010/11, ultimately set at £75,565k represented an efficiency saving of almost 5% on the previous year's budget. The salary costs came within budget at £74,982k, ensuring that the required efficiency savings were met. Over the last year the number of staff fell from 3,184 (March 2010) to 3,124 (March 2011).

Performance 2009/10:

Objective achieved. Manpower costs remained within salary budget.

KPI 6.5.3 – Reducing absence levels

Implement the Absence Strategy and achieve the absence target of 12.8 days.

Performance 2010/11:

An absence target of 12.10 days was achieved (in percentage terms - 5.50% achieved against target of 5.81%).

Performance 2009/10:

Actual 6.18% against target of 5.72%.



Key Performance 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

Based on the sample validation testing carried out, Internal Audit is content to conclude that the 2010/11 KPIs have been calculated on a reasonable basis with appropriate supporting evidence, except for:

- KPIs 6.3.3 (Housing Relets) and 6.3.7 (Repairs)

Given management's concerns expressed over information systems used to calculate KPIs 6.3.3 (Housing relets) and 6.3.7 (Repairs), Internal Audit cannot give an unqualified audit opinion in respect of these.



John McVeigh
Head of Internal Audit

Our Commitment

The Housing Executive's mission statement is 'to work together to ensure everyone has access to a decent affordable home in a safe and healthy community'.

I would like to take this opportunity to thank all those who supported the Housing Executive during 2010/11. In particular, our outgoing Minister, Alex Attwood, MLA who worked tirelessly for the entire housing sector throughout the year.

I would also like to thank officials within the Department for Social Development and our colleagues in the housing association movement.

Our work with members of the Northern Ireland Housing Council, all those who work in the statutory and voluntary sectors and all the political and community representatives cannot go without a mention. I would like to thank them for the contributions they make to improving and delivering housing in Northern Ireland.



Stewart Cuddy
Chief Executive (Acting)



This document is available in alternative formats. Contact:

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HousingExecutive

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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 2011

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 2010 - 31 March 2011

Brian Rowntree CBE	Chairman
Anne Henderson BSSc	Vice Chair
Dr Monica Wilson OBE	
Eamonn O'Neill	
Jim Speers MBE	
Brendan Curran	
Jenny Palmer	
Angela Coffey	(from 1 June 2010)
Enda Dunbar MBE	(from 1 June 2010)
Kenneth Millar	(from 1 June 2010)

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

By yet again living within our funding allocation, the year can be seen as successful from the financial viewpoint. The capital receipts from house and land sales were only marginally up from the previous year at £19 million, reflecting the ongoing austere economic conditions. Sound financial management was applied to the expenditure of the funds available, allowing us to maintain a high level of service to our tenants and other stakeholders.

The Housing Executive Board has approved a budget for 2011/12 that fits within the funding envelope that is anticipated. This will be the first year of the four year Budget 2010 spending review period, which will see reductions in revenue expenditure as a result of efficiencies and restrictions on capital programmes.

For the Year End 31 March 2011, the Housing Executive has prepared its annual report and accounts in accordance with International Financial Accounting Standards (IFRS). This is the second year that the annual report and accounts have been prepared in accordance with IFRS.

In 2010/11 the Housing Executive received funding from the DSD of £438.6 million (2010: £479.2 million). This included £63.9 million (2010: £62 million) for Supporting People grant, £166.8 million (2010: £157 million) for the Social Housing Development Programme grant and additional grant of £43.8 million (2010: £66 million) to support Private Sector Grants and Warm Homes Schemes. Note 33 within the Financial Statements provides a breakdown of that funding and how it was spent. In addition the Housing Executive has accounted for Housing Benefit grant of £568.8 million (2010: £528 million).

The accounts show net expenditure for the year of £976.8 million (2010: £963 million).

During the year a revaluation of the Housing Executive's land and Housing Stock 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 £876k (2010: £4.3 million) have been included in the Statement of Comprehensive Net Expenditure, 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 deficit in the pension fund. However the deficit has reduced from £282.8 million in 2009/10 to £76 million in 2010/11. The actuary explained that this decrease in the deficit resulted from a number of factors. Firstly salary increases being lower than expected together with an allowance for the 2011 and 2012 short term salary freeze have contributed to the reduction to the pension obligation. Further the change from using RPI to CPI for pension increases as outlined by the Chancellor of the Exchequer in the UK Budget in 2010 has also resulted in a

reduction to the pension obligation. Changes to the demographic assumptions together with positive member experience have also resulted in a fall in the pension deficit. Due to the fall in the pension deficit the funding level, that being the ratio of assets to liabilities, improved by 24%. Note 25 provides further pension disclosures.

Property, Plant & Equipment

For Year end 31 March 2011 annual accounts, the Housing Executive's land and Housing Stock 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. The remainder of the Housing Executive's property was revalued using appropriate indices supplied by Land & Property Services.

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 portfolio as at 31 March 2011 resulted in a decrease in value of £245 million which has been transferred to the Revaluation Reserve Account and the Donated Asset Reserve Account. Of this amount, £214.8 million represented a decrease in the housing stock valuation. This is due to the continued downturn in property prices. The land and other buildings within operational property suffered a downward revaluation movement of £30.2 million.

During the current financial year, land which was previously identified as 'Amenity' has been reclassified as 'Undeveloped Land' which was valued at £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 £33.3 million has been transferred to the Revenue Reserve Account from the Revaluation Reserve Account. During the financial year the Housing Executive sold 266 dwellings. In addition 63 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. By 2008, our entire customer facing offices had achieved Charter Mark

and moved to the new Customer Service Excellence Standard. In our first year we were awarded Standard Bearer Status in relation to our local housing services, one of only 17 organisations across the United Kingdom to be selected. Today all of our customer service units have achieved the standard. Over the past two years we have successfully introduced the 'lean systems' methodology as a main tool in our business improvement activity. This is showing significant benefits in terms of customer service, staff engagement, better processes and increasing productivity.

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 £159,426.74 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 123.

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 and 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 2009 House Condition Survey has now been completed and the final report has been published and is available on our website. Preparations for the 2011 survey have been completed and fieldwork commenced in May 2011. Headline results will be available in early 2012.

Important reports on the Private Rented Sector, the Housing Needs of Older People and Housing Market Areas were completed during the year and further work is ongoing. The first report on the Belfast Housing Market Area was completed in March 2011 and the agreed programme is now being rolled out for other areas. 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 and 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 2010/11, a total of 194,304 invoices were processed with 172,552 (88.80%) 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 126,322 invoices were processed of which 87,204 (69.03%) 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.

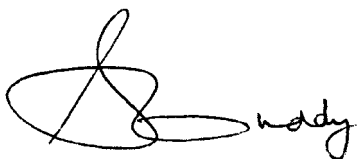
Auditor

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.



S Cuddy
Chief Executive (Acting)

Date: 29 June 2011

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	2011			2010		
		Salary £'000	Bonus Payments £'000	Benefits in Kind £'000	Salary Payments £'000	Bonus Payments £'000	Benefits in Kind £'000
B Rowntree Chairman	5 Nov 2007	40-45	-	-	40-45	-	-
P McIntyre Chief Executive Retired 31 Dec 2010	1 Mar 2004	90-95 *120-125	-	-	125-130	-	-
S Cuddy Director of Corporate Services/ Deputy Chief Executive until 31 Dec 2010 Acting Chief Executive from 1 Jan 2011	1 Mar 1998	100-105	-	-	100-105	-	-
C McCaughley Director of Housing & Regeneration	1 July 1999	85-90	-	-	90-95	-	-
M Taggart Director of Personnel & Management Services	1 Jan 1998	80-85	-	-	85-90	-	-
J McPeake Director of Design & Property Services until 31 Dec 2010 Acting Director of Corporate Services/Deputy Chief Executive from 1 Jan 2011 - 31 Jan 2011 Acting Director of Housing & Regeneration/ Deputy Chief Executive from 1 Feb 2011	1 Apr 2002	80-85	-	-	75-80	-	-
C Baillie Director of Finance until 31 Jan 2011 Acting Director of Corporate Services from 1 Feb 2011	1 Nov 2007	75-80	-	-	70-75	-	-

Remuneration Report (Continued)

Chairman and Directors' Emoluments - Audited

Name and Title	Date of Contract	2011			2010		
		Salary £'000	Bonus Payments £'000	Benefits in Kind £'000	Salary Payments £'000	Bonus Payments £'000	Benefits in Kind £'000
H Walker	Salary disclosed is for period from 1 Apr 2010 - 31 Aug 2010 (period in financial year served as Acting Director of Housing & Regeneration)	35-40 *75-80	-	-	-	-	-
S Graham	Salary disclosed is for period from 1 Sept 2010 - 31 Jan 2011 (period in financial year served as Acting Director of Housing & Regeneration)	30-35 *75-80	-	-	-	-	-
D Ferran	Salary disclosed is for period from 1 Jan 2011 - 31 Mar 2011 (period in financial year served as Acting Director of Design & Property Services)	15-20 *65-70	-	-	-	-	-
D Lamb	Salary disclosed is for period from 1 Feb 2011 - 31 Mar 2011 (period in financial year served as Acting Director of Finance)	10-15 *65-70	-	-	-	-	-

* Full year equivalent salary

Remuneration report (Continued)

Directors' Pensions - Audited

Name and Title	Real Incr. (Decr.) in Pension Related Lump Sum at Age 60 £'000	Total Accrued Pension at Age 60 & Related Lump Sum £'000	CETV at 31/03/10 £'000	CETV at 31/03/11 £'000	Real Incr. (Decr.) in CETV after adj. £'000
P McIntyre* Chief Executive Retired 31 Dec 2010	(1.5-2) Plus Lump Sum (10-15)	60-65 Plus 175-180 Lump Sum	1,569	1,444	(168)
S Cuddy Director of Corporate Services/Deputy Chief Executive until 31 Dec 2010 Acting Chief Executive from 01 Jan 2011	(0.5-1) Plus Lump Sum (7-7.5)	45-50 Plus 125-130 Lump Sum	1,097	1,057	(72)
C McCaughley Director of Housing & Regeneration	(1.5-2) Plus Lump Sum (8.5-9)	35-40 Plus 105-110 Lump Sum	951	872	(108)
M Taggart Director of Personnel & Management Services	(1-1.5) Plus Lump Sum (8-8.5)	40-45 Plus 115-120 Lump Sum	944	894	(87)
J McPeake Director of Design & Property Services until 31 Dec 2010 Acting Director of Corporate Services/Deputy Chief Executive from 01 Jan 2011 - 31 Jan 2011 Acting Director of Housing & Regeneration/Deputy Chief Executive from 01 Feb 2011	2-2.5 Plus Lump Sum 2-2.5	25-30 Plus 80-85 Lump Sum	522	525	(15)
C Bailie Director of Finance until 31 Jan 2011 Acting Director of Corporate Services from 01 Feb 2011	1-1.5 Plus Lump Sum (0.5-1)	25-30 Plus 75-80 Lump Sum	400	386	(30)
H Walker* Acting Director of Housing & Regeneration 01 Apr 2010 - 31 Aug 2010	4.5-5 Plus Lump Sum 11.5-12	20-25 Plus Lump Sum 65-70	444	563	105
S Graham* Acting Director of Housing & Regeneration 01 Sept 2010 - 31 Jan 2011	3-3.5 Plus Lump Sum 8-8.5	25-30 Plus Lump Sum 75-80	543	578	18
D Ferran* Acting Director of Design & Property Services from 01 Jan 2011	0.5-1 Plus Lump Sum 2-2.5	20-25 Plus Lump Sum 60-65	447	472	19
D Lamb* Acting Director of Finance from 01 Feb 2011	0-0.5 Plus Lump Sum 0-0.5	15-20 Plus Lump Sum 45-50	395	406	11

* Amounts disclosed regarding pension information above refer to the dates officers occupied the post.
The Chairman is not a member of the NILGOSC Scheme.

Remuneration report (Continued)

Directors' Pensions - Audited

Northern Ireland Housing Executive Pension Arrangements

The Housing Executive participates in the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) pension scheme for the majority of its employees. The Chairman is not a member of the NILGOSC Scheme. The NILGOSC scheme is a statutory scheme that benefits on a "final salary" basis at a normal retirement age of 65. Prior to 1 April 2009 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 salary for each year of service. The scheme's professionally qualified actuaries recommended the rates of contribution to be paid (6% salaried and 5% for non administrative employees prior to 1 January 2003, and 6% thereafter, and 17% 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 Scheme's professionally qualified actuaries recommend the rates of employers contribution to be paid.

From April 2011 pensions payable are increased annually in line changes in the consumer Price Index (CPI). Prior to 2011, pensions were increased in line with changes in Retail Prices Index (RPI).

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NILGOSC arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The actuarial factors that are used in the CETV calculation were changed during 2010, due to changes in demographic assumptions and the move from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI) as the measure used to uprate Housing Executive pensions.

Remuneration Report (Continued)**Board Members' Emoluments - Audited**

Name and Title	Date of Contract	2011 Salary £'000	2010 Salary £'000
A Henderson, Vice Chair	5th Nov 2007	15-20	15-20
Dr M Wilson	5th Nov 2009	5-10	5-10
E O'Neill	5th Nov 2009	5-10	5-10
J Speers	5th Nov 2009	5-10	5-10
B Curran	5th Nov 2009	5-10	5-10
J Palmer	5th Nov 2009	5-10	5-10
E Dunbar	1 June 2010	5-10	-
A Coffey	1 June 2010	5-10	-
K Millar	1 June 2010	5-10	-

The Chairman and Vice Chair were re-appointed on 5 November 2007 for a period of 5 years. Four Board Members were re-appointed on 5 November 2009 for a period of 4 years and one re-appointed for a period of 5 years. Three new Board Members were appointed on 1 June 2010 for a period of 5 years.



S Cuddy
Chief Executive (Acting)

Date: 29 June 2011

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 2011

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 2011 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. 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.

