

## Executive Briefing Introduction

**“Executive Briefing” summarises the business of the Northern Ireland Housing Executive’s Board at its meeting on Wednesday 24<sup>th</sup> June 2009 at 10.00am in the Boardroom, Housing Centre, 2 Adelaide Street, Belfast, BT2 8PB.**

Further information on any matters in this document can be obtained from:

**Mrs Imelda McGrath**

Head of Information and Secretariat  
6<sup>th</sup> Floor  
The Housing Centre  
2 Adelaide Street  
Belfast BT2 8PB

**Telephone:** 028 90240588 Extension 2700

**Web Site:** [www.nihe.gov.uk](http://www.nihe.gov.uk)

**Email:** [info@nihe.gov.uk](mailto:info@nihe.gov.uk)

**Members Present:** Mr Brian Rowntree (Chairman)  
Mrs Anne Henderson (Vice Chair)  
Mr Ciaran Brolly  
Mr Alistair Joynes  
Mr Brendan Mackin  
Cllr Eamonn O’Neill  
Cllr Jenny Palmer  
Cllr Jim Speers  
Dr Monica Wilson

**Apologies:** Cllr Brendan Curran

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## **GOVERNANCE AND ACCOUNTABILITY**

### **1.0 Business Plan Monitor**

- 1.1 The Housing Executive's Business Plan Monitor for May 2009 showed that performance against the majority of targets was satisfactory. Bids for additional funding will be made for those services and budgets which are under pressure.

## **STRATEGIES AND POLICIES**

### **2.0 Continuous Tenant Omnibus Survey 2008 - Key Findings**

The Board noted the key findings of the 2008 Continuous Tenant Omnibus Survey (CTOS) and approved their dissemination.

- 2.1 The survey was the 15<sup>th</sup> comprehensive assessment of Housing Executive tenants' attitudes to service delivery to be carried out since 1994. Each quarter 25 randomly selected tenants are interviewed in each housing management district. In this way a total of 3,700 tenants are interviewed each year on a continuous basis to ensure that the overall picture of tenants' attitudes is not distorted by seasonal events. In January 2008 the Housing Executive had approximately 88,000 occupied dwellings, housing approximately 185,000 household members.
- 2.2 The CTOS is a key element of the Housing Executive's research programme and informs and assesses compliance with a range of legislative and government policies, including those relating to equality, modernising services, targeting social needs and tackling anti social behaviour. While supporting a number of Corporate Objectives, the survey is primarily linked to Objective 6: "Better Public Services".
- 2.3 The CTOS also plays a vital role in delivering performance data for district offices and identifies areas of service delivery for tenants which require improvement. In addition, findings from the survey support the Housing Executive's applications for Charter Mark accreditations and for business improvement awards such as the NI Quality Award.

Results showed that:

- a) 42% (43% in 2007) of Housing Executive homes were occupied by single person households with “lone older” households being the most common household type at 25% (26% in 2007);
- b) 15% of household reference persons were working, with consequent high levels of benefit dependency in Housing Executive estates. 44% of household reference persons were in receipt of Income Support/Job Seekers Allowance (42% in 2007) and 15% of household reference persons were in receipt of Incapacity Benefit (15% in 2007). 77% (78% in 2007) of households were in receipt of Housing Benefit. The number of household reference persons who are retired remained the same as 2007 at 32%;
- c) 58% of households had a gross income of £10,400 or less per annum. This is fewer than in 2007 (61%). 15% of all households had a gross income of £5,200 or less (16% in 2007);
- d) The number of households where at least one person required some form of mobility aid (including a wheelchair) remained at 14%. Two fifths (40%) of all household members were said to have a long-term illness, health problem or disability which limits his/her daily activities (41% in 2007). More than one third (36%) of household reference persons were in receipt of a Disability Benefit (35% in 2007).

2.4 The CTOS survey also provided key findings in relation to the views of Housing Executive tenants on:

- Contact with the Housing Executive
- Perception of Repair Service
- Housing Benefit
- Published Standards of Service

2.5 In respect of repairs, the vast majority of respondents, having had a repair completed, were satisfied/very satisfied with the six aspects of the service measured (ranging from 96% for the friendliness and politeness of those carrying out the work to 86% for quality of materials and work).

