

Executive Briefing Introduction

“Executive Briefing” summarises the business of the Northern Ireland Housing Executive’s Board at its meeting on Wednesday 29th June 2011 at 10.00am in the Boardroom, Housing Centre, Belfast BT2 8PB

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

Mr Jonny Blease

Head of Information and Secretariat (Acting)
6th Floor
The Housing Centre
2, Adelaide Street
Belfast BT2 8PB

Telephone: 028 90240588 Extension 2700

Web Site: www.nihe.gov.uk

Email: info@nihe.gov.uk

Members Present: Mr Brian Rowntree (Chairman)
Mrs Anne Henderson (Vice Chair)
Mrs Angela Coffey
Mrs Edna Dunbar
Mr Ken Millar
Cllr E O’Neill
Cllr Jenny Palmer
Cllr Jim Speers
Dr Monica Wilson

Apologies: None

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GOVERNANCE AND ACCOUNTABILITY

1.0 Business Plan Monitor

- 1.1 The Board noted the Housing Executive's Business Plan Monitor for May 2011. The Monitor shows progress against the Business Plan's six Corporate Objectives.

Overall performance for the first two months of the 2011/12 Business Plan against the majority of targets is generally good. However the organisation will face a number of financial and performance challenges in the year ahead.

2.0 Annual Report and Accounts 2010/11

- 2.1 The Board approved the Annual Report and Accounts for the year ended 31st March 2011. The Accounts will be laid before the Assembly following signing off by the Comptroller and Auditor General on 1st July 2011. The Housing Executive has prepared its Annual Report and Accounts in accordance with the new International Financial Reporting Standards (IFRS) standards announced in the 2007 budget.

STRATEGIES AND POLICIES

3.0 NIHE Capital Programme – Multi Element Improvement (MEI)

The Board approved the amended method for addressing schemes formerly included in the MEI programme.

- 3.1 The Housing Executive's Multi Element Improvement programme was curtailed in 2008/09 due to funding issues. At this stage there still remained approximately 5,200 dwellings programmed to receive MEI works.
- 3.2 As a number of the properties, previously identified for MEI, were in poor condition, requiring modern facilities, Areas were initially requested to identify any health and safety issues and this resulted in a number of schemes to address this. Areas were further asked to categorise these properties into 3 classes:

- a) Those which could be addressed through single element revenue schemes;
 - b) Those which could be addressed through the capital kitchen scheme with / without other revenue work e.g. heating;
 - c) Those where either of the solutions would be inappropriate.
- 3.3 As these properties have had limited improvement works, since their inclusion in an MEI scheme, it is important in considering future schemes that the following issues are given priority:
- a) Wind and weather proofing to meet Housing Executive obligations under the tenancy agreement;
 - b) Health and Safety works to meet legislative requirements and NIHE standards, including electrical rewiring, smoke detectors, carbon monoxide detectors and fire safety;
 - c) Installation of programmable heating to meet Decent Homes Standards - mainly involves replacement of solid fuel room heaters and open fires;
 - d) Replacement of kitchens over 20 years.
- 3.4 Although this elemental approach is not ideal, it recognises that these properties have had no major works for a number of years and provides the tenant with modern facilities.

4.0 Pilot Boiler Replacement Scheme

The Board noted the planned introduction of a pilot Boiler Replacement Scheme in Northern Ireland to be managed by the Housing Executive.

- 4.1 The Northern Ireland Warm Homes Scheme excludes the repair or upgrade of any existing oil fired heating systems. DSD has therefore asked the Housing Executive to administer a pilot Boiler Replacement Scheme which may be applied for in certain circumstances.
- 4.2 The scheme will allow a sum of up to £1,500 to replace an existing boiler in the circumstances where the householder is aged 60 or more and is in receipt of state pension and rates relief. The existing boiler must be at least 15 years old and operating inefficiently.