To further improve the risk management processes within the Housing Executive, during 2010/11 the Housing Executive Board agreed to the following:

a) The development of an Assurance Statement, along with Guidance notes:

The Housing Executive has plans in place to introduce a framework of assurance statements throughout the organisation with effect from the first quarter of the 2011/12 financial year. The assurance statements will cover a range of key control areas which are considered important in ensuring that agreed corporate objectives and statutory responsibilities are being achieved. Directors and managers will be required to give a formal personal assurance, supported by documented evidence, that key risks within their areas of operational responsibility are being managed properly. If relevant, managers will also have to identify any significant weaknesses identified by them as part of their review and provide confirmation that appropriate action is being taken to address them in a timely manner. The introduction of assurance statements will strengthen the existing governance arrangements, particularly the ongoing management of risks; and

b) The computerisation of Risk Management:

The computer system for managing Performance and Risk has been specified and the tender documentation is with the Housing Executive Procurement department for tender action. A plan is in place for implementation including parallel running with the existing process. It is planned that this will begin during the 2011/12 financial year.

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.

Identified risks are quantified using a scoring matrix based on HM Treasury guidance. In March 2011, following a recommendation made in the Governance Review undertaken by the Department for Social Development (DSD), the Board approved a paper to change the scoring system from a Likelihood/Impact (5x5) matrix to a 4x4 matrix. This means that, in the year ahead the maximum score for a high likelihood/high impact risk will move from 25 (5x5) to 16 (4x4). Changes in the

risk profile and the accompanying scores are monitored regularly by the Board and the Housing Executive Audit Committee, as well as management actions to mitigate risks identified.

For information, those risks which received the highest risk scores (using the 5x5 matrix) at 31 March 2011 were:

a) Failure to secure adequate funding (Risk Score 20)

Funding levels for the new build programme, maintenance, improvements and grants are below the levels which we believe are required. The risk score of 20, reflected the uncertainty over the overall funding position and the impact on delivering the necessary works and programmes. This is likely to remain a matter under discussion between the Housing Executive Senior Management Team, Board and DSD;

b) Land and Property (Risk Score 20):

This risk deals with concerns about the management of our land and property assets arising from a number of issues including ongoing investigations, the risk of losing land through adverse possession, risks to the Social Housing Development Programme/land transfer and identified weaknesses in how the asset transactions are currently recorded. Additional actions to control this risk include an audit investigation into the system of controls and the implementation of a computerised system to manage our land terrier more effectively.

c) Social Housing Development Programme (Risk Score 20):

This risk relates to the potential overpayment of funds to housing associations which have been suspended from the New Build Programme by DSD. Planned actions to control this risk have and are being applied. It has been decided that from 2011/12, this risk will be managed as part of the management of the core risk associated with the Development Programme.

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 our 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 Health Check consultant. These tests are carried out in addition to the ongoing IT Health Checks which are performed by BT as part of the Managed Service contract.

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.

In 2009 the Housing Executive achieved the UK Excellence Award, which is the highest UK award available for organisations within the European Quality Awards Framework. The Housing Executive became the first social housing body and one of a few public sector bodies to hold the UK Excellence Award. This achievement recognises the organisation and its staff's commitment to maintaining high quality services. It is proposed that preparation for a submission for the next tier of the award scheme, that of European Excellence Award, should commence during 2011/12.

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:

- a) Monthly reports on physical, financial and service targets contained in the Business Plan;
- b) Bi-annual Accountability and Performance Review Meetings between the Minister and the Housing Executive Chairman to examine the Housing Executive's performance;
- c) The Department's 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; and
- d) 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.

The Housing Executive is in the final stages of implementing a major Modernising Services programme involving the remodelling of our business activities and the introduction of new technology and systems. The restructuring programme was completed in the last financial year and the current financial year should mark the implementation of the final new technology modules. Progress at year-end and the half year continues to be reported to the Board.

The programme 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 monitors changes in the Housing Executive risk profile and periodically 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.

During 2011/12, the Housing Executive will establish a Corporate Assurance Unit. This unit will be headed up by a newly appointed Head of Corporate Assurance and will focus on ensuring corporate compliance with the framework of policy, controls and procedures established by the Board and management.

Significant Events

Severe Weather Crisis:

During the severe winter conditions around Christmas and New Year, the Housing Executive received an unprecedented number of calls from tenants requesting an urgent response to plumbing and heating failures to properties. During this period, we issued 41,546 repair orders for 25,462 properties across the province.

While there was some criticism expressed about our initial speed of reaction, a concern which was quickly addressed, the Minister for Social Development and other public representatives have commended the Housing Executive on its overall response, particularly those working on the ground.

We have carried out a review of all aspects of our response in order to ensure we are prepared for similar situations in the future and as a result we have put in place a new emergency plan and additional contingency arrangements with our contractors.

Internal Control Issues

I. EXTERNAL REVIEWS

In January 2011, DSD published two reports on the Housing Executive:

a) Review of Governance:

The Review of Governance concluded that “the Northern Ireland Housing Executive has good Governance Structures in place corporately and there is much evidence of good practice at Board, Sub-Committee and Management level.”

However, the Review Team identified a range of critical control issues which weaken the Governance structures and their effective operation. The report’s recommendations address these identified weaknesses. The Governance Review contains 75 recommendations, 16 of which are designated “critical control” and the remaining 59 “good practice”.

b) Procurement Health Check/Gateway Review:

The purpose of the Procurement Health Check Review, which also made a number of recommendations, was to:

- I. Review the procedures for establishing Housing Executive contracts;
- II. Review compliance with procedures;
- III. Review the procedures for managing Housing Executive contracts; and
- IV. Determine if controls over the prevention and detection of fraud and error related to the establishment and management of Housing Executive Egan-style contracts are considered to be in line with industry best practice.

There are 14 recommendations within the Procurement Health Check and these are all deemed “critical control”.

c) Project Oversight:

To ensure that the recommendations are progressed and implemented in a satisfactory manner the following governance arrangements have been established:

- I. An Oversight Group has been established chaired by DSD and including external members. Its role is to agree the overall Implementation Plan (covering both the Governance and Gateway reviews) and ensure it is implemented in an effective and efficient manner; and
- II. A Housing Executive Implementation Group has been formed and this is chaired by the Housing Executive Chief Executive and comprises Housing Executive Directors and two Board members. A member of the Oversight Group is also on the Implementation Group. Its role is to ensure that the Implementation Plan is delivered effectively and efficiently. A full-time Programme Manager has been appointed to deliver the recommendations.

The effective date for the planned implementation of the new contracts and new contract management system is 1 November 2011.

II. INVESTIGATIONS

There are four investigations ongoing which were first reported in the 2010 Statement on Internal Control. Progress on these is as follows:

- a) In April 2011 the Housing Executive Board, following a detailed consideration of an external review (which had been requested by the Housing Executive Audit Committee) and internal Housing Executive maintenance inspection reports, agreed to terminate all of Red Sky Group's response maintenance contracts with immediate effect, while giving the required three month's notice. Furthermore, as a result of serious issues identified during the reviews of response maintenance work carried out by the Repairs Inspection Unit of the Housing Executive, an internal report was passed to the Personnel department to consider whether or not disciplinary action is merited. An investigation is currently underway in line with the Disciplinary Procedures to examine the conduct of the maintenance officers involved;
- b) During early 2010, as a result of an internal investigation regarding a site zoned for social housing in North Belfast, it was decided to refer the matter to the Police Service of Northern Ireland (PSNI). At this time the matter is still undergoing consideration by PSNI;
- c) Allegations surrounding the professional qualifications and competencies of personnel working for a Housing Executive contractor were the subject of investigation. The dispute over qualifications and competencies has also led to legal action between the contractor under investigation and another contractor. The Housing Executive has written to all its All Trades Contractors as a result of a preliminary ruling in the case, to ensure compliance from all contractors across Northern Ireland working on Response Maintenance All Trades Contracts. The Housing Executive now requires contractors to employ only properly qualified electricians for necessary installation, testing and commissioning of electrical work; and
- d) During 2010, Housing Executive staff developed concerns about alleged overcharging by certain contractors carrying out work to Housing Executive properties. These concerns were thoroughly investigated and pursued under the contracts dispute procedure. Following extensive discussions with the appointed project manager, their insurers and related contractors, agreement has largely been reached on a quantified level of overcharging which will now be subject to recovery procedures. Advice received by the Housing Executive indicates that it is not believed that the overpayment arose because of fraudulent action.

During 2011, a number of additional investigations have commenced. These are as follows:

- a) Following a referral from DSD and the Northern Ireland Audit Office (NIAO), the Housing Executive began to examine activities surrounding land which was sold by the Housing Executive to a community group in Greater Belfast and which was subsequently sold to a third party. Discussions with PSNI are ongoing about this case;
- b) In response to a finding of maladministration by the Northern Ireland Ombudsman in relation to the sale of land in Belfast to a developer, an internal review was conducted by the Housing Executive. Following this review, a formal investigation has been launched to establish if fraud is present;
- c) As a result of work carried out by Housing Executive maintenance inspectors, concerns have emerged about work done by a maintenance contractor in the Greater Belfast area and the conduct of Housing Executive maintenance staff. Internal disciplinary proceedings have commenced and the matter remains under investigation;
- d) Routine internal monitoring led to the detection of suspected falsification of Housing Executive records by a member of staff to facilitate financial gain by an external party. A file on these alleged activities has been forwarded to PSNI;
- e) Following concerns raised internally within the Housing Executive, an investigation has commenced into activities surrounding a proposal to transfer the ownership of a number of Housing Executive properties to a Housing Association. Inquiries are ongoing into this matter which is also subject to a review by NIAO following referral by a whistleblower; and
- f) As a result of specific concerns over certain land transactions, a dedicated review team is examining a number of land and property case files to ensure they were managed in line with the agreed policy/procedures and to highlight any cases of non-compliance. As at the end of March 2011, three files have been referred to the Counter-Fraud and Security Unit for further investigation. A fundamental review of the policies and procedures applied within the Housing Executive's Land and Property unit will be carried out during the coming year. It is intended that this will be led by a suitably qualified independent practitioner with experience in this field.

III. INTERNAL AUDIT REPORTS

During 2010 /11, 43 audit assignments were carried out. Of this 43, the assurance opinion analysis is as follows:

- a) 26 reports were classified as Satisfactory;
- b) 11 reports were classified as Limited; and
- c) 6 reports were validation certifications/non-standard reports which did not require an opinion using the normal assurance protocols.

Limited Audit Opinions

Internal Audit returned eleven overall limited audit opinion classifications during 2010/11:

a) Divisional Inspection Unit (Housing and Regeneration):

Internal Audit identified a number of weaknesses in the Inspection process used to measure frontline services. This included the lack of a trained cadre of staff, file management and tracking of recommendations made by this unit.

Management Response:

Internal Audit findings have been accepted by management, retraining is underway and the Divisional Inspection Unit will be transferred to the newly established Corporate Assurance Unit.

b) Grant Inspection Unit:

Internal Audit found a number of weaknesses in the controls surrounding accuracy of work, implementation of recommendations and work programming.

Management Response:

As with the Divisional Inspection Unit report, Internal Audit findings have been accepted by management, retraining is underway and the Grant Inspection Unit will be transferred to the newly established Corporate Assurance Unit. Internal Audit has held a one-day training event with members of the Grant Inspection Unit and this will be rolled out to other inspection units in 2011/12.

c) Housing Benefit Inspection Unit:

The classification relates specifically to the inspection process of Housing Benefit as opposed to the Housing Benefit System itself. It had been observed that, due to a management restructuring strategy, the inspection programme had reduced and in some cases been suspended.

Management Response:

The Housing Benefit Inspection Unit has now been merged with the Divisional Inspection Unit and the combined unit will form part of the newly established Corporate Assurance Unit.

It is anticipated that this will facilitate more rigorous and standardised inspection protocols.

d) Response Maintenance Repairs System:

Internal Audit carried out an evaluation of the control system over expenditure on response maintenance activity. Weaknesses over the controls to identify work carried out on non-Housing Executive properties and general segregation of control concerns were identified.

Management Response:

While Internal Audit recommendations were accepted in full, given the importance which management have placed on improving contract management in the Housing Executive, Internal Audit will be returning to this area during 2011/12 to ensure progress is being made.

e) Land Acquisition (Urban Renewal Areas) Payments:

Internal Audit highlighted weaknesses in the recording of financial transactions surrounding an Urban Renewal Scheme in North Belfast. In one case, a property was purchased, damaged and subsequently demolished without being properly recorded on the relevant Housing Executive asset register.

Management Response:

Management have completed a detailed review of this case and have put in place controls to ensure properties acquired through Urban Renewal schemes are securely managed.

f) Land Acquisition (Urban Renewal Areas) Advance Purchases:

Internal Audit raised concerns over Housing Executive proceeding with advance purchases of properties under an Urban Renewal Scheme before formal approval of the relevant economic appraisal was received from DSD.

Management Response:

Discussions to clarify the use of economic appraisals in Urban Renewal Schemes remain ongoing between the Housing Executive and DSD. Management will ensure that best practice is followed for future schemes.

g) Directors/Board members Interests (including Audit Committee Members):

Internal Audit found a number of weaknesses surrounding the recording of Director / Board members Interests including Audit Committee Members.

Management Response:

A comprehensive register of Director/Board member interests is now in place and is a standing item for consideration on the Housing Executive Audit Committee.

h) Housing Benefit Overpayments:

Internal Audit highlighted weaknesses surrounding the control environment over Housing Benefit Overpayment management. Specifically, at present Northgate (Housing Executive Housing Benefit system - software supplier) is unable to provide the Housing Executive with a report listing individual overpayments created each month. This information in summary form has to be derived as a balancing figure in reporting KPI information. "Overpayments recovered" is also unavailable from the I-World System, though this information is available from Finance. There were differences noted in the Data-matching, Compliance, BIS and Overpayments sections of the Fraud and Error Report which Internal Audit could not reconcile or recreate exactly. The Housing Executive Divisional Inspection Unit (DIU) performed 2 overpayments inspections of each service centre in 2010/11. There was limited scope in DIU work in 2010/11 and consequently only limited assurance can be derived from it. The DIU plans to probe deeper in inspections in 2011/12.