<b>Aspects of Service (%)</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2000</b>
Friendliness	96	97	95	84
Politeness	96	96	95	82
Tidiness	93	94	93	80
Speed	89	89	87	69
Quality of Materials	86	87	85	67
Quality of Work	86	87	83	69
<b>Overall satisfaction with completed repairs</b>	<b>83</b>	<b>82</b>	<b>82</b>	<b>-</b>

Overall, the 2008 Survey confirms the high concentration of single person households and the high levels of worklessness and benefit dependency in Housing Executive households. There continues to be a high level of satisfaction with the overall service provided by the Housing Executive, although there is a small decrease from the 2007 survey, and the perception of the overall repair service remains constant.

### **3.0 Funding for Belfast City Wide Community Safety Warden Scheme**

The Board approved the Housing Executive’s annual contribution to the Belfast City Warden Scheme for a period of three years.

- 3.1 In December 2005, in response to rising levels of anti social behaviour, the Holyland Community Safety Warden Scheme was introduced in Belfast. Funding for the Housing Executive’s contribution to the scheme is taken from fees from the Houses in Multiple Occupation (HMO) Registration Scheme. The service is also funded by a number of other agencies including Belfast City Council, PSNI, Queens University, University of Ulster and the Northern Ireland Office.
- 3.2 In April 2006 Belfast City Council introduced the Roaming Community Safety Warden Scheme, also in response to the level of anti social behaviour and the “fear of crime” felt by local residents.
- 3.3 Independent evaluations have been carried out on both warden schemes, which have been very positive, and have shown a reduction in burglary and theft, and a lessening of the “fear of crime” by residents. It has now been proposed to run a city-wide

Community Safety Warden Service for a three year term. This will involve 25 wardens in 4 teams, and will cover pre-defined hotspots across Belfast, including areas of South Belfast where there is a high concentration of HMOs. A Service Level Agreement will be drawn up between the Housing Executive and participating partners.

#### **4.0 Social Housing Development Programme - Year 1 (2009/10) Progress Report**

The Board noted the Housing Executive's progress in delivering the 2009/10 Social Housing Development Programme, and the risks associated with programme delivery.

- 4.1 In January 2009 the Board approved a draft 5 Year Social Housing Development Programme. At the request of DSD, this was subsequently modified to include schemes from years 2 – 5 of the Programme. Significant issues then arose around Design & Build schemes and these were subsequently removed from the Programme. As a result of both the removal of Design & Build schemes and the inclusion of additional transfer schemes, new build activity in the Limavady, Cookstown and Magherafelt Council areas was revised to include “marker” schemes. These are schemes where there is social housing need in an area and Housing Associations are encouraged to source suitable sites.
- 4.2 The addition of marker schemes into the programme has increased the risk of scheme delivery and has resulted in the Housing Executive having to over-programme to compensate for possible scheme loss or slippage during the financial year.
- 4.3 Comparison of the position at May 2009 with May 2008 shows that:
- More than five times as many units are on site;
  - 58 more units have been completed;
  - 300 more units have scheme approval;
  - 36% more units have planning approval;
  - 133 units fewer are currently undergoing scheme assessment;
  - As a result the removal of Design & Build schemes was supplemented with more traditional schemes, which are higher risk with regard to scheme delivery.

### Starts – Position At

1 <sup>st</sup> April – 29 <sup>th</sup> May 2009		Same period 2008	
Schemes	Units	Schemes	Units
24	426	8	77

### Completions – Position At

1 <sup>st</sup> April – 29 <sup>th</sup> May 2009		Same period 2008	
Schemes	Units	Schemes	Units
11	204	20	146

### Approved Schemes (not yet started) – Position At

1 <sup>st</sup> April – 29 <sup>th</sup> May 2009		Same period 2008	
Schemes	Units	Schemes	Units
7	156		

### Schemes Submitted & Undergoing Assessment – Position At

1 <sup>st</sup> April – 29 <sup>th</sup> May 2009		Same period 2008	
Schemes	Units	Schemes	Units
19	307	26	440

### Planning Approvals – Position At

1 <sup>st</sup> April – 29 <sup>th</sup> May 2009		Same period 2008	
Schemes	Units	Schemes	Units
41	647	50	476

### Planning Submitted & Approval Pending – Position At

1 <sup>st</sup> April – 29 <sup>th</sup> May 2009		Same period 2008	
Schemes	Units	Schemes	Units
30	514	34	672