- 4.3 The householder has the opportunity to replace the boiler with a new oil boiler or alternatively to convert to a gas or wood pellet boiler. Replacement boilers must be “A” rated for efficiency. £2m has been made available for this work over an 18 month period which will allow the replacement of 1,333 boilers.
- 4.4 The scheme will be administered through the Housing Executive’s existing grants offices, which will pre-inspect at least 25% of cases and post-inspect at least 50% of cases. It is estimated that some 18,000 older people are in receipt of rates relief and therefore are potentially eligible for the scheme. It is not known how many of these people have heating boilers that are over 15 years old.
- 4.5 It is expected that the scheme will contribute to a reduction in fuel poverty and a reduction in carbon emissions. DSD will carry out a post-project evaluation of the scheme to determine if it has been successful. DSD may then consider extending the scheme as part of the Energy Efficiency Strategy.

5.0 The Caravans Act (Northern Ireland) 2011

The Board noted the Caravans Act (NI) 2011, which will become operational in September this year and how it applies to Traveller sites.

- 5.1 “The Caravans Act (Northern Ireland) 2011 introduces statutory protection for persons occupying caravans on certain sites as their main residence, thereby giving security of tenure. This is done primarily through terms to be implied into the agreements governing such occupation (“the agreement”) and also by permitting succession and assignment in certain circumstances. The Serviced Sites provided by the Housing Executive to members of the Irish Travelling Community will be subject to these protections.
- 5.2 Security of tenure is primarily achieved by the requirement that the agreement can only be brought to an end by the site owner obtaining a court order, having satisfied the court that certain grounds and conditions as specified in the Act have been met. This is somewhat analogous to the position with secure tenancies held by Housing Executive tenants of a dwelling house.

- 5.3 The Act also seeks to create a level of protection for caravan owners on seasonal sites, by requiring written agreement to be in place. This requirement will apply to Traveller sites provided by the Housing Executive where the agreement entitles the person to station a caravan on the site for more than 28 days but less than 12 months.
- 5.4 Finally, the Act protects occupiers of all sites against eviction (other than by court order) and harassment, by making it an offence “to cause occupiers to abandon their caravan or remove it from the site, or to do acts which are likely to interfere with the peace and comfort of those residing therein or to withhold access to services or facilities required to occupy the site. It is a defence to such charges, if it is proven, that the relevant acts resulted from a belief or reasonable cause to believe that the occupier had ceased to reside on the site or that there were reasonable grounds for doing the acts or withdrawing the services or facilities.”

6.0 Affordability – Latest Indicators and Research

The Board noted an update on the latest housing trends and policy developments in Northern Ireland for the period from January to March 2011.

- 6.1 Information on average house price trends and broader issues in the housing market, drawn from a number of sources including the Northern Ireland Quarterly House Price Index (QHPI), is presented to the Board on a twice-yearly basis. This presents data up to the first quarter of the 2011 year, along with the findings of modelling work on affordability in Northern Ireland.
- 6.2 The main points are:
- a) The average price of houses sold during the first quarter 2011 was around £144,000. This figure was 42% lower than the 2007 peak, and more closely in line with 2005 price levels;
 - b) The number of transactions in the QHPI sample for the first quarter (925) was slightly higher than for each of the previous two quarters, but remained low by historic standards;

- c) On a house price to income ratio basis, the reduced value of properties meant that home ownership was much more affordable for first time buyers on a median income in 2010 than in 2008;
- d) House prices, however, are only one aspect of a well-functioning housing market. In Northern Ireland, the two other key issues – the financial markets and labour market – continue to present challenges. Combined with a relatively high incidence of negative equity, the squeeze on public spending, and the prospect of an upward trend in interest rates – which continue to militate against higher transaction rates – these factors suggest that the housing market in Northern Ireland looks set to remain slow for some time, and that house prices may yet have a little further to fall.

7.0 Report on ICT Strategic Partner Review

The Board noted the findings of the Review of the ICT Strategic Partner.

- 7.1 To support the Modernising Services Programme a major investment in IT was required. In 2002 a “Strategic Partner” procurement strategy was approved. An 11 year ICT Strategic Partnership Contract with BT Global Services was signed on the 4th October 2004. The scope of the contract was:
 - a) A new ICT Infrastructure including IP telephony;
 - b) A set of application services, the main ones being:
 - ii) Housing Management System
 - iii) Private sector Management System
 - iv) Other services such as EDRMS, Website, Business Intelligence (i.e. reporting);
 - c) A managed operational service for the above delivered to the contracted Service Level Agreements;
 - d) A framework agreement whereby new business applications and new ICT services could be added to the core operational service.
- 7.2 A mid-term review has been completed of the contract to consider if the required outcomes for the ICT Strategic Partnership were realistic and remain in line with the business case, assess whether the benefits anticipated are actually being

delivered, assess the effectiveness of the ongoing contract management processes and confirm that there are plans to manage the contract to its conclusion and confirm the validity of exit strategy and arrangements for re-competition.