Management Response:

Management have accepted the findings made, while maintaining confidence in the overall accuracy of core Housing Benefit system data. Internal Audit will carry out additional testing in this area during 2011/12.

i) Housing Benefit Fraud and Error:

Internal Audit raised concerns over the accuracy of the Housing Benefit Fraud and Error Report. It was noted that there were no specific all encompassing procedures for the production of the Fraud and Error Report itself. There were differences noted in the Data-matching, Compliance, BIS and Overpayments sections of the report which Internal Audit could not reconcile or recreate exactly. There is no record of management review of the quarterly Fraud and Error Report.

Management Response:

Management have accepted the findings in full and immediate steps are being taken to address the inaccuracies and review weaknesses identified.

j) Housing Benefit Compliance (North East):

Internal Audit found a number of weaknesses surrounding the control over Housing Benefit Overpayment recovery in the North East area. In particular, lack of management review and inappropriate management action on a high number of cases sampled by internal audit.

Management Response:

Management in North East area will be putting in place an improvement plan to facilitate immediate improvement. Internal Audit will return to this area during 2011/12.

k) Housing Benefit Compliance (South):

As in the North East area, Internal Audit found a number of weaknesses surrounding the control over Housing Benefit Overpayment recovery in South area. In particular, lack of management review and inappropriate management action on a high percentage of cases sampled by internal audit.

Management Response:

Management in South area will be putting in place an improvement plan to facilitate immediate improvement. Internal Audit will return to this area during 2011/12.

Unacceptable Audit Opinion

During 2009/10 Internal Audit returned one overall unacceptable audit opinion classification in relation to controls over surplus land disposal. Following this "Unacceptable" conclusion issued by Internal Audit the Housing Executive implemented a range of measures to address the specific areas highlighted. These included the following:

a) Development of Economic Appraisal Template

A draft template and exemplar has been produced based on best practice guidance. This is being introduced from the beginning of the new financial year for direct land disposals over £5,000 in value.

b) Land Terrier Computerisation

The Housing Executive maintains a Land Terrier as a means to collate and administer its portfolio of developed and undeveloped land and property sites. The Land Terrier project - to upgrade and improve the Land Terrier - is ongoing and being delivered in line with Prince 2 methodology with formal project arrangements. The project has three key deliverables:

- I. The digital capture of all legacy land transactions by the end of May 2011.
- II. The development of an in-house solution for the updating of the land terrier system with all future transactions. This is expected to be implemented by early July 2011.
- III. The quality assurance of all legacy land transactions (over 12,000) against other mapping sources including land registry and grounds maintenance and the development of agreed quality assurance arrangements and procedures for the in-house solution. This is expected to be completed by October 2011.

c) Undeveloped land Schedule (ULS)

Undeveloped land is classified by the Housing Executive on the following basis:

- I. Land retained by the Housing Executive for strategic and operational reasons;
- II. Land identified as being suitable for transfer to housing associations under the new build programme; and
- III. Land which is surplus and can be disposed of.

The annual review of the ULS is underway. A new template with an improved audit trail was introduced this year for each site included on the ULS. In addition, in 2011/12 as part of the ongoing business improvement and enhanced governance programme, the Land and Property Department of the Housing Executive will be carrying out a comprehensive review of the ULS and the management processes which support it. Approvals continue through the Chief Executive's Business Committee and Housing Executive Board (depending on values) for all land disposals.

Other Control Issues

SUSPENSION OF HELM HOUSING ASSOCIATION

A. Impact on the New Build Programme

The Housing Executive assumed responsibility for payments relating to the Social Housing Development Programme on the 1st April 2007 in line with the transfer of functions from the Department for Social Development. The Housing (Amendment) (Northern Ireland) Order 2006 Article 33 (1) provides the authority for the Housing Executive to make payments of Housing Association Grant. It states "The Executive may make housing association grants to registered housing associations in respect of expenditure incurred or to be incurred by them in connection with housing activities." Suspended associations retain their registered status and are therefore covered by this legislation.

The legislation further states at Article 33 (A) (4) "As respects grants under this Article, the Department, acting in accordance with such principles as it may determine, may specify" (b) "the circumstances in which grant is or is not to be payable."

Since assuming responsibility for payment of Housing Association Grant, Development Programme Group (DPG) in the Housing Executive has made payments to suspended associations if the scheme for which the payment is due has been exempted by the Department from the general suspension.

The 8 associations (including Helm) currently suspended have outstanding payments representing approximately £20m, and payment of HAG in these cases has been agreed with DSD as exempt from the general suspension. A significant majority of these examples relate to schemes where work had started on site prior to the suspension of the relevant association. The balance represents schemes that have been exempted from general suspension (by the Department) because preparatory works, in regard to consultant appointments / scheme design / works tender processes etc, were so far advanced that it would have been impractical to prevent the associations in question from proceeding with these developments. In such instances the DSD will have satisfied themselves that sufficient controls are in place to allow these schemes to continue.

All 8 associations are suspended from the Social Housing Development Programme (SHDP) and all new development related activities (including registration of sites and participation in the 2011 Bidding Round).

B. Impact on the Supporting People Programme:

Suspension of Helm Housing Association: At the year-end, the Housing Executive became aware of the possibility that Helm Housing Association may be suspended by DSD during 2011/12. If Helm is suspended by DSD this usually involves withdrawal of the Supporting People accreditation passport, resulting in Supporting People paying an unaccredited service provider for housing support service provision. At present Helm operates 48 services which receive Supporting People funding to provide housing support for elderly people in sheltered accommodation. These services are budgeted to receive around £337k in Supporting People grant for 2011/12 (although as outturn depends on occupancy, this can vary slightly).

It has been established that withdrawal of the accreditation passport does not require the immediate cessation of funding if the service provider is currently supplying a satisfactory support service and is working with DSD Inspections team on an agreed improvement plan to address the financial management and corporate governance issues giving rise to the adverse inspection report.

We have already obtained assurance that Helm is providing a satisfactory housing support service and will be discussing the concerns on financial management and corporate governance with the DSD inspection team at our meeting scheduled for 24 June 2011. Provided DSD are satisfied that the organization has agreed to take the required action to address their concerns, we would continue to fund the services while DSD monitors compliance with the agreed improvement plans.

The suspension of Helm should not have an impact on the Housing Executive Supporting People for 2011/12 as appropriate monitoring arrangements have been implemented for the Supporting People grants in payment and the organization has not been identified as a service provider for any of our pipeline services currently being developed.

Other significant control issues which arose during the year were as follows:

- a) As a result of the internal control issues identified above the continuous review of fraud and error has been given a heightened focus;
- b) The Evaluation of the Supporting People Programme by DSD has been finalised. DSD has undertaken a fundamental review of the payment of Special Needs Management Allowance (SNMA) following the qualification of both DSD and Housing Executive accounts last year. The Housing Executive is currently awaiting the outcome of this review and in the meantime has received direction from DSD to continue to make SNMA payments. The Housing Executive continues to work with DSD to implement the recommendations of the evaluation report. Progress has been made with regards to those recommendations which pertain to Housing Executive and, in some cases, jointly with DSD;
- c) The Standards Assurance Unit (within the Disability, Incapacity and Benefit Security Directorate, Social Security Agency) undertakes continuous review of housing benefit expenditure. This work has led the unit to estimate that 3.1% of Housing Benefit expenditure was incurred as a result of either fraud or error. This is an increase from the 2.8% level previously reported;
- d) The implementation of the new Housing Management System (HMS) continues to represent a potentially significant risk. The HMS project forms part of the Housing Executive's Strategic Information and Communication Technology (ICT) Services Partnership. It comprises three phases:
 - I. Phase One - Repairs - implemented in July 2010.
 - II. Phase Two - Rent Accounting, Housing and Homelessness - scheduled for implementation in the third quarter of the 2011/12 financial year. The completion of Phase Two will represent approximately 80% completion of this project.
 - III. Phase Three - Homelessness Accounting/Service Charges - Implementation of the third and final phase in the last quarter of the financial year will mark the completion of the Modernising Programme;
- e) The financial position remains constrained and the need for sound financial control at all levels within the organisation continues to be an imperative.
- f) Following an internal whistleblowing referral, an investigation was carried out into a number of alleged breaches of the Staff Code of Conduct by a senior employee of the Housing Executive. Arising from this investigation, a disciplinary tribunal substantiated a number of the allegations made and the employee was dismissed. An appeal against the dismissal has been heard and the decision to dismiss was upheld.

- g) A Workforce Plan was approved by the Board in April 2011. This outlines the actions required to deliver the agreed efficiency savings in the 2011/12 financial year. It also sets out the scale of savings required in the following two years with an overview of the programme required to ensure these are met. Given the age profile of the organisation it also includes actions to be taken this year in respect of succession planning including an approach to 'talent management'.


National Fraud Initiative

The Comptroller & Auditor General (C&AG), Head of the Northern Ireland Audit Office, has been given statutory powers to conduct data matching exercises for the purposes of assisting in the prevention and detection of fraud. The Northern Ireland Housing Executive is a compulsory participant in this exercise under the banner of the National Fraud Initiative (NFI) and the data provided is matched on a cross jurisdictional basis in the UK. Data matching involves comparing sets of data of a body against records held by the same or other participating bodies, thus allowing potential fraudulent claims or payments to be identified. In accordance with its involvement in this programme the Housing Executive supplied data sets in respect of the following functions:

- a) Payroll;
- b) Housing Benefit claims;
- c) Trade and Standing Creditor records;
- d) Right-to-Buy House Sales; and
- e) Tenants records.

The following are the NFI figures as at 29th June 2011:

- Total Matches 22,591 (7,704 of which are classified by system as recommended for investigation)
- Total processed 2,540
- Under Investigation 151
- Frauds Suspected 2
- Errors Identified 14
- Recovery Total £45,880



S Cuddy
Chief Executive (Acting)

Date: 29 June 2011

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 2011 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 Changes 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 Northern Ireland Housing Executive, Chief Executive and Auditor

As explained more fully in the Statement of Chief Executive's Responsibilities, the Northern Ireland Housing Executive and the Chief Executive, as Accounting Officer, are 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 the Housing (Northern Ireland) Order 1981. I conducted my audit in accordance with 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 read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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 Northern Ireland Assembly and the financial transactions conform to the authorities which govern them.

Basis for Qualified Opinion on Regularity Arising from Erroneous Housing Benefit Awards and Payment of Fraudulent Claims

The total amount paid in housing benefit is £568.3 million. The level of fraud and error as reported in Note 31 to the accounts resulted in overpayments of £14.7 million and underpayments due to official error of £2.4 million. The housing benefit overpayments are irregular as the expenditure has not been applied in accordance with the purposes intended by the Northern Ireland Assembly and also because fraudulent transactions are by definition irregular since they are without proper authority. In addition both over and underpayments arising because of official error are irregular because the Housing Executive is required to calculate benefits in accordance with the Regulations which specifies the entitlement criteria for housing benefit and the method used to calculate the amount of benefit to be paid.

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 overpayments and underpayments due to official error in such benefit expenditure which are not in conformity with the relevant authorities.

Basis for Qualified Opinion on Regularity on Response Maintenance Expenditure

The total expenditure on response maintenance was £48.9 million. Significant weaknesses in control have emerged across a number of Districts and specifically with one major contractor, Red Sky, in respect of response maintenance expenditure incurred by the Housing Executive. I was unable to obtain sufficient evidence that the Northern Ireland Housing Executive's control of this response maintenance expenditure was adequate to ensure the expenditure had been applied for the purposes intended by the Northern Ireland Assembly. Because of this lack of evidence I was unable to form an opinion whether the expenditure of £48.9 million on response maintenance had been applied for the purposes intended by the Northern Ireland Assembly.

Basis for Qualified Opinion on Regularity on Part of the Social Housing Development Programme Expenditure

The Department for Social Development's ongoing inspection programme of Housing Associations has identified potentially serious issues in relation to Helm Housing Association. These issues are unlikely to be able to be concluded upon for some time and therefore I have been unable to obtain enough information to satisfy myself as to the regularity of the Social Housing Development Programme expenditure of £12.1 million in 2010/11 relating to Helm Housing Association.

I have qualified my audit opinion on regularity because I was unable to obtain sufficient evidence on whether the expenditure of £12.1 million on Social Housing Development Programme had been applied for the purposes intended by the Northern Ireland Assembly.

Qualified Opinion on Regularity

In my opinion except for the issues relating to £17.1 million of incorrect housing benefit payments attributable to fraud and error, response maintenance expenditure of £48.9 million and £12.1 million on Social Housing Development Programme expenditure, referred to above, 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.

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 2011 and of its net expenditure, changes in statement of movement in taxpayers equity and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with 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 of the issues relating to response maintenance expenditure and part of Social Housing Development Programme expenditure 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 and the part of the Remuneration Report to be audited 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.

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



KJ Donnelly
Comptroller and Auditor General
Date: 30 June 2011

Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU

Northern Ireland Housing Executive

Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2011

	Note	2011 £'000	2010 £'000
Expenditure			
Staff Costs	4	59,250	94,095
Other Expenditures	5, 6 & 7	470,721	448,121
Housing Benefit - DSD	8	568,774	527,562
Depreciation, Amortisation, Write Offs & Write Down	12(a)	72,014	69,058
Total Expenditure		1,170,759	1,138,836
Income			
Rental Income	10	245,909	242,634
EU Income	10	(11)	2
Other Income	10	20,152	21,847
Total Income		266,050	264,483
Net Expenditure before Interest		(904,709)	(874,353)
Interest Receivable		834	940
Financing Charges	9	(66,873)	(76,300)
Pension Financing Charges	25(d)	(5,802)	(11,444)
Net Expenditure before Taxation		(976,550)	(961,157)
Tax on Ordinary Activities	11	(249)	(1,850)
Net Expenditure after Taxation		(976,799)	(963,007)
Other Comprehensive Expenditure			
Net Revaluation Movement - Property, Plant & Equipment		(245,204)	68,681
Pension Actuarial Gains & Losses	25(e)	183,972	(124,688)
Total Other Comprehensive Expenditure for Year ended 31 March 2011		(61,232)	(56,007)

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

The notes on pages 104 to 164 form part of the accounts.