- 4.4 The original estimated funding for 1,750 starts and other SDHP-related activity has been achieved. Spend levels at 29<sup>th</sup> May 2009 remain on course to fund the Programme. The revised estimate based on 1,750 starts has reduced considerably due to Total Cost Indicator (TCI) levels in May 2009.
- 4.5 The Housing Executive continually monitors and manages the potential risks associated with scheme delivery. The main risk factors relate to: acquisition of land and other title issues; submission dates causing approval delay; submission of applications for project approval to the Development Programme Group. The risk of each scheme is assessed on these factors and fall into either a low, medium or high risk category.
- 4.6 The Board noted that overall budget spend is higher than at the same period in 2008, with a larger than normal risk profile. The key to achieving 1,750 units for 2009/10 is to ensure that the gross programme supports the target.

## **5.0 Physical Programmes - Formulation and Priorities**

The Board noted guidelines for prioritising schemes in the Housing Executive's physical works programme 2010 – 2015.

- 5.1 The Maintenance Investment Strategy provides a comprehensive framework for the physical works programme, which it attempts to align with the Decent Homes standard.
- 5.2 As a result of recent funding restraints the Housing Executive has had to adjust its physical programmes and the prioritisation of schemes in the 2010-2015 programme as follows:
- a) Revenue Schemes
- Health & Safety (Lifts/Asbestos/Multi Story/Smoke Alarms/ Heating Replacement);
  - Kitchen Replacement;
  - Window Replacement;
  - External Cyclical Maintenance (ECM);
  - Special Revenue Schemes



b) Capital Schemes

- Adaptations;
- Health & Safety Works;
- Single Element Improvement;
- Multi Element Improvement (Pre 1974 stock);
- Special/Structural defects;
- Environmental Improvement/Neighbourhood Renewal;
- Multi Element Improvement (Post 1975 stock)

The Board noted that in Capital programmes and in the absence of Capital Receipts, the Housing Executive is investigating alternative funding and delivery mechanisms for MEI schemes.

## **6.0 Housing Executive Work Streams - Value for Money**

The Board noted an update on Value for Money (VFM) on existing Housing Executive building work procurement contracts.

- 6.1 Building costs for Housing Executive work are kept under constant review and are monitored through the Housing Executive General Building Index (NIHE GBIS); the Retail Price Index (RPI) and the Building Cost Index (BCI). Building costs have increased annually by approximately 6% since 2004 and in August 2008 a dramatic increase occurred in the various indices. There have also been major reductions in labour costs.
- 6.2 The Housing Executive has a robust Procurement Strategy and is one of eight Centres of Procurement Expertise (COPE) in Northern Ireland. Value for Money is determined after each procurement by cost control professionals and quality assured by a third party before a contract is awarded.
- 6.3 In line with the Housing Executive's AEC agenda VFM has been assessed against each of the following work categories:
- a) Multi Element Improvement (MEI)  
MEI schemes deal with unfitness in Housing Executive stock and provide efficiencies by grouping schemes together. As the affordability of these schemes raises serious issues, alternative funding and delivery models are being evaluated.

b) Environmental Improvements or Neighbourhood Renewal (EI/NR)

Targeting difficult to let estates, the Housing Executive's work in turning around these estates is expected to be commended by the Saville Report as the most cost effective in the United Kingdom.

c) Major Adaptations (APDs)

Schemes provide customised improvements for people with disabilities and best value is provided by carrying out work in measured term contracts. APD work will be brought into line with AEC contracts in the near future.

d) Response Maintenance

Performance is generally very good when compared to other organisations and this is reflected in the findings from the Housing Executive's Continuous Tenant Omnibus Survey.

e) Grounds Maintenance

Performance in this area of work is favourable when compared to Councils in Northern Ireland but further work is being undertaken to collate more comparable evidence.

f) Heating

This was the first work category to move to Egan contracts. Efficiencies have been achieved through the life of these contracts. However as they near completion consideration will commence on the replacement contract format. The recent procurement of Warm Homes will provide a benchmark.

g) Revenue Replacements– Kitchens/ Bathrooms

There have been high levels of tenant satisfaction with regard to products and service and the AEC contracts are continually being refined.

h) External Cyclical Maintenance (ECM)

As there are now fewer ECM schemes, comparisons between old contracts and new AEC contracts will be undertaken at a later date, when more schemes have been completed.