7.3 Overall the ICT Strategic Partnership objectives were met. The key points are:

- a) It did enable the Modernising Services Programme, both by installing enabling technology such as new telephony and also by overcoming capital constraints;
- b) The overall costs remain lower than the other bidder which indicates that value for money was achieved;
- c) BT have brought high levels of skills and commitment to the contract, although there are concerns that BT did not always leverage their global knowledge into Housing Executive projects; and
- d) Lessons should be learned from the significant slippage suffered by the large business applications (HMS and PSMS), although it is recognised the issues are not primarily to do with procurement.

7.4 The ongoing contract management arrangements and governance are sound although there are a number of areas where improvements can be made and a number of recommendations are being implemented.

7.5 The issues around exiting the contract in 2015 are well addressed in the contract but work needs to commence now to plan in detail for the end of the contract.

8.0 Update on HMS Progress

The Board noted a monthly progress update on HMS Phase 2.

8.1 A readiness for go-live Healthcheck report on 6th June 2011 recommended assessing the validity of going live on 4th July in light of the following areas:

a) Performance Test

The test on 8th June with 400 users revealed slower than expected response times for certain transactions. BT has a number of contingency proposals in place.

b) Trouble Reports (TR) (Software faults)

Of the outstanding software faults essential for go-live, delivery dates have been agreed for all but two. Orchard is to confirm when these are expected.

d) Reconciliation of HB and Migrated Data

Reconciliation on all 3 main areas – HB, charges and balances – has been progressed. There remain a small number of investigations to complete for rates relief and lone pensioner allowance (LPA).

e) Reports

Delivery of the remaining key reports for day one of the new system remains on target but there is a risk that there is no contingency for recovery time available should problems arise.

8.2 The full training programme will have completed by 24th June 2011 and Housing Association training will take place between 27th June and 1st July 2011.

8.3 During the week of 6th June 2011 a full regression test was carried out on all aspects of the system and any faults arising are noted above.

8.4 In terms of business continuity a Housing & Regeneration Advice Note (HRAN) has been issued giving guidance to all Departments (including Housing Associations) on the arrangements to be implemented during the PRAWL shutdown period and the start up on the new HMS system. A full contingency plan has been developed to allow PRAWL to be reinstated should problems arise during the go-live period, which are unable to be solved.

9.0 Asset Management Land & Property 2010/11 Report

The Board noted the 2010/11 update on the valuation of the Housing Executive's land and property assets, and progress made in 2010/11 with the Asset Management Strategy and Plan (Land and Property) 2009-2012.

9.1 At the end of 2010/11 the Housing Executive's land and property assets were valued at £3.55 billion, compared with £3.88 billion at the end of 2009/10.

9.2 The *Asset Management Strategy and Plan (Land and Property) 2009-2012* was approved by the Board in July 2009. The Strategy & Plan covers all land and property assets owned or leased by the organisation (i.e. housing stock/garages, land, commercial properties, offices/DLO depots, hostels, and Travellers sites). It aims “to ensure that the Housing Executive continues to acquire, develop and maintain a land and property asset base which is both commensurate with our business needs and fit-for-purpose”, and sets out the approach to be taken through a number of strategic objectives and a *Land and Property Asset Management Action Plan 2009-2012*. A review of the *Asset Management Strategy and Plan (Land and Property) 2009-2012* will be carried out during 2011/12, including a formal Corporate Land and Property Assets Review.

10.0 Land Asset Management

The Board noted the scope and progress of the work underway to improve the controls and governance arrangements associated with the management of the Housing Executive’s land assets.