Northern Ireland Housing Executive

Statement of Financial Position as at 31 March 2011

	Note	2011 £'000	2010 £'000
Non-Current Assets			
Property, Plant & Equipment - Operational	12(a)	3,541,101	3,847,650
Property, Plant & Equipment - Non Operational	12(b)	5,347	19,991
Intangible Assets	12(c)	4,020	5,202
Total Non-Current Assets		3,550,468	3,872,843
Current Assets			
Assets Classified as Held for Sale	13	8,498	20,263
Inventories	14	7,538	8,188
Trade and Other Receivables	15 & 16	61,748	90,557
Cash and Cash Equivalents	17	141,172	76,966
Total Current Assets		218,956	195,974
Total Assets		3,769,424	4,068,817
Current Liabilities			
Trade and Other Payables	19	(257,186)	(238,458)
Provisions	24	(8,903)	(6,070)
Total Current Liabilities		(266,089)	(244,528)
Net Current Liabilities		(47,133)	(48,554)
Non-Current Assets less Net Current Liabilities		3,503,335	3,824,289
Non-Current Liabilities			
Other Payables	19	(12,084)	(11,541)
Loans Outstanding	21	(614,593)	(693,447)
Provisions	24	(3,776)	(7,720)
Pension Liability	25(d)	(76,042)	(282,839)
Total Non-Current Liabilities		(706,495)	(995,547)
Assets less Liabilities (C/Fwd)		2,796,840	2,828,742

Northern Ireland Housing Executive

Statement of Financial Position as at 31 March 2011 (Continued)

		2011	2010
	Note	£'000	£'000

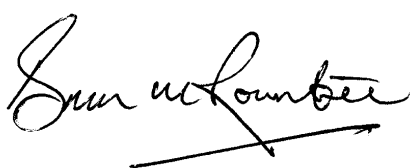
Assets less Liabilities (B/Fwd)		2,796,840	2,828,742
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Reserves

Revenue Reserve	26(a)	968,226	720,401
Revaluation Reserve	26(b)	1,803,881	2,082,358
Government Grants Reserve	26(c)	23,447	24,668
Donated Assets Reserve	26(d)	1,286	1,315

Total Reserves		2,796,840	2,828,742
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The financial statements on pages 98 to 164 were approved by the Board Members of the Northern Ireland Housing Executive on 29 June 2011 and signed on their behalf by:



B Rowntree
Chairman



S Cuddy
Chief Executive (Acting)

Date: 29 June 2011

The notes on pages 104 to 164 form part of the accounts.

Northern Ireland Housing Executive
Statement of Cash Flows for the year ended 31 March 2011

	Note	2011 £'000	2010 £'000
Net Cash Outflow from Operating Activities	27(a)	(756,120)	(783,158)
Cashflow from Investing Activities	27(b)	(176,592)	(208,138)
Cashflow from Financing Activities	27(c)	1,007,350	1,006,714
Increase in Cash & Cash Equivalents		74,638	15,418

The notes on pages 104 to 164 form part of the accounts.

Northern Ireland Housing Executive
Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2011

	Note	Revenue Reserve £'000	Revaluation Reserve £'000	Government Grants Reserve £'000	Assets Reserve £'000	Donated 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 104 to 164 form part of the accounts.

Northern Ireland Housing Executive
Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2011

	Note	Revenue Reserve £'000	Revaluation Reserve £'000	Government Grants Reserve £'000	Donated Assets Reserve £'000	Total Reserves £'000
Balance at 31 March 2010		720,401	2,082,358	24,668	1,315	2,828,742
Changes in Reserves 2010/11						
Unrealised deficit on Revaluation :						
Housing Stock	26(b)	-	(214,763)	-	-	(214,763)
Land & Buildings	26(b)	-	(30,220)	-	-	(30,220)
Non Operational Assets	26(b)	-	30	-	-	30
Other Assets	26(b)	-	(222)	-	-	(222)
Donated Assets	26(d)	-	-	-	(29)	(29)
Net Government Grants Reserve movement	26(e)	-	-	(1,221)	-	(1,221)
Realisation of assets on disposal	26(b)	33,302	(33,302)	-	-	-
Net Expenditure for year		(976,799)	-	-	-	(976,799)
Actuarial losses on defined benefit pension scheme	25(e)	183,972	-	-	-	183,972
Total 2010/11 Movements		(759,525)	(278,477)	(1,221)	(29)	(1,039,252)
Total recognised Income & Expense for 2010/11						
Grant from Sponsoring Department	26(a)	1,007,350	-	-	-	1,007,350
Balance at 31 March 2011		968,226	1,803,881	23,447	1,286	2,796,840

The notes on pages 104 to 164 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.

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. Note 2 provides detail of material changes to estimating techniques for the current reporting year.

B) RENTS

Rental Income shown in the Statement of Comprehensive Net Expenditure 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 Statement of Comprehensive Net Expenditure.

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 Statement of Comprehensive Net Expenditure within Depreciation, Amortisation, 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 Statement of Comprehensive Net Expenditure 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 and Land, which will continue to be revalued annually.

Operational Assets

Housing Stock

Operational Housing Stock 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

Land is revalued each year on the basis of open market value. 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.

Other Property

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.

Other assets

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 Statement of Comprehensive Net Expenditure 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 Expenditure

Redevelopment (Urban Regeneration) Expenditure is classified as non operational assets. Expenditure is incurred in the purchase of properties zoned for redevelopment, demolition of properties and in site clearance. Expenditure is accrued for land that has been vested and where a claim has been made, with legal title confirmed. A provision is made for claims submitted and where legal title has yet to be confirmed.

Impairment results from the costs associated with land acquisition and development costs exceeding their brownfield site value.

Other property

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 Statement of Comprehensive Net Expenditure 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 Statement of Comprehensive Net Expenditure 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 Statement of Comprehensive Net Expenditure 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 Statement of Comprehensive Net Expenditure 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 Statement of Comprehensive Net Expenditure.

Operating leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Net Expenditure 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 Statement of Comprehensive Net Expenditure.

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 Statement of Comprehensive Net Expenditure.
- 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 Statement of Comprehensive Net Expenditure.
- 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 Statement of Comprehensive Net Expenditure.
- 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 Statement of Comprehensive Net Expenditure.

- 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 Statement of Comprehensive Net Expenditure.

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. A tax charge is recognised and shown on the face of the Statement of Comprehensive Net Expenditure. More details can be found 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 Statement of Comprehensive Net Expenditure 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).

NOTE**2. CHANGES IN ACCOUNTING ESTIMATE AND ACCOUNTING POLICY****1) DETAILS OF CHANGE IN ACCOUNTING ESTIMATE****a) Social Housing Development Programme - Recognition of 'On-Costs'**

From 2007/08, management of the delivery of the Social Housing Development Programme (SHDP) has been the responsibility of the Northern Ireland Housing Executive, after transferring from the Department for Social Development. Costs associated with this programme incorporate 'Building Costs' and 'On Costs' in the construction of Social Houses. 'On Costs' include such costs as solicitors, valuers and architects fees, together with stamp duty and insurances.

Since responsibility for management of the SHDP transferred to the Housing Executive, 'On Costs' were recognised using the same method used by the Department for Social Development, which is as follows:

- 1) Percentage of costs attributed to the land value were recognised immediately
- 2) Percentage of costs attributed to the 'Build costs' were recognised on a daily basis over the duration of contract period.

Upon review of this recognition procedure, it was concluded that it is inappropriate to estimate the value of on costs attributable to each financial year on the basis of land value as this has varied, due to the slowdown in the property market, with land value now representing a lower cost. As the majority of 'On Costs' are incurred before the building works have taken place, 'On Costs' will be recognised by estimating the percentage of actual 'On Costs' incurred for each financial year. After discussion with experts in the field, it was deemed that 80% of On Costs should be recognised immediately.

The revisions are accounted for as a change in accounting estimate, and as a result, the Social Housing Development Programme expenditure has increased by £19.9m within the Statement of Comprehensive Net Expenditure for the Year ended 31 March 2011. Further, accruals have increased by £9.2m and prepayments have decreased by £10.7m.

b) Social Housing Development Programme - 'Off the Shelf' purchases

'Off the Shelf' purchases refer to purchases of completed units by a Housing Association, in accordance with the Social Housing Development Programme, for which they receive grant from the Housing Executive. The Housing Executive previously accounted for costs for such approved schemes by recognising 10% immediately, together with 80% of 'On Costs'. However, since schemes are to be between 50% and 100% complete by the time the first instalment is paid to the Housing Association, it is deemed more accurate to estimate the recognition of costs in a financial year in accordance with the percentage completion of the relevant units.

The revisions are accounted for as a change in accounting estimate, and as a result, the Social Housing Development Programme expenditure has (in addition to the above) increased by £2.7m within the Statement of Comprehensive Net Expenditure and accruals have increased by £2.7m for the Year ended 31 March 2011.

2) DETAILS OF CHANGE IN ACCOUNTING POLICY

a) Urban Renewal Areas (Redevelopment) - Compensation amounts

From April 2008 the Village area of South Belfast was declared an "Urban Renewal Area" and therefore was subject to regeneration where, over the subsequent 10 years, unfit housing in the area will either be demolished and replaced or retained and improved.

In April 2010, vesting of the Village area was granted by Vesting Order from the Department for Social Development (DSD). This Vesting Order grants the Housing Executive, from the date of vesting, ownership to all lands and premises contained within the redevelopment area. All residents in this zoned area have been informed of this Order.

From the vesting date, a present obligation has been created for the Housing Executive to meet the compensation amounts due to the previous owners. Compensation amounts not paid by 31 March 2011 are accrued for in the financial statements, where the owner has claimed for payment and legal title has been verified. A provision has been recognised where the owner has claimed for payment but legal title has not been confirmed by the year end. A Contingent liability has been disclosed where no claim for payment has been made. This method of accounting reflects a change in accounting policy as no accrual or provision was accounted for in previous financial years. No change is accounted for in prior years as the amounts are considered immaterial in respect of any obligation due for other urban renewal area schemes.

The effect on the financial statements for the 2010/11 year is as follows:

- I. Redevelopment Expenditure within Non Operational assets has increased by £11.4m
- II. Accruals have increased by £7.7m;
- III. Provision for Liabilities and Charges (Redevelopment Area Purchases) has increased by £3.7m;
- IV. A Contingent Liability of £2.1m has been disclosed in Note 28.

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:

- Housing Executive 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 for 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 included in Note 3 for each of the operating segments for the year end 31 March 2011.

Segment	Note	Expenditure			Less	Net
		Capital £'000	Revenue £'000	Loans £'000	Income £'000	Expend. £'000
Housing Executive Landlord Function		7,552	186,787	153,926	(252,320)	95,945
Social Housing Development Programme		165,062	-	-	-	165,062
Urban Renewal Programme		23,919	-	-	-	23,919
Private Sector Grants incl Warm Homes		41,758	-	-	-	41,758
Supporting People		-	63,154	-	-	63,154
Other		8,274	57,728	-	(3,382)	62,620
		246,565	307,669	153,926	(255,702)	452,458
Less Capital Receipts		(19,174)	-	-	-	(19,174)
Total		227,391	307,669	153,926	(255,702)	433,284
Working Capital						5,292
Total Net Expenditure funded by DSD	33					438,576
Housing Benefit Expenditure	8					568,774
Other						(30,551)
Net Expenditure after Taxation						976,799

NOTES TO THE ACCOUNTS

NOTE 3

Analysis of Net Expenditure by Segment (continued)

The following table summarises the budgeted spend as included in Note 3 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 Programme		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 4

STAFF NUMBERS AND RELATED COSTS

	2011				2010
	Total	Perm Staff	Others	Board Mem	Total
	£'000	£'000	£'000	£'000	£'000
a) Staff costs comprise					
Wages and Salaries	71,191	68,026	3,045	120	73,292
Social Security Costs	5,062	4,864	191	7	5,247
Total Staff costs excl					
Pension Costs	76,253	72,890	3,236	127	78,539
Other Pension Costs	(17,003)				15,556
	59,250				94,095

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

	2011	2010
	£'000	£'000
Wages and Salaries	474	649
Social Security Costs	37	94
Other Pension Costs	74	44
	585	787

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 £584k. In addition the Design Services Division incurred agency costs of £102k.

b) Average number of persons employed

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

	2011				2010
	Total	Perm Staff	Others	Board Mem	Total Restated
	No.	No.	No.	No.	No.
Executive	16	6	-	10	15
Corporate Services	162	155	7	-	161
Housing & Regeneration	1,896	1,729	167	-	1,933
Design & Property Services	571	561	10	-	626
Finance	120	118	2	-	123
Personnel & Mgt Services	279	270	9	-	324
	3,044	2,839	195	10	3,182

Numbers noted for 2010 have been restated to reflect whole time equivalent persons employed by the Housing Executive.