6.4 The Housing Executive is also undertaking other work through the Procurement Strategy including:

- 1) Cost comparisons between heating contracts and Warm Homes contracts;
- 2) Further benchmarking on grounds maintenance contracts;
- 3) Further refinements to response maintenance contracts with a move away from no-access payments;
- 4) Compiling additional data for ECM schemes;
- 5) Development of the actual measurement system for contracts;
- 6) Development of an AEC contract for major adaptations.

## **7.0 The Northern Ireland Energy Efficiency Levy Review**

The Board noted the outcome of the Northern Ireland Energy Efficiency Levy Review.

7.1 In September 2008 the Board approved the Housing Executive's response to the "Northern Ireland Energy Efficiency Levy Review". Proposals from the Review have now been published and a number of the issues recommended in the Housing Executive's response have been included in the decisions being taken forward.

7.2 The proposals include the following:

- a) Pre-registered organisations other than licensed energy suppliers will be allowed to apply for funding with effect from September 2010;
- b) Funding initiatives will be widened to include renewable energy measures as well as the traditional energy efficiency measures such as insulation and heating;
- c) Funding will not be available for subsidised home heating oil;
- d) Documentation for schemes will now be required to show the origin of funding;
- e) The Northern Ireland Energy Efficiency Levy Programme will be renamed the Northern Ireland "Sustainable Energy Programme" (SEP) to reflect the contribution made by sustainable development;
- f) Funding for vulnerable customers, particularly those in fuel poverty, will remain ring-fenced at 80%;
- g) With effect from 1<sup>st</sup> April 2010 funding will be opened to all gas and electricity suppliers.

7.3 The most significant change is that other organisations, including the Housing Executive, may be in a position to apply to manage annual funding of approximately £7.5m from September 2010.

## 8.0 NI Housing Affordability Indicators and Research

The Board noted the findings of the latest housing affordability research and indicators in Northern Ireland for the period from January to March 2009, and the trends and policy developments to date.

8.1 The affordability indicators and research are based on evidence from relevant sources including the Housing Executive, University of Ulster and the Bank of Ireland Quarterly House Price Index.

### House Price Index

8.2 The Housing Executive publishes a quarterly report on the performance of the Northern Ireland housing market. The report for January to March 2009 revealed that the average NI house price fell by 10.8% in the last quarter from £168,185 to £156,857. The average change in house price continues to mask considerable variation between markets.

Year	Average NI House Price	Annual % Change
Qtr 1 2003	£100,755	7.5
Qtr 1 2004	£106,574	8.6
Qtr 1 2005	£122,661	15.5
Qtr 1 2006	£153,868	24.6
Qtr 1 2007	£215,510	46.1
Qtr 1 2008	£230,908	7.5
Qtr 1 2009	£156,857	-35.0

*Table 1: NI Average House Price and Annual Price Change by Quarter, 2003-2009 (NI Quarterly House Price Index)*

### Repossessions

8.3 While the number of actions for repossession by the Northern Ireland Court Service decreased from 1,106 to 939 from the third to the fourth quarters of 2008, the total has risen to 1,020 during the first quarter of 2009.

### RICS Housing Market Survey

- 8.4 The Royal Institute of Chartered Surveyors (RICS) carries out a UK wide monthly survey among its members on the perception of housing market trends. The latest report for March 2009 has indicated that in Northern Ireland affordable prices have resulted in an increase in interest from first time buyers but that access to finance and general economic confidence remains a problem.

### Conclusions

- 8.5 Research concludes that, as with other areas in the UK, further falls in house prices are anticipated in Northern Ireland. However there are signs that the rate of decrease is slowing and that prices may stabilise by the end of 2009 or early 2010.

## **9.0 Government Response to Taylor Review of Rural Economy and Affordable Housing**

The Board noted the Government's response to the Taylor Review of Rural Economy and Affordable Housing in England.

- 9.1 The Taylor Review, published in July 2008, reported on how land use and planning could better support rural business and deliver affordable housing. While the report relates specifically to England, it is of interest to the Housing Executive in light of current rural housing and planning issues in Northern Ireland. The issues will subsequently be brought to the attention of the Northern Ireland Rural White Paper Advisory Group, of which the Housing Executive is a member.