- 10.1 Land and Property has functional responsibility for the asset management of land in NIHE ownership in accordance with Managing Public Money Northern Ireland (MPM NI), the Dossier of Controls and the Housing Executive’s Standing Orders. These functions include the management of the undeveloped land schedule, the land disposals programme, the implementation of the adverse possessions policy and the development of the Land Terrier management system.
- 10.2 A number of measures have been taken in Land and Property to review the existing internal control arrangements for land asset management, improve the governance arrangements and move towards a more proactive management approach for land assets.
- 10.3 Arrangements are also well advanced to provide an independent review of the Land and Property function which will identify best practice, benchmark existing arrangements against it, and provide an action plan for further improvement. In addition, action is being taken to obtain external professional valuation expertise to assist the current investigation into historic land disposals.

11.0 Waiting List and Allocations

The Board noted details of waiting list trends over the last two years and the criteria for allocations.

- 11.1 In March 2011 the Board noted the results of an exercise which benchmarked Housing Executive performance across a range of functions against some 174 local authorities. More information was requested on a number of functions which had been measured, which included allocations and the waiting list.
- 11.2 The Board noted a breakdown of waiting list trends by household composition for applicants and transfer applicants over the last two years, along with details of the criteria and good practice used to make an allocation to Housing Executive tenants. The Board also noted the explanation of the current controls used to monitor re-let times and details of the average expenditure in relation to Change of Tenancy (COT) repairs in 2010/11.

12.0 Domestic Garages

The Board noted the Housing Executive's current management arrangements for domestic garages in Northern Ireland.

- 12.1 Historically, domestic garages have been difficult to let, over many years, due to cost, location and security issues. There are currently 7,425 garages within Northern Ireland, of which 6,849 are tenanted, 550 are void, 25 are currently blocked up and 1 is pending demolition. Historically, 476 garages have been sold and 1,780 have been demolished.
- 12.2 Demand for garages has increased in a number of locations. Work is underway to examine the potential to reinstate void garages on a case by case basis, where demand is apparent and costs are reasonable for garages.
- 12.3 A waiting list is maintained of all applicants seeking a garage owned by the Housing Executive in Northern Ireland. There are currently 2,251 applicants on the waiting list.

13.0 Void Performance and Management 2010/11

The Board noted the update on the overall management of void dwellings during the financial year 2010/11 including trends over a 5 year period.

- 13.1 A detailed analysis of all voids by classification and reason was carried out. Overall, trends for the 5 year period were good with a reduction in all categories, with the exception of categories “awaiting re-let”. However, on a positive note the figures in this category have reduced over the last two years.
- 13.2 Improved benchmarking performance moving up from 3rd to 2nd quartiles in classification for properties Available for Letting and Re-Let during the Year, and a number of new measures have been introduced to further reduce void numbers together with planned initiatives.
- 13.3 The Board will be further advised on any developments in respect of the multi-agency regeneration initiative prior to approval, and also on the outcome of the sample cases analysis referred to in the report.

14.0 Arrears Recovery / Prevention 2010/11

The Board noted progress made to date on the recovery and prevention of arrears during the financial year 2010/11 and further actions planned.

- 14.1 Progress to date has included:
- a) Performance against the 4 corporate KPIs – 3 were achieved with the 4th (past tenant arrears) being marginally missed:
- total arrears as a percentage of collectible income;
 - past tenant arrears as a percentage of collectible income;
 - arrears written off as a percentage of collectible income;
 - tenants greater than 13 weeks in arrears.

b) In addition the recovery of rent arrears is reported under four headings:

- Current tenant arrears reduced during the year to £8.833m;
- Former tenants' arrears reduced to £3.824m;
- Gross overall arrears reduce to £12.657m;
- Written off tenants' arrears reduced to £953k for the year.

c) Marked improvement in benchmarking from 3rd to 2nd quartile.

14.2 The Board noted the progress made with rent collection and the arrears prevention and recovery for 2010/11. The Board also noted possible future pressures and work ongoing and implemented to date, together with future actions planned.

15.0 Housing Executive – 40th Anniversary

The Board noted an update on the proposed celebration events for the Housing Executive's forthcoming 40th Anniversary in September 2011.