NOTES TO THE ACCOUNTS

NOTE 5

OTHER EXPENDITURES

	Note	2011 £'000	2011 £'000	2010 £'000
Other Expenditures Comprise:				
Direct Employees Costs			611	807
Transport Related Costs			2,655	2,615
Premises Related Costs			7,469	7,682
a) Supplies, Services, Write - Offs & Other Costs			19,816	22,557
External Audit				
- Auditor's Remuneration		170		
- Less Prior Year Over Accrual		25		
b) - Other Services		20	215	135
Revenue Bank Charges			426	440
c) Dwelling Related Costs			143,874	144,752
Public Sector Expenditure			4,694	4,314
Rates Relief Expenditure			2,245	2,280
Lone Pensioner Allowance (LPA)			179	179
d) Private Sector Expenditure			15,216	17,898
e) Private Sector Grants			49,893	59,382
Supporting People			63,154	63,453
Public Liability Charges			3,684	2,602
f) Social Housing Development Programme			165,555	157,447
g) Impairment	12(b)		40,375	10,975
Restructuring Costs	6		876	4,349
			520,937	501,867
Less				
Recharges - salaries & overheads of Housing Executive staff providing professional services in the delivery of its core business.			(50,216)	(53,746)
			470,721	448,121

NOTES TO THE ACCOUNTS

NOTE 5

Other Expenditures (Continued)

- a) Includes costs in respect of staff seconded from other agencies, which amount to £584k.
- b) Other Services provided by External Audit relate to services in respect of the National Fraud Initiative.
- c) The major element of Dwelling Related Costs is for the maintenance of the Housing Executive's housing stock including grounds and general maintenance costs.
- d) Private Sector Expenditure includes £5,569k for the Special Purchase of Evacuated Dwellings (SPED) and £7,783k for Homelessness. SPED stock sold during the year resulted in a loss on sale of £2,027k.
- e) This includes Group Repairs of £502k, Grants of £30,867k and Warm Homes Grants of £18,523k.
- f) Social Housing Development Programme includes payments to Housing Associations for the following:

	£'000
New Build	150,835
Advance Land Purchase Grant	12,404
Voluntary Purchase Grant	279
Small Adaptations Grant	1,543
Disposal Proceeds Fund Expenditure	494
	165,555

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

NOTES TO THE ACCOUNTS

NOTE 6

EARLY DEPARTURE COSTS

	Note	2011	2010
	No.	£'000	No. £'000

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

Statement of Comprehensive Net Expenditure Costs

a) Cost of Housing Executive payments for added years lump sum to employees released under the provisions of the premature retirement programme this year;		-	-	-	-
b) Actuarial compensation paid by the Housing Executive for the early payment of pension benefits provided by NILGOSC to officers who retired early;	70	1,044	56	1,544	
c) Restructuring compensation paid and accrued by the Housing Executive for the early retirement of Technical Services staff;	3	(168)	32	2,805	
				876	4,349

Pension Liability

d) 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)	560	978	569	991

During the year end 31 March 2011 restructuring schemes continued to be offered to employees. The restructuring schemes included a voluntary early release scheme for Technical Services staff, staff leaving under Rule of 85 (in accordance with NILGOSC regulations) and staff availing of Flexible Retirement. Costs of staff leaving under this scheme are shown in Note 6(e).

Costs included in Note 6 (b) and (c) reflect accrued costs and account for staff leaving between 1 April 2010 and 30 June 2011. Negative restructuring compensation costs have resulted for Year Ended 31 March 2011 in respect of a number of employees who were due to leave by 30 June 2010 and which did not materialise.

All costs are shown on the face of the Statement of Comprehensive Net Expenditure in accordance with ISA 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 6

EARLY DEPARTURE COSTS

e) Reporting of Compensation and Exit Packages for all Staff 2010-2011

Exit Package Cost Band	No. of Complusary Redundancies	No. of Other Departures Agreed	Total No. of Exit Packages by Cost Band
<£10,000	-	26	26
£10,000-£25,000	-	22	22
£25,000-£50,000	-	22	22
£50,000-£100,000	-	3	3
£100,000-£150,000	-	-	-
£150,000-£200,000	-	-	-

Total number of Exit Packages

2010/11	73	73
2009/10	58	58

Total Costs £'000

2010/11	1,389	1,389
2009/10	3,099	3,099

Compensation payments for early departure costs have been paid in accordance with discretions allowed under the provisions of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) as approved by the Housing Executive's Board on 30 April 2008. Ill-health retirement costs are met by the pension scheme and are not included in the table.

NOTES TO THE ACCOUNTS

NOTE 7

OTHER OPERATING COSTS

STATEMENT OF LOSSES AND SPECIAL PAYMENTS

	2011		2010	
	Number	£'000	Number	£'000
Claims Waived (Amounts Written Off)				
Rent & Rates	2,332	953	2,127	912
Commercial Property	-	-	1	9
District Heating	6	-	8	12
Recoverable Charges - Damages	90	31	62	18
Recoverable Charges - Legal	427	115	382	112
Service Charges	474	37	11	1
Hostels	277	135	698	227
Housing Benefits Overpayments	8,684	1,818	5,889	1,289
	12,290	3,089	9,178	2,580
Extra Statutory Payments over £100,000	-	-	-	-
Ex Gratia Payments	33	82	21	24
Extra Statutory Payments	2	27	4	2
Debtors ledger	17	7	14	27
Other Write Offs and Cash losses	415	94	1,533	1,179
	12,757	3,299	10,750	3,812

Losses and Special Payments are included in Note 5.

NOTES TO THE ACCOUNTS

NOTE 8

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:

	2011 £'000	2010 £'000
Housing Benefit - Public & Private	573,325	530,813
Housing Benefit - Overpayment recoveries	(13,082)	(12,793)
Net Funding from DSD	560,243	518,020
Administration Expenses	10,953	11,351
Transfer of Housing Benefit overpayment movement to overpayment debtor account	(3,167)	(3,109)
Increase in HB Overpayment Provision	745	1,300
Total Housing Benefit Costs	568,774	527,562

NOTE 9

FINANCING CHARGES

	2011 £'000	2010 £'000
Loan Interest Charges	(66,830)	(76,257)
Finance Charges on Service Concession Arrangements	(43)	(43)
	(66,873)	(76,300)

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.

	2011 £'000	2010 £'000
Rental Income		
Dwellings & Garages	248,385	246,098
Redevelopment	79	-
Commercial Properties	2,157	2,139
Lands	4	3
Miscellaneous	327	470
DLO Depots	121	171
	251,073	248,881
Less: Abatements		
Dwellings & Garages	(995)	(1,088)
Commercial Properties	(18)	(22)
	(1,013)	(1,110)
Less: Voids		
Dwellings & Garages	(4,062)	(5,014)
Redevelopment	106	-
Commercial Properties	(195)	(123)
	(4,151)	(5,137)
Total Rental Income (C/Fwd)	245,909	242,634

NOTES TO THE ACCOUNTS

NOTE 10

INCOME (CONTINUED)

	Note	2011 £'000	2010 £'000
Total Rental Income (B/Fwd)		245,909	242,634
EU Income		(11)	2
Other Operating Income			
Income from Housing Associations		165	546
Disposal Proceeds Fund Income		494	121
Revenue Grants		1,120	1,111
Income from Land & Property Services:			
- Rates collection	30	5,652	5,485
- Rates Relief Income	30	2,245	2,280
- Lone Pensioner Allowance	30	179	179
Government Grants Reserve	26(c)	1,447	1,447
Income from Other Bodies		12	16
Income Property Enquiries		3	5
Legal Expenses Recovered		241	255
Ground Rents Receivable		75	73
Professional Indemnity Insurance		77	77
GTS Multiple Occupancy - Registration Fees		639	489
Group Repairs Income		197	109
SPED Income		3,524	5,479
Renovation Grant Recoupment		-	23
HMO Grant Recoupment		-	52
Income from Hostels		1,746	2,020
Income for Asylum Seekers		1,938	2,080
Income from sold flats		389	-
Miscellaneous Income		9	-
		20,152	21,847
Total Income		266,050	264,483

NOTES TO THE ACCOUNTS**NOTE 11****TAXATION**

	2011	2010
	£'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	220	253
Adjustments to the tax charge in respect of previous periods	-	1,443
Interest due on overdue tax	29	154
	249	1,850

b) Factors affecting the tax charge

Interest Receivable - current year	834	940
- prior years	-	5,090
	834	6,030

Net Expenditure before taxation multiplied by the effective rate of Corporation tax in the UK for the current year (27%)	220	253
Net Expenditure before taxation multiplied by the effective rate of Corporation tax in the UK for prior years (27% approx)	-	1,443
Interest Penalties	29	154
Current tax charge	249	1,850

A corporation tax charge of £249k 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 2011 and for previous financial years.

Notes to the Accounts

Note 12 A)

PROPERTY, PLANT & EQUIPMENT OPERATIONAL

	Housing Stock £'000	Land £'000	Commercial Property £'000	Office Premises £'000	Hostels £'000	Travellers Sites £'000	Other Assets £'000	Total £'000
Cost or Valuation								
At 1 April 2009	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) Continued

PROPERTY, PLANT & EQUIPMENT OPERATIONAL (CONTINUED)

	Housing Stock £'000	Land £'000	Commercial Property £'000	Office Premises £'000	Hostels £'000	Travellers Sites £'000	Other Assets £'000	Total £'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
Additions	13,840	430	1	748	-	-	1,111	16,130
Reclassification Uplift	-	6,194	-	-	-	-	-	6,194
Disposals	(9,755)	(13,395)	-	-	-	-	(208)	(23,358)
Demolitions	(3,482)	-	-	-	-	-	-	(3,482)
Write Off Adaptations to Leased Offices	-	-	-	(411)	-	-	-	(411)
Transfer to Land from Housing Stock	(1,437)	1,437	-	-	-	-	-	-
Transfer of Land from Redevelopment	-	588	-	-	-	-	-	588
Transfer to Non Current Assets Held for Sale	(2,088)	(1,028)	-	(160)	-	-	-	(3,276)
Transfer from Non Current Assets Held for Sale	616	3,691	-	220	-	-	-	4,527
Write Down in Valuation	-	(1,780)	-	-	-	-	-	(1,780)
Revaluation Adjustments	(262,348)	(28,918)	(2,433)	(4,939)	(123)	(29)	(208)	(298,998)
At 31 March 2011(c/fwd)	3,409,427	67,169	14,075	30,125	15,752	2,639	18,183	3,557,370

Notes to the Accounts
Note 12 A) Continued

PROPERTY, PLANT & EQUIPMENT OPERATIONAL (CONTINUED)

	Housing Stock £'000	Land £'000	Commercial Property £'000	Office Premises £'000	Hostels £'000	Travellers Sites £'000	Other Assets £'000	Total £'000
Cost or Valuation								
At 31 March 2011 (B/Fwd)	3,409,427	67,169	14,075	30,125	15,752	2,639	18,183	3,557,370
Depreciation								
At 1 April 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)
Charged in year	(47,585)	-	(324)	(639)	(368)	(54)	(1,576)	(50,546)
Written back on Revaluation	47,585	-	-	-	-	-	-	47,585
Backlog Depreciation	-	-	-	-	-	-	71	71
Disposals	-	-	-	-	-	-	207	207
At 31 March 2011	-	-	(324)	(639)	(368)	(54)	(14,884)	(16,269)
Net Book Value								
At 31 March 2011	3,409,427	67,169	13,751	29,486	15,384	2,585	3,299	3,541,101
At 31 March 2010	3,674,081	99,950	16,507	34,667	15,875	2,668	3,902	3,847,650
Asset Financing								
Owned	3,409,427	67,169	13,751	27,943	15,384	2,585	729	3,536,988
Finance Leased	-	-	-	1,543	-	-	-	1,543
On-balance sheet Service Concession Contracts	-	-	-	-	-	-	2,570	2,570
Net book value at 31 March 2011	3,409,427	67,169	13,751	29,486	15,384	2,585	3,299	3,541,101

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 2011, 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 2011 (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.

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.

NOTES TO THE ACCOUNTS

NOTE 12 A)

PROPERTY, PLANT & EQUIPMENT (CONTINUED)

Valuation Methodology

Land and Other Buildings

Land and Other Buildings includes Land, Commercial Properties, Offices, Hostels and Travellers Sites.

Land was revalued at 31 March 2011 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 £2,045k. 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 relifed at 31 March 2010 by professional valuers of Land & Property Services, using Fair Value for Existing Use. Indices, provided by Land & Property Services, have been used to revalue these properties at 31 March 2011.

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 £1.543m 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, Commerical 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 2011 £'000	At 31 March 2010 £'000
Motor Vehicles	329	375
Plant and Machinery	33	50
Estate Management Equipment	273	224
Office Furniture	-	41
Office Equipment	33	3
Hostels Furniture & Fittings	7	13
Computer Hardware	2,624	3,196
	3,299	3,902

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

	At 31 March 2011 £'000	At 31 March 2010 £'000
Depreciation - less Backlog Depreciation	50,475	54,885
Amortisation - IT Software	1,160	1,290
Revaluation Adjustments - Other Assets	229	(1,096)
Revaluation Adjustments - Land	1,780	-
Writedown in Assets Held for Sale	3,353	4,373
Losses on Sale of Surplus Land	745	295
Losses on Sale of Other Assets	-	505
Losses on Demolished Property	3,482	5,889
Write off Adaptations to Leased Offices	410	498
Losses on Transfer of Assets to Housing Associations	11,365	6,005
Profit on Sale of Assets	(985)	(3,586)
	72,014	69,058

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 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
Expenditure in year	26,289	-	-	26,289
Transfer of Land (to)/from Operational Assets	(589)	-	-	(589)
Revaluation Adjustments	-	-	31	31
Impairment	(40,374)	(1)	-	(40,375)
At 31 March 2011	5,087	9	251	5,347

Non Operational Assets comprises Redevelopment land. The main reason for the £40 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 £9m.

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 £'000	Total £'000
Cost or Valuation		
At 1 April 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
Additions	221	221
Reclassification Uplift	-	-
Disposals	-	-
Revaluation Adjustments	(243)	(243)
At 31 March 2011	9,680	9,680
Amortisation		
At 1 April 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)
Charged in year	(1,245)	(1,245)
Backlog Amortisation	85	85
Disposals	-	-
At 31 March 2011	(5,660)	(5,660)
Net Book Value		
At 31 March 2011	4,020	4,020
At 31 March 2010	5,202	5,202

NOTES TO THE ACCOUNTS**NOTE 13****ASSETS CLASSIFIED AS HELD FOR SALE**

	Land £'000	Housing Stock £'000	Office Premises £'000	Commercial Properties £'000	Total £'000
At 1 April 2010	15,991	4,029	220	23	20,263
Transfer from Land	1,028	-	-	-	1,028
Transfer from Buildings	-	1,471	(60)	-	1,411
Disposals	(3,441)	(3,536)	(160)	(23)	(7,160)
Transfer to Land	(3,691)	-	-	-	(3,691)
Revaluation Adjustments	(3,353)	-	-	-	(3,353)
At 31 March 2011	6,534	1,964			8,498

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.