- 9.2 The Board was advised in August 2008 of the recommendations in the report of particular interest to Northern Ireland. Below are details of the Housing Executive's position in relation to the Taylor recommendations:

a) Review the National Target for Rural Affordable Housing:

Through the Social Housing Development Programme, the Housing Executive sets and monitors a target for rural housing delivery, although no central Government targets exist;

b) Provide Guidance and Support to Local Authorities and Providers to Ensure Sufficient Bids are Coming Forward;

The Housing Executive is currently working with the Northern Ireland Federation of Housing Associations (NIFHA) to promote the delivery of rural housing;

c) Encourage Landowners to Release Affordable Housing Sites by Allowing a Landowner Nomination, eg to a Family Member, of the Resultant Homes;

The Board will be advised if the government follows through with its proposal on nomination rights for landowners;

d) Provide Clarification of Developer Contribution Thresholds to Ensure They are Pitched to Cater for Rural Schemes

The Housing Executive and DSD are currently in discussion on proposals for a developer contribution policy in Northern Ireland.

## **10.0 Housing (NI) Order 2003 (Grant Aid - Asbestos Removal in Privately Owned Properties)**

The Board approved, on an ongoing exceptions basis, renovation grant aid in respect of a number of privately owned properties in Belfast and approved the Housing Executive's approach to managing this issue in future.

10.1 In the course of its work on programmed schemes, the Housing Executive may become aware of the presence of asbestos in some of its properties. In most cases the appropriate response, presenting lowest risk, is to leave the asbestos undisturbed. Alternatively a specialist contractor will arrange for its removal. As a result of the Housing Executive's House Sales Scheme, there are now a number of privately owned properties within Housing Executive estates where the issue of the removal of asbestos has arisen.

10.2 Although the Housing Executive does not have liability in respect of its former stock, in the past the Board has approved discretionary grant aid to assist owner-occupiers of former Housing Executive dwellings deal with asbestos in unfit properties. The current situation involves approximately 153

former Housing Executive properties, in Mount Vernon, The Markets and Edenvale, which are deemed fit but are included in areas where asbestos removal is currently being carried out as part of programmed schemes of work.

## **11.0 Protective Marking of Sensitive Documents and Papers**

The Board noted the Housing Executive’s implementation of the Protective Marking Scheme for sensitive documents and papers.

11.1 The Cabinet Office Protective Marking Scheme provides a structured approach to the handling, storage and disposal of sensitive documents and papers. In adopting the scheme the Housing Executive will fall into line with best practice in the Northern Ireland Civil Service. There are currently five levels of protective marking:

- Top Secret
- Secret
- Confidential
- Restricted
- Protect (recently introduced)

11.2 At present the Housing Executive network is accredited to carry documents and papers up to “Restricted” level. The following has already been developed in readiness for implementation of the new system:

- a) A detailed Protective Marking Procedures/Guidance Manual;
- b) A Protective Marking desk-top aid;
- c) An audit of Board, Audit Committee and Chief Executive Business Committee (CXBC) papers designated as “Confidential”.

11.3 Further to the audit of papers, it was agreed that the use of “Freedom of Information” declarations should be reviewed as part of the initial implementation of the scheme. It is proposed to undertake an initial implementation of the scheme over the next six months, commencing in September 2009 and focusing on Board, Audit Committee and CXBC papers.



## 12.0 Application to Write-Off Housing Benefit Overpayments 2008/09

The Board approved the write-off for Housing Benefit overpayment debts for 2008/09.

### 12.1 Write-offs for Housing Benefit debt include:

- a) Debts owed by individual claimants and landlords;
- b) Overpayments as a result of errors in Housing Executive assessments;
- c) Overpayments as a result of errors by Social Security Agency and Pension staff in notifying the Housing Executive of applicants' benefits;

12.2 Prior to deciding on a write-off, Housing Executive staff employ a number of means to recover any outstanding debt, including the use of private sector recovery agents. The amount of write-off for 2008/09 represents 0.2% of the total Housing Benefit expenditure.

## 13.0 Northern Ireland Assembly Questions

The Board noted details of recent housing related Assembly Questions.

13.1 During the period 4<sup>th</sup> to 29<sup>th</sup> 2009, 88 Assembly Questions were tabled for response by the Minister for Social Development. Of these 38 were housing related.

## 14.0 NIHE Scheme Design/Heating Scheme Approvals

Scheme	Work Content	Start Date
<b>North East Area</b> Riverdale, Larne	Demolition of Gardenmore House, Multi Storey Flat Block	March 2010
<b>South Area</b> Ardcarne Park, Newry	Environmental Improvements to 36 dwellings and the demolition of 1 dwelling	January 2010