15.1 The proposals include:

- a) 40th Anniversary party – may include family days; formal event; talent show, etc. Each event will be administered by the Social Committee which has been set up and the focus will be on fundraising for nominated charities;
- b) Coffee morning – a coffee morning will be held on October across the organisation to raise funds for charity. External partners and community groups will be invited and a budget will be supplied by Central Information;
- c) Sponsored walk/cycle/run – consideration is being given to a sponsored event linking all offices, with the proceeds being given to nominated charities;
- d) Tenant / community involvement – events should mark the ongoing engagement with and involvement of Housing Executive tenants and communities.

16.0 Pilot Surplus Land for Intermediate Housing

The Board noted the proposal by the Department for Social Development (DSD) for intermediate housing on surplus Housing Executive lands.

- 16.1 The Department for Social Development (DSD) has produced a discussion paper called “Using Land for Affordable Homes – Intermediate Housing Policy” which defines intermediate housing as shared ownership and shared equity products. DSD is proposing to develop a pilot Intermediate Housing project on surplus Housing Executive land with the assistance of the Housing Executive and delivery through a Housing Association.
- 16.3 This draft policy is in line with the Housing Executive’s Corporate Objective 4 which is “to widen the range of affordable housing options” in Northern Ireland.
- 16.4 Further discussion will take place between Housing Executive and DSD officers on detailed implementation of the policy, with final implementation details being returned for Chief Executive’s Business Committee and Board approval.

17.0 Housing Benefit Overpayments Strategy Review 2011

The Board noted an analysis of the Housing Executive’s current Housing Benefit Overpayment Strategy and the actions planned for the coming year.

- 17.1 The paper covered the following areas:
- a) Level of overpayments outstanding;
 - b) An analysis of the debt including breakdowns by value and age;
 - c) Details of methods of recovery and the number and value of debts covered by the various methods used;
 - d) Management Information provided;
 - e) Performance measures used to measure recovery;
 - f) Resources used in recovery of debt;
 - g) Benchmarking of performance with other agencies.
- 17.2 The Board noted the work to be undertaken with the Standards Assurance Unit to resolve the issues in relation to their estimation of the level of official error.

18.0 Sandown Park & Wayside Green, Doury Road, Ballymena – Demolition of 13 Dwellings

The Board approved the demolition of 13 dwellings in Doury Road, Ballymena, subject to DSD approval.

- 18.1 The Doury Road estate is one mile north of Ballymena town centre and was built in the mid 1960s to a very high density. The 13 dwellings are currently void and are in a very serious state of disrepair. The estate still has letting difficulties and a very low waiting list.
- 18.2 An economic appraisal has been carried out and the recommended option was demolition, which can be achieved at a modest cost. The subject dwellings are located in the middle area of the estate where previous demolition has taken place and where demand is non-existent. The option to demolish will also support previous regeneration investment in the estate and protect the future of surrounding housing.

19.0 East Belfast Riots

The Board noted an update on the recent riots in East Belfast.

- 19.1 The Board noted details of the damage caused to properties as a result of the recent incidents at the interface in East Belfast on the nights of 20th and 21st June 2011. Work by the Housing Executive to date has included boarding up broken windows, measuring for replacement windows, manufacturing grills and the power washing of roofs and walls to remove paint.
- 19.2 An Inter-Agency meeting, chaired by the Lord Mayor, has taken place and the Office of First Minister / Deputy First Minister (OFM/DFM) has established a taskforce to consider measures to restore community confidence. The Housing Executive's Local Area Network has brought together community leaders to rebuild the trust between both communities.

OTHER BUSINESS

20.0 NIHE Scheme Design Approvals

Scheme	Work Content	Start Date
<u>South Area</u> Bessbrook / Mullaghbawn	Kitchen replacement to 27 dwellings	Sept 2011
Enniskillen; Thompson's Bridge; Irvinestown; Lisnaskea; Ballindarragh, Lisbellaw; Kesh; Garrison; Maguiresbridge; Ballinamallard & Newtownbutler	Kitchen replacement to 39 dwellings	Sept 2011

21.0 Northern Ireland Assembly Questions

The Board noted details of recent housing related Assembly Questions.

- 21.1 During the period 16th May to 3rd June 2011, 33 Assembly Questions were tabled for response by the Minister for Social Development. Of these 20 were housing related.