£6.5m 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 continued 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.

£2m of Housing stock which has been reclassified as held for sale refers to sale proceeds received during the period April to June 2011.

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**

	2011 £'000	2010 £'000
Consumable Stores	293	289
Work in Progress - Housing Associations	575	307
SPED (Net of the Allowances at Note 16)	6,670	7,592
Total	7,538	8,188

NOTES TO THE ACCOUNTS**NOTE 15****TRADE RECEIVABLES & OTHER CURRENT ASSETS**

	2011	2010
	£'000	£'000

Amounts Falling Due Within One Year

Trade Receivables (Net of the Allowances at Note 16)	12,113	15,639
Other receivables	3,533	1,252
VAT	5,056	4,345
Prepayments and accrued income	26,453	57,096
	47,155	78,332

Amounts Falling Due After More Than One Year

Trade Receivables (Net of the Allowances at Note 16)	14,588	12,207
Car Assisted Purchase Scheme	2	5
Home Loans Scheme	3	13
	14,593	12,225

Total	61,748	90,557
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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 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
Movement in allowance in year	(777)	(1)	745	84	7	58
Movement in long term debt discount	2	-	282	(1)	-	283
At 31 March 2011	7,790	3	13,166	289	2,534	23,782

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

	2011 £'000	2010 £'000
Balance at 1 April 2010	76,966	41,585
Net Change in Cash & Cash Equivalent balances	64,206	35,381
Balance at 31 March 2011	141,172	76,966

The Following Balances at 31 March 2011 Were Held at:

	2011 £'000	2010 £'000
Commercial Banks and Cash in Hand	1,262	436
Short Term Investments	139,910	76,530
Balance at 31 March 2011	141,172	76,966

NOTES TO THE ACCOUNTS

NOTE 18

INTRA GOVERNMENT BALANCES

	Trade Receivables £'000	Trade Payables £'000
Balances with central government bodies	7,251	(21,082)
Balances with central government bodies - loans	-	(672,679)
Balances with local authorities - loans	-	(20,785)
At 31 March 2011	7,251	(714,546)

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)

NOTE 19

TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2011 £'000	2010 £'000
Amounts Falling Due Within One Year		
Bank Overdraft	(27,242)	(37,674)
Trade Payables	(2,650)	(2,393)
Taxation and Social Security	(1,705)	(2,028)
Corporation Tax Payable	(2,098)	(1,850)
Commitment under Service Concession Arrangement	(876)	(728)
Other Payables	(4,610)	(5,249)
Accruals and Deferred Income	(139,134)	(101,474)
Loan Repayments	(78,871)	(87,062)
Total	(257,186)	(238,458)

NOTES TO THE ACCOUNTS**NOTE 19 (CONTINUED)****TRADE PAYABLES AND OTHER CURRENT LIABILITIES (CONTINUED)**

	2011	2010
	£'000	£'000
Amounts Falling Due After More Than One Year		
Commitment under Service		
Concession arrangement	-	(2,471)
Other Payables	(12,084)	(9,070)
Total	(12,084)	(11,541)

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:

	2011	2010
	£'000	£'000
Within one year	(2,877)	(2,556)
In the second to fifth years	(9,483)	(15,657)
After five years	-	(1,845)
Total	(12,360)	(20,058)

NOTES TO THE ACCOUNTS**NOTE 21****LOANS OUTSTANDING**

	2011	2010
	£'000	£'000
Loans from the Government Loans Fund & Former Local Authorities Maturing:		
Between 1 and 2 years	(73,298)	(78,871)
Between 2 and 5 years	(187,993)	(204,326)
Between 5 and 10 years	(194,545)	(224,648)
After 10 years	(158,757)	(185,602)
Total	(614,593)	(693,447)

- 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:

	2011	2010
	£'000	£'000
Obligations under operating leases comprise:		
Property		
Not later than one year	1,375	1,437
Later than one year and not later than five years	5,110	5,339
Later than five years	2,167	3,236
	8,652	10,012

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	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Financial Assets at Fair Value through Profit or Loss	-	-	-	-
Held to Maturity Investments	-	-	-	-
Loans and Receivables	14,593	12,225	161,874	98,202
Available for Sale Financial Assets	-	-	-	-
Total Investments	14,593	12,225	161,874	98,202

NOTES TO THE ACCOUNTS

NOTE 23 (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

	Long Term		Short Term	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Financial Liabilities at fair value through profit or loss	-	-	-	-
Financial Liabilities measured at amortised cost	626,677	704,988	257,186	238,458
Total Borrowings	626,677	704,988	257,186	238,458

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 Statement of Comprehensive Net Expenditure for Year end 31 March 2011 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	-	66,873
Losses on derecognition	-	-
Impairment Loss	-	-
Interest payable and similar charges		66,873
Interest Income	-	-
Gains on derecognition	-	-
Interest and Investment Income		

NOTES TO THE ACCOUNT

NOTE 23 (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

	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
Financial Assets				
Interest Expense	-	-	-	-
Losses on Derecognition	-	-	-	-
Impairment Loss	-	-	335	-
Interest payable and similar charges			335	
Interest Income	-	-	834	-
Gains on Derecognition	-	-	-	-
Interest and Investment Income			834	

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 FReM, 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:

	2011		2010	
	Carrying Amt £'000	Fair Value £'000	Carrying Amt £'000	Fair Value £'000
Financial Liabilities				
Consolidated Loans Fund	672,681	981,140	757,563	1,116,699
Non Consolidated Loans Fund	20,785	30,316	22,945	33,823
Total Debt	693,466	1,011,456	780,508	1,150,522
Loans and Receivables				
Long term Debtors	15,639	14,593	12,988	12,225
Total Investments	15,639	14,593	12,988	12,225

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 2011 for the Government Loans Funds is £852m (2010: £1,061m), and the estimated fair value of Local Authority Loans is £27m (2010: £31m).

NOTES TO THE ACCOUNTS

NOTE 24

PROVISION FOR LIABILITIES AND CHARGES

	Redevelopment Area Purchases £'000	Contractual Claims £'000	Public Liability Claims £'000	Managing Asbestos £'000	Total £'000
Opening Balance - at 31 March 2010	-	-	(2,290)	(11,500)	(13,790)
Net Expenditure charge	(4,146)	(861)	(3,684)	6,459	(2,232)
Applied	-	-	2,517	826	3,343
At 31 March 2011	(4,146)	(861)	(3,457)	(4,215)	(12,679)

	2011 £'000	2010 £'000
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Amount Due for Settlement

Within 12 months	(8,903)	(6,070)
After 12 months	(3,776)	(7,720)

	(12,679)	(13,790)
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- An amount of £3.7m has been provided for in respect of amounts due to compensate previous owners in areas vested for Redevelopment (Urban Renewal Areas). Further, a provision of £400k has been accounted for in respect of houses vested by the Housing Executive and which are to be refurbished or demolished, but which fall outside of approved redevelopment areas.
- An amount of £861k has been provided for in respect of contractual claims issued against the Housing Executive.
- Public Liability Claims see Note 28 (Contingent Liabilities).
- The Housing Executive has undertaken to survey all its housing stock to identify the presence of asbestos and the risk it presents. The costs of surveying and managing asbestos in the 33,000 houses approximately remaining to be surveyed has been estimated at £9.5m (2010: £11.5m). £5.3m has been accounted for as an accrual and is expected to be paid out during 2011/12.

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 **£15.8m** (2010: £14.6m).

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, with next formal valuation due as at 31 March 2013. In calculating the Housing Executive's assets and liabilities the appointed actuaries have rolled forward the values calculated at the latest valuation. Further, the appointed 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:

Actuarial Assumptions used	As At 31 March 2011	As At 31 March 2010
Rate of Inflation (RPI)	3.50%	3.80%
Rate of Inflation (CPI)	3.00%	N/A
Rate of Increase in Salaries	4.50%	4.80%
Rate of Increase in Pensions	3.00%	3.80%
Discount Rate	5.50%	5.50%
Long-term Rate of Return on Assets - Equities	7.75%	7.80%
- Bonds	4.50%	5.00%
- Property	5.75%	5.80%
- Cash	1.00%	4.80%
Average Net Expected Rate of Return on Assets	7.25%	7.20%

Mortality Assumptions

Weighted average life expectancy for mortality tables used to determine benefit obligations at:	Males	Females
Member Age 65 (Current Life Expectancy)	21.1 years	20.8 years
Member Age 45 (Life Expectancy at Age 65)	23.0 years	22.3 years

Future mortality is the single most significant demographic assumption. Recent studies have disclosed a faster increase in the rate of mortality improvement than had previously been expected.

The basic table used is SAPS S1 (Year of Birth) with medium cohort mortality improvement, and a minimum improvement per year of 1.0% for both males and females. This means the mortality rates assumed for members of a particular age differ from those for members who will reach that age in future.

These assumptions should result in an appropriate allowance for future longevity, and are similar to assumptions used for many schemes in the UK. The same assumptions were used for the formal NILGOSC valuation as at 31 March 2010. The assumptions will continue to be monitored in the light of general trends in mortality experience.

NOTES TO THE ACCOUNTS

NOTE 25

PENSIONS (CONTINUED)

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.

Below we have detailed the sensitivity of the benefit obligation to various key assumptions.

	£'000	Increase £'000
Benefit Obligation at 31 March 2011	684,561	-
Mortality: +1 Year on Life Expectancy	697,544	12,983
Discount Rate: -0.25%pa	712,432	27,871
Inflation (CPI): +0.25%pa	699,377	14,816
Real Salary Growth: +0.25pa	693,273	8,712

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 2011 £'000	Expected Return at 31 March 2011	Assets at 31 March 2010 £'000	Expected Return at 31 March 2010
Equities	523,327	7.75%	405,603	7.80%
Bonds	42,596	4.50%	73,746	5.00%
Property	36,511	5.75%	31,605	5.80%
Cash	6,085	1.00%	15,803	4.80%
	608,519		526,757	

The above asset values as at 31 March 2011 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 March 2011 £'000	31 March 2010 £'000
Fair Value of Employer Assets	608,519	526,757
Present value of Funded Liabilities	(671,055)	(793,662)
Net Underfunding in Funded Plans	(62,536)	(266,905)
Present value of Unfunded Liabilities	(13,506)	(15,934)
Unrecognised Actuarial (Gain)/Loss	-	-
Unrecognised Transition (Asset)/Liability	-	-
Net Liability	(76,042)	(282,839)

Amounts in the Statement of Financial Position

Liabilities	(76,042)	(282,839)
Assets	-	-
Net Asset/(Liability)	(76,042)	(282,839)

NOTES TO THE ACCOUNTS

NOTE 25

PENSIONS (CONTINUED)

d) Notes to the Statement of Comprehensive Net Expenditure

	Year End 31 March 2011		Year End 31 March 2010	
	£'000	% of Payroll	£'000	% of Payroll
Amount Charged to Employee Costs				
Current Service Cost	14,428	22.2%	8,714	13.5%
Past Service Cost	(31,265)	(48.0%)	6,026	9.3%
Curtailment and Settlements	1,262	1.9%	833	1.3%
Decrease in Irrecoverable Surplus	-	-	-	-
Total Operating Charge (A)	(15,575)	(23.9%)	15,573	24.1%

	Year End 31 March 2011		Year End 31 March 2010	
	£'000	% of Payroll	£'000	% of Payroll
Amount (Debited)/Credited to Other Financing Costs				
Expected Return on Employer Assets	37,863	58.2%	24,262	37.5%
Interest on Pension Scheme Liabilities	(43,665)	(67.1%)	(35,706)	(55.1%)
Net Return (B)	(5,802)	(8.9%)	(11,444)	(17.6%)

Net Revenue Account Cost (A) - (B)	(9,773)	(15.0%)	27,017	41.7%
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Actual return on Plan Assets	58,725	155,606
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Notes to the Statement of Changes in Reserves

	31 Mar 2011 £'000	31 Mar 2010 £'000
Actuarial Losses on Plan Assets	20,947	132,116
Actuarial Gains on Obligation	138,226	(256,804)
Rebalancing Due to Valuation of Pension Fund	24,799	-
Actuarial Gain/(Loss) Recognised in Statement of Changes in Reserves	183,972	(124,688)
Cumulative Actuarial Loss Recognised in Statement of Changes in Reserves	(43,947)	(227,919)

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 2011 £'000	Year End 31 March 2010 £'000
Reconciliation of Defined Benefit Obligation		
Opening Defined Benefit Obligation	(809,596)	(517,817)
Current Service Cost	(14,428)	(8,714)
Past Service Cost	31,265	(6,026)
Losses on Curtailments	(1,262)	(833)
Interest on Obligation	(43,665)	(35,706)
Members Contributions	(4,057)	(4,168)
Unfunded Benefits Paid	951	991
Estimated Benefits Paid	18,005	19,481
Actuarial (loss)/Gain	138,226	(256,804)
Closing Defined Benefit Obligation	(684,561)	(809,596)

The attributable movement in the scheme assets during the period was as follows:

	Year End 31 March 2011 £'000	Year End 31 March 2010 £'000
Reconciliation of Fair Value of Employer Assets		
Opening Fair Value of Employer Assets	526,757	375,300
Employer Contributions	12,101	10,392
Members Contributions	4,057	4,168
Expected Return on Assets	37,863	24,262
Contributions in respect of Unfunded Benefits	951	991
Unfunded Benefits Paid	(951)	(991)
Rebalancing Due to Valuation	24,799	-
Benefits Paid	(18,005)	(19,481)
Actuarial Gain/(Loss)	20,947	132,116
Closing Fair Value of Employer Assets	608,519	526,757

Net Pension Liability	(76,042)	(282,839)
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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 £685m (2010: £810m) and results in a net overall deficit balance of £76m (2010: £282m) 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 2010/11, employers participating in the scheme increased contributions to 17% (2009/10 16%). Contribution rates will continue to increase to 18% for the 2011/12 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 Statement of Comprehensive Net Expenditure.

Amounts for the current and previous accounting periods	Year End 31 March				
	2011 £'000	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Fair Value of Employer Assets	608,519	526,757	375,300	494,987	504,350
Present Value of Defined Benefit Liability	(684,561)	(809,596)	(517,817)	(534,280)	(601,780)
(Deficit)/Surplus	(76,042)	(282,839)	(142,517)	(39,293)	(97,430)
Experience Gains/(Losses) on Assets	20,862	132,116	(151,585)	(36,515)	(5,704)
Experience Gains on Liabilities	(85,576)	1,641	830	4,204	1,495
Actuarial Gains/(Losses):					
On Employer Assets	20,947	132,116	(151,585)	(36,515)	(5,704)
On Obligation	138,226	(256,804)	48,354	93,163	(69,168)
Rebalancing Due to Valuation	24,799	-	-	-	-
Actuarial (Losses)/Gains Recognised in Statement of Changes in Taxpayers' Equity	183,972	(124,688)	(103,231)	56,648	(74,872)

NOTES TO THE ACCOUNTS

NOTE 26

RECONCILIATION OF MOVEMENT ON RESERVES

		2011	2010
	Note	£'000	£'000

a) Revenue Reserve

Opening Balance - at 1 April 2010		720,401	791,423
Capital Grant in Aid	61,100	102,986	
Revenue Grants and Grant in Aid	210,661	218,916	
Revenue Grant - Housing Benefit	8 568,774	527,562	
Revenue Grant - Social Housing Devel Prog	166,815	157,250	
Total Grant Received from DSD		1,007,350	1,006,714
Actuarial Gain/(Loss) on Pension	25(d) 183,972	(124,688)	
Net Expenditure for Year		(976,799)	(963,007)
Realisation of Assets on Disposal		33,302	9,959
At 31 March 2011		968,226	720,401

		2011	2010
		£'000	£'000

b) Revaluation Reserve

Opening Balance - At 1 April 2010	2,082,358	2,024,723
(Dec)/Inc in Revaluation - Housing Stock	(214,763)	78,906
(Dec)/Inc in Revaluation - Land & Buildings	(30,220)	(14,101)
(Dec)/Inc in Revaluation - Non Operational Assets	30	2,490
(Dec)/Inc in Revaluation - Other Assets	(222)	299
Realisation of Assets on Disposal	(33,302)	(9,959)
At 31 March 2011	1,803,881	2,082,358

NOTES TO THE ACCOUNTS

NOTE 26

RECONCILIATION OF MOVEMENT ON RESERVES (CONTINUED)

	Note	2011 £'000	2010 £'000
c) Government Grants Reserve			
Opening Balance - At 1 April 2010		24,668	25,515
Grants Received		226	600
Released Statement of Comprehensive Net Expenditure	3	(1,447)	(1,447)
At 31 March 2010		23,447	24,668

Of the £23,447k, grants from the European Union are £669k and the balance of £22,778k are United Kingdom Government grants.

	2011 £'000	2010 £'000
d) Donated Assets Reserve		
Opening Balance - at 1 April 2010	1,315	228
Revaluation movement	(29)	1,087
At 31 March 2011	1,286	1,315

	2011 £'000	2010 £'000
e) Net Movement on Reserves		
Revenue Reserve	247,825	(71,022)
Revaluation Reserve	(278,477)	57,635
Government Grants Reserve	(1,221)	(847)
Donated Asset Reserve	(29)	1,087
Net Movement on Reserves	(31,902)	(13,147)

NOTES TO THE ACCOUNTS

NOTE 27

NOTES TO THE STATEMENT OF CASH FLOWS

	2011 £'000	2010 £'000
a) Reconciliation of Net Expenditure before Interest to Operating Cash Flows		
Net Expenditure before Interest	(904,709)	(874,353)
Depreciation of Property, Plant & Equipment	50,475	54,885
Amortisation of Software	1,159	1,290
Impairment	40,375	10,975
Government Grants Reserve	(1,446)	(1,447)
Decrease in Inventories	649	2,125
Decrease/(Increase) in Receivables	29,089	(19,808)
Increase in Payables and Provisions	7,908	30,292
Loss on Disposals and Write Offs	20,380	12,883
Net Cash Outflow from Operating Activities	(756,120)	(783,158)

NOTES TO THE ACCOUNTS

NOTE 27

NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

	2011 £'000	2010 £'000
b) Cashflow from Investing Activities		
PAYMENTS TO ACQUIRE NON-CURRENT ASSETS		
Land and Buildings	(12,696)	(32,585)
Other Operational Assets	(408)	(484)
IT Hardware and Software	(3,246)	(6,530)
Non Operational Assets	(26,289)	(19,993)
Total Expenditure	(42,639)	(59,592)
INCOME FROM SALE OF NON-CURRENT ASSETS AND GRANTS		
House Sales (Inc. Land and Buildings)	19,080	18,147
Plant and Equipment	14	7
Government Grants	33	659
Total Income and Grants	19,127	18,813
REPAYMENT OF LOANS		
Repayment of Loan Debt	(87,045)	(92,006)
FINANCING CHARGES		
Loan Interest Charges	(66,830)	(76,257)
Other Financing Charges	(43)	(43)
Total Financing Charges	(66,873)	(76,300)
Interest Receivable	834	940
OTHER INVESTING ACTIVITIES		
Home Loan Repayments	2	12
Other Loan Advancements	-	(6)
Other Loan Repayments	2	1
Total Other Investing Activities	4	7
Net Cash (Outflow) from Investing Activities	(176,592)	(208,138)

NOTES TO THE ACCOUNTS

NOTE 27

NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

	2011	2010
	£'000	£'000

c) Cashflow from Financing Activities

Grant from Sponsoring Department	1,007,350	1,006,714
	1,007,350	1,006,714

	At 1 April 2010 £'000	Cash Flows £'000	Other Changes £'000	At 31 March 2011 £'000
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d) Analysis of Change in Cash and Cash Equivalents

Cash at Bank and in Hand	76,966	64,206	-	141,172
Overdrafts	(37,674)	10,432	-	(27,242)
Total	39,292	74,638		113,930

	At 1 April 2009 £'000	Cash Flows £'000	Other Changes £'000	At 31 March 2010 £'000
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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

NOTES TO THE ACCOUNTS

NOTE 27

NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

	2011	2010
	£'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	112,668	38,856
Alliance & Leicester	744	346
Co-Operative	501	72
	113,913	39,274
Cash in hand	17	18
	113,930	39,292

	2011	2010
	£'000	£'000

e) Reconciliation of Net Cash Flow to Movement in Cash & Cash Equivalents

Net Increase in Cash & Cash Equivalents in Period	74,638	15,418
Cash & Cash Equivalents at 1 April 2010	39,292	23,874
Cash & Cash Equivalents at 31 March 2011	113,930	39,292

NOTE 28

CONTINGENT LIABILITIES AND ASSETS

Liabilities

At 31 March 2011 public liability claims notified and not processed amounted to an estimated potential liability of £8.5m (2010: £5.3m) in respect of 1,450 claims (2010: 1,225). Further, the closing provision at 31 March 2011 has been increased to £1.257m, based on past payments history, in respect of claims which may become a debt in a future financial year.

At 31 March 2011 a provision of £3.7m has been accounted for in respect of redevelopment land vested and owned by the Housing Executive. A further estimated £2.1m has not been accounted for in respect of properties where no claims have yet been made by previous owners. A provision of £400k has been accounted for in respect of houses vested by the Housing Executive and which are to be refurbished or demolished, but will fall outside of approved redevelopment areas. A further £757k has not been accounted for where claims have not been received but payment may still be due.

Assets

During 2010, Housing Executive staff developed concerns about alleged overcharging by contractors carrying out work to Housing Executive properties. These concerns were thoroughly investigated and pursued under the contracts dispute procedure. As the amount of recovery has still to be determined no adjustment has been processed through the accounts.

NOTES TO THE ACCOUNTS

NOTE 29

COMMITMENTS

The Housing Executive has to plan its Capital and Revenue in advance of work proceeding. At 31 March 2011 the Housing Executive has entered into contracts which will incur expenditure of £107m in future years. Of this £107m private sector grant approvals up to 31 March 2011 of £13m 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 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 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 2010/11 amounted to £37.7m. After an allowance of £5.6m was received, £32.1m 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 £2.2m and £179k respectively. Notes 5 and 10(b) 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.

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 2010 £'000	Income £'000	Expenditure £'000	Closing Balance 31 March 2011 £'000
12	-	-	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 2010 to 31 December 2010 in April 2011. This report highlighted an amount of £14.7m overpaid (customer fraud £0.9m, customer error £4.0m and official error £9.8m) and £2.6m underpaid (customer error £0.2m and official error £2.4m) through fraud and error in Housing Benefit for tenants. This represents approximately 3.1% 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 2010.

NOTE 32

COMPREHENSIVE NET EXPENDITURE ANALYSIS

	2006/07 Restated £'000	2007/08 Restated £'000	2008/09 Restated £'000	2009/10 Restated £'000	2010/11 £'000
Income	241,528	244,814	251,543	264,483	266,050
Expenditure	(952,118)	(1,055,065)	(1,038,335)	(1,138,836)	(1,170,759)
Net Expenditure before Interest and Other Charges	(710,590)	(810,251)	(786,792)	(874,353)	(904,709)
Interest and Other Charges	(103,201)	(91,096)	(85,835)	(88,654)	(72,090)
Net Expenditure for the year	(813,791)	(901,347)	(872,627)	(963,007)	(976,799)

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 2010/11 and 2009/10 matched to the total funding provided.

The tables do not include non cash items eg. Depreciation and Impairment.

Non departmental grant income of £1.32m has been excluded.

	2011 £'000	2011 £'000	2010 £'000
Funded by DSD			
Deficit Grant	150,277		
- less SPED sales	(3,500)	146,777	156,996
Social Housing Development Programme (SHDP)		166,815	157,250
Supporting People Grant		63,884	62,000
Grant to support: Private Sector Grants		43,750	65,700
Capital Improvements	38,358		
less capital receipts	(21,008)	17,350	37,206
		438,576	479,152

	2011 Outturn £'000	2010 Outturn £'000
Net Expenditure		
Capital Expenditure	39,746	57,422
SHDP	165,556	
Less Disposal Proceeds	(494)	157,273
Private Sector Grants/Warm Homes	41,758	54,149
Capital Receipts	(19,174)	(18,158)
Excess Capital Receipts	-	149
Working Capital	5,292	(417)
Revenue Expenditure	461,594	483,074
Rents & Other Income	(255,702)	(254,340)
	438,576	479,152

NOTE 34

AUTHORISATION DATE

The financial statements were authorised for issue on 29 June 2011 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 (the Housing Executive) is a Non-Departmental Public Body (NDPB) sponsored by the Department for Social Development (DSD). The Housing Executive is the regional housing authority for Northern Ireland with a wide range of housing responsibilities including acting as landlord for housing stock of approximately 90,000 dwellings.
2. This report reviews the results of my audit of the Housing Executive and sets out the reasons for my qualified audit opinions. 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 response maintenance expenditure and also to social housing development programme expenditure in so far as it relates to Helm Housing Association. The Housing Executive accounted for £568.7m in housing benefit expenditure, £48.9m in response maintenance expenditure and £12.1m of Social Housing Development Programme expenditure to Helm Housing Association during 2010/11.
3. This report also comments on a number of other matters in relation to my audit of the accounts of the Housing Executive.

Arrangements for Reporting and Monitoring of Housing Benefit

4. The Housing Executive administers housing benefit on behalf of the Department for Social Development. The Department's Standards Assurance Unit regularly monitors and measures the estimated levels of fraud and error within the housing benefit system. In order to do this, the Standards Assurance Unit selects random samples of ongoing benefit claims and subjects them to detailed examination for evidence of official error or customer error or customer fraud. The results of this testing are then used to estimate the total level of fraud and error in all of the main benefits, which is presented in Note 31 (entitled 'Fraud and Error') to the annual accounts. The estimates of fraud and error are by their nature subject to uncertainty because they are based on sample testing. These estimates do, however, represent the best measure of fraud and error available. In order to facilitate the timetable for the production of the financial statements, DSD's testing on payment accuracy is reported on a calendar year basis, not on a financial year basis. I am satisfied that this is reasonable.

5. I examined the work undertaken by DSD to assess the levels of fraud and error within the housing benefit system. My staff examined and re-performed a sample of DSD's case work during the year and also reviewed the methodologies applied by DSD in carrying out these exercises. I am content that results produced by the SAU are a reliable estimate of the total fraud and error in the benefit system.

National Fraud Initiative

6. In February 2011, I published a separate report on the 2008/09 National Fraud Initiative for the whole of the Northern Ireland public sector. The National Fraud Initiative is an exercise to conduct data matching scans to assist in the prevention and detection of fraud. A matching exercise was carried out in September 2008 which identified over 14,000 housing benefit matches. A number of matches were passed by the Housing Executive to the Social Security Agency's Benefit Investigation Service.
7. My report identified a number of examples where housing benefit overpayments had been identified as a result of the National Fraud Initiative. In one case the National Fraud Initiative identified a claimant who appeared to have been claiming weekly housing benefit in England since 2005 and in Northern Ireland since 2007. In another case a housing benefit claimant failed to properly declare a pension that had been in payment. When the housing benefit was recalculated back to 2003, which is as far back as the Housing Executive could check its records due to a system change, the overpayment totalled around £15,000.
8. To date, overpayments amounting to £1.7 million from 503 investigations by Housing Executive staff have been identified as part of this Initiative. Of the cases referred to the Benefit Investigation Service, fraud has been found in 48 cases. The 2010/11 National Fraud Initiative has recently commenced and I will report on this in due course.

Qualified Opinion Due To Irregular Housing Benefit Payments

9. 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.
10. The levels of fraud and error for housing benefit for the year 1 January 2010 to 31 December 2010, reported by the Standards Assurance Unit in March 2011 highlighted estimated levels of fraud and error of £14.7m overpayments (customer fraud £0.9m, customer error £4.0m and official error £9.8m) and £2.6m underpayments (customer error £0.2m and official error £2.4m), in total representing some 3.1 per cent of housing benefit expenditure.
11. 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 overpayments and underpayments due to official error in such benefit expenditure which are not in conformity with the relevant authorities.

Level of Housing Benefit Overpayments

12. The Housing Executive estimates that in 2010 losses of £14.7m million have arisen through the overpayment of housing benefit to claimants due to fraud and error, representing 2.6 per cent of housing benefit expenditure. This compares with losses of £9.3 million in 2009 which equates to 1.8 per cent of housing benefit expenditure. Housing benefit expenditure increased by £64.7 million (or 12.8 per cent) in 2010 compared to 2009.
13. I recognise the considerable efforts and resources committed by the Housing Executive to address housing benefit fraud and error. However I am concerned that the Housing Executive's performance in addressing the overall levels of overpayments appears to be inconsistent over the period, see Table 1. I would encourage the Housing Executive to continue to focus on strategies to reduce the overall levels of loss.
14. I am also concerned that overpayments due to official error have increased from £3.6 million in 2009 to £9.8 million in 2010. In 2006 the level of official error stood at £0.5m. I am disappointed in this increase as it is my view that this is the area where the Housing Executive continues to have the most control. I asked the Housing Executive to comment on this increase in official error and the Housing Executive told me that the figure of £9.8million is an estimate based on a statistical sampling methodology. Whilst acknowledging that the level of official error may have increased when compared to last year's estimate of £3.6 million, the Housing Executive would intend to explore with Standards Assurance Unit how they might further refine the estimate for the level of official error going forward as the error bands associated with these estimates overlap which means that definitive conclusions cannot be drawn. Having said that, the Housing Executive recognizes the importance of minimising levels of official error and measures have already been put in place to drive up the quality of assessments and reduce the level of error. A quality assurance process is in place which checks the accuracy of assessments both during the various assessment stages and at the end of the process. Results of these checks are recorded and used to identify any particular problem areas or training needs. The results of these checks are now being reported quarterly to the Housing Executive's Performance Review Group to ensure that improvements are being achieved. In addition an exercise has been launched to examine the causes of every official error raised over a three month period, again to identify common causes and ways to reduce these. This exercise is due for completion by September 2011.
15. I welcome the overall reduction in underpayments from £3.8 million in 2009 to £2.6 million in 2010. However, the level of underpayments due to official error has increased from £0.5m in 2006 to £2.4m in 2010, see Table 1. The Housing Executive told me that the principles as described in paragraph 14 apply and this area will also be addressed in further discussion and meetings with Standards Assurance Unit and DSD.

Table 1: Trends in estimated overpayments and underpayments due to fraud and error in housing benefit expenditure

	2010 £million	2009 £million	2007 £million	2006 £million
Total Housing Benefit Expenditure	568.3	503.6	412.8	411.6
Overpayments				
Official Error	9.8	3.6	1.2	0.5
Customer Error	4.0	1.2	6.7	4.1
Customer Fraud	0.9	4.5	2.8	3.3
Total	14.7	9.3	10.7	7.9
% of Housing Benefit Expenditure	2.6%	1.8%	2.6%	1.9%
Underpayments				
Official Error	2.4	3.4	0.3	0.5
Customer Error	0.2	0.4	0.7	0.2
Total	2.6	3.8	1.0	0.7
% of Housing Benefit Expenditure	0.5%	0.8%	0.2%	0.2%

Source: Standard Assurance Unit Reports (Standard Assurance Unit did not carry out an exercise covering 2008 due to resourcing issues on their part.)

Recovery of Housing Benefit Overpayments

16. At 31 March 2011, the levels of housing benefit overpayments owed by claimants have increased to £26.9m (2009/10, £23.4m). A provision of £13.2m (2009/10, £12.1m) has been set against this debt, resulting in a net figure of £13.7m (2009/10, £11.3m). Housing Benefit overpayments written off in 2010/11 amounted to £1.8m (2009/10, £1.3m).

Table 2: Trends in the recovery of Housing Benefit Overpayments

Year	Total amount to be recovered after Write-Offs £million	Total Amount Recovered £million	Level of Recovery %
2011	40.0	13.1	32.7%
2010	36.2	12.8	35.3%
2009	30.8	10.5	34.0%
2008	28.8	10.2	35.4%
2007	27.7	11.0	39.8%

Source: Housing Benefit Overpayment Returns

17. I recognise that dealing with the recovery of housing benefit overpayments remains a priority for the Housing Executive. However I am concerned that the Housing Executive's performance in recovering the overall levels of overpayments has reduced over the period from 39.8 per cent in 2007 to 32.7 per cent in 2011, see Table 2.
18. A full review of the overpayments strategy has been undertaken and a plan drawn up addressing issues and actions to be taken to ensure the strategy remained focused and relevant in addressing this important issue. However these actions have not had the desired effect as the level of overpayments is still increasing and the rate at which overpayments are recovered has decreased. The Housing Executive told me that although the percentage recovery rate has dropped over the period, the actual amount recovered has increased by 28 per cent since 2007/08. The success of counter-fraud activities undertaken by the Housing Executive has an adverse effect on the percentage level of recovery as new overpayments created under these activities, at an average of £4,000 per debt, are four times larger than the overall average size of a housing benefit debt. As a consequence it takes longer to recover such overpayments considering that the clawback/recovery amounts are capped at a level prescribed by DSD annually. Furthermore, two new counter-fraud measures were introduced in the last two years (the National Fraud Initiative and the Housing Executive's own Case Compliance Programme) which have further added to the increase in the level of overpayments created and have also affected recovery rates. During 2010/11 approximately £5m was raised in overpayments from all counter-fraud activities. This is a 60 per cent increase on the amount raised in 2007/08. The Housing Executive informed me that it has robust policies and procedures in place to ensure that appropriate and timely action is taken to recover all debts even though, due to the size of some debts, it may now take longer to do so. Performance measures are in place to monitor recovery action and outcomes are reported regularly to senior management and DSD. Steps are being taken to derive comparative housing benefit overpayment performance figures of local authorities within UK.

Qualified Opinion Due to Weaknesses in the Control of Expenditure on Response Maintenance

19. I have also qualified my opinion on the regularity of response maintenance expenditure because I was unable to gain sufficient evidence to enable me to confirm that the payments had been made for the purposes intended by the Northern Ireland Assembly. Response maintenance repair contracts are in place across each district to deal with requests from tenants for emergency, urgent and routine repairs. The total expenditure on response maintenance during 2010/11 was £48.9 million.
20. Following internal and external investigative work, significant weaknesses in control have emerged in respect of response maintenance expenditure incurred by the Housing Executive.
21. The Repairs Inspection Unit carries out technical and management inspections of each district maintenance section on an annual basis. The results are measured and presented in a summary report listing scores for four specific areas: Contract Management; Probity; Inspection (on site); and Procedures. Districts are rated according to their compliance within four bands namely, unacceptable, limited, satisfactory and substantial.
22. During 2010/11 each of the 35 districts were inspected by the Repairs Inspection Unit. Three districts were deemed to be unacceptable, eleven were rated limited, sixteen received a satisfactory rating and five received a substantial rating. In addition, a total of six re-visits were carried out on those districts that had previously received the lowest scores. Of the three that had previously received an unacceptable rating, one remained unacceptable

while the other two were uplifted to a limited rating. Of the three districts that had previously received a limited rating, one remained limited, one received a satisfactory rating and the other received an unacceptable rating.

23. Prior to May 2010 the Repairs Inspection Unit fell within the remit of the Housing and Regeneration Division and was therefore not independent of the division on which it reported on. I am concerned that the results of the annual inspections were, for a number of years, not disclosed to the Housing Executive Board or to its Audit Committee. However I note that reports from the Repairs Inspection Unit are now reported to the Housing Executive's Audit Committee. It is intended that the Unit will form part of the new independent Compliance Unit which has been set up by the Housing Executive.
24. In addition, the Housing Executive Board terminated all of its contracts with a contractor, Red Sky, who are providing response maintenance services across a number of districts. This decision was based upon information contained within an external review of a sample of the work carried out by the contractor and the results of a number of maintenance inspection reports prepared by the Executive's Repairs Inspection Unit. I also had received complaints from MLAs and members of the public about the quality of this company's workmanship and had drawn these to the attention of the Chief Executive for investigation.
25. Based upon the external review, the Housing Executive identified overpayments totalling £386,108. Additional work undertaken by the Repairs Inspection Unit on more recent response maintenance work identified further overpayments totalling £110,791. The Housing Executive has so far recovered £262,560 and hopes to recoup the balance outstanding by the end of the contract.
26. The weaknesses outlined above are disclosed in the Housing Executive's financial statements within the Statement on Internal Control. The Housing Executive has stated that "as a result of serious issues identified during the reviews of response maintenance work carried out by the Repairs Inspection Unit of the Housing Executive, an internal report was passed to the Personnel department to consider whether or not disciplinary action is merited. An investigation is currently underway in line with the Disciplinary Procedures to examine the conduct of the maintenance officers involved".
27. I have qualified my opinion on the regularity of response maintenance expenditure because I was unable to obtain sufficient assurance that the Housing Executive's control of response maintenance expenditure of £48.9 million was adequate to ensure the payments had been applied for the purposes intended by the Northern Ireland Assembly. Because of the lack of evidence described above I was unable to form an opinion whether the expenditure of £48.9 million on response maintenance had been applied for the purposes intended by the Northern Ireland Assembly.

Further Issues in Relation to Contract Management

28. The Statement on Internal Control draws attention to the Housing Executive's investigation into alleged overcharging by certain contractors. This investigation relates to major adaptations to the Housing Executive properties carried out over the period 1999-2010. To date the Housing Executive has identified overpayments amounting to £133,000. However, it estimates that the total amount involved, based on a sample review of work completed and billed, could be up to £524,250, excluding legal and professional fees estimated at £200,000. It is currently in discussions with the appointed project manager who was responsible for overseeing this work, their insurers and related contractors regarding recovery. I have not qualified my opinion on this matter in 2010/11.

29. In view of the seriousness of the issues raised and problems identified in the management of these specific contracts, I have initiated a value for money review of contract management in the Housing Executive. The scope of the review includes:
 - the range of the Housing Executive contracts and extent of expenditure;
 - an overview of the findings from recent external and internal reviews and investigations within the Housing Executive;
 - how response maintenance and major adaptations work is contracted; and
 - the management of response maintenance and major adaptations contracts, including monitoring of contractor performance, inspection of repairs and adaptations carried out, reporting arrangements for contract management within the Housing Executive.
30. In addition, my review will also examine and report on the Housing Executive's re-negotiation of its heating contracts following an internal review. Concerns about these contracts were also raised with me by a whistleblower. I intend to publish my findings in a report to the Northern Ireland Assembly later this year.

Qualified Opinion on the Regularity of Payments Made to Helm Housing Association

31. DSD provides funding to the Housing Association sector which is distributed by the Housing Executive each year and this amounted to £165m during 2010/11. In order to satisfy itself that this money is being spent correctly, DSD's Regulatory and Inspection Unit conducts regular reviews of all Housing Associations in Northern Ireland examining governance, finance, property management and property development. Whilst I have not qualified my opinion on the serious issues identified by the Regulatory Inspection Unit across a number of Housing Associations I have reported on these matters more fully in my report on the Department's 2010/11 resource account.
32. In addition, in the latter half of 2010, DSD became aware of the breakdown of governance within Helm, the largest Housing Association in Northern Ireland, and had concerns regarding specific building schemes. The Department became aware of these issues through its inspection programme and also as a result of whistleblower disclosures to both DSD and to my Office.
33. Helm has therefore been the subject of a detailed examination by the Regulatory and Inspection Unit and I have seen a draft copy of their interim report which raises some potentially very serious issues. The report is expected to be finalised over the next few months and I may report further in due course.
34. At this point in time I have been unable to obtain all the information and explanations necessary for me to satisfy myself as to the regularity of the £12.1m paid to Helm Housing Association in 2010/11 and I have therefore qualified my opinion in this matter.

OTHER MATTERS

Land and Property Management

35. The Statement on Internal Control identifies the Housing Executive's management of its land and property as an area of significant risk. It also draws attention to concerns expressed by Internal Audit in 2009/10 and 2010/11 in relation to the adequacy of the Executive's Land Terrier, undeveloped land schedules and land acquisition issues. In addition, the Accounting Officer has, through the Statement on Internal Control, provided updates on a number of ongoing investigations. These include;
- a site zoned for social housing in North Belfast (with PSNI);
 - the sale of land by the Housing Executive to a community group and subsequently sold to a third party (discussions with PSNI ongoing);
 - the sale of land in Belfast to a developer; this investigation follows a finding of maladministration by the Northern Ireland Ombudsman against the Housing Executive and is intended to establish if fraud is present; and
 - a review of a number of land and property transactions to determine whether they were managed in line with agreed policy/procedure and to highlight any cases of non-compliance.
36. Given that these investigations have or may identify potential fraud it is not possible for me to report on the detail at this time. Nevertheless, given their extent and significance I intend to keep this area under review and to provide a detailed report to the Northern Ireland Assembly at the earliest opportunity.

Supporting People

37. In last year's report I qualified my opinion on the regularity of grant payments in respect of £2.2m paid as Special Needs Management Allowance (SNMA) to 34 registered Care Homes from the supporting people budget. These payments had not been appropriately monitored by either DSD or the Housing Executive since 1 April 2003 when the scheme was transferred to the Housing Executive under transitional arrangements. The Department has now put in place monitoring and control procedures during 2010/11. An extensive desktop exercise was carried out by DSD followed by a number of site visits to the providers of this service. On the basis of this new evidence I have not qualified my opinion on this matter in 2010/11.



KJ Donnelly
Comptroller and Auditor General
30 June 2011

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