



Housing Executive

51ST ANNUAL REPORT

1 APRIL 2021 - 31 MARCH 2022





51st Annual Report

1 April 2021 – 31 March 2022

Laid before the Northern Ireland Assembly
Under Articles 12(2) and 21(5)
Of the Housing (Northern Ireland) Order 1981
By the Department for Communities

on

7th October 2022

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Contents Table

Performance Report - Non Executive's Report by the Chair, Professor Peter Roberts	3
Who we are.....	6
Performance Analysis – Landlord Services.....	18
Performance Analysis – Housing Services.....	21
Performance Analysis – Asset Management.....	34
Performance Analysis – Regional Services.....	41
Performance Analysis – Finance, Audit and Assurance.....	69
Performance Analysis – Corporate Services.....	74
Key Performance Indicators (KPIs) Validation Certificate.....	82
Accountability Report.....	83
Corporate Governance Report.....	83
Overview.....	83
Directors' Report.....	84
Statement of Northern Ireland Housing Executive's and Chief Executive's Responsibilities.....	95
Governance Statement for the year ended 31 March 2022.....	96
Remuneration and Staff Report	
• Remuneration Report.....	122
• Staff Report.....	138
Assembly Accountability and Audit Report	
• Assembly Accountability Report.....	149
• The Certificate of the Comptroller and Auditor General to the Northern Ireland Assembly.....	150
Financial Statements.....	156
Annex to Financial Statements.....	227
Report of the Comptroller and Auditor General to the Northern Ireland Assembly.....	231

Performance Report - Non Executive's Report by the Chair, Professor Peter Roberts

During the period from April 2021 to March 2022 that this report covers, teams across the Housing Executive were still operating under restricted conditions. However, despite these restrictions, they continued to show a high degree of flexibility and commitment to our tenants and other customers.

I would like to extend my sincere appreciation, and that of the Board, for the work of our staff, as well as the efforts made by our external partners and contractors, that enabled us to maintain a high level of service delivery over this challenging period.

I am also very pleased to report that the majority of our statutory and non-statutory targets have been met or exceeded over the past year. This was not an easy feat, and it is something that deserves due recognition. There were some instances in which we had to suspend temporarily a number of non-essential services in order to protect tenants, customers and staff. However, these suspensions did not have a significant impact upon our core business.

As a landlord, we continue to provide stock improvements, maintenance services and what I would call "beyond the front door" support for our tenants. To help ensure high standards for our existing properties we invested £117 million in maintenance schemes and housing stock improvements, with over 260,000 repairs being carried out.

Last year 6,010 social homes were allocated to tenants. We completed 113 major adaptations, along with over 3,500 minor adaptations to support independent living. We also helped our tenants through the provision of sound financial advice, as well as support to help tackle anti-social behaviour and encourage greater levels of social cohesion.

In our regional role, despite the significant impact that the pandemic continues to have on the construction sector, we supported housing associations to complete or start 1,713 new social homes under the Social Housing Development Programme.

During 2021/22, 757 Disabled Facilities Grants were approved with a combined value of £8.7 million. A total of 6,677 projects were also completed across 4,933 different homes as part of the Affordable Warmth and Boiler Replacement schemes, totalling £13.7 million in support.

I am especially pleased to report that over the past year 19,000 vulnerable people were given assistance through the Supporting People fund.

The Housing Executive has developed a Sustainable Development Strategy, which sets-out our approach to mitigating the threat posed by climate change. The implementation of this Strategy will improve energy efficiency, through more thermally efficient properties, and encourage the use of low carbon technologies to help reduce greenhouse gas emissions. As a consequence, the Strategy will protect our customers, and their homes, from climate change and will also reduce the scale and impact of fuel poverty.

Over the past 50 years the Housing Executive has provided high quality housing and a wide range of additional support services. The people and communities of Northern Ireland have benefited from these capabilities, and will need to draw on our expertise and experience as we face another challenging economic period.

A particularly worrying trend is the increasing number of households who are finding themselves homeless or in housing stress. Our dedicated teams are working hard to provide a range of housing options to support families and individuals affected by these conditions. However, we anticipate that they will likely worsen and even intensify over the coming months ahead. I would like to thank all of those who are involved in this work, including all our various partner organisations and support bodies, for their many contributions to the vital task of finding homes for the homeless and providing a range of support services.

Economic downturn, a looming recession, and rising food and fuel costs are some of the interlinked challenges that are currently affecting countries across the world. However, so too is the very clear and evident impact of climate change. Now, more than in any other period of the Housing Executive's history, there is a need for innovation in technology, policy and funding to enable social housing to bridge the growing gap between supply and demand, support vulnerable households and make housing greener.

The Minister's statement on the revitalisation of the Housing Executive is key to delivering many of the above challenges. This is because it will allow us to deliver additional housing and provide better, more comfortable and more energy efficient homes for our tenants.

I would like to thank the Minister for Communities, Deirdre Hargey, as well as the previous Permanent Secretary, Tracy Meharg, and the current Permanent Secretary, Colum Boyle, for their continued and enthusiastic support for our work. They and their staff are valued colleagues.

I would also like to take this opportunity to recognise and thank the Housing Community Network, all of the Supporting People providers, the various community and neighbourhood groups we work with, our contractors, and the many voluntary organisations that partner with us to help people in their communities across Northern Ireland. Their contributions help us to achieve our ambitions and they are essential to our future success.

In addition, I would like to thank all of my colleagues for their hard work and diligence over the past years, as well as my fellow Board and Independent Members who serve the Housing Executive through their collective experience and guidance. The Board has a core role in helping to ensure that the organisation continues to achieve its targets and meets the governance requirements expected of a large public body, which plays such an important role in Northern Ireland society.

As many of you know, this is my final annual report to you as Chair of the Housing Executive. It has been a great privilege to serve this great organisation and to help modernise its mission, structure and operational capacity. I am very grateful to everyone who I have worked with for their help and support.

Finally, can I extend to the Housing Executive staff, our colleagues in government, our partners in the private and voluntary sectors, and, especially, our tenants and community organisations, my very best wishes for a successful and sustainable future.

Thank you.

A handwritten signature in black ink, appearing to read 'Peter Roberts', with a long horizontal stroke extending to the right.

Professor Peter Roberts
Chair
Date: 28 September 2022

Who we are

The Housing Executive¹ is the strategic housing authority for Northern Ireland and a landlord at scale, with approximately 84,000 properties. We are an organisation of housing professionals committed to fairness and making a difference for our customers through the diverse range of functions we deliver.

We have two distinct strands to our business: our Landlord role and our Regional Services/Strategic Housing Authority Role.

Landlord Role

Our landlord services functions are delivered through our Asset Management and Housing Services Divisions. They encompass the full range of landlord services from application to tenancy termination and a range of tenancy management functions including income collection, planned and responsive stock improvement repairs and engaging with our customers and tenants at a community based level.

Many aspects of our performance are in the top quartile as measured by Housemark, a service that benchmarks our costs and performance across a range of core housing activities against other large social landlords in the UK.

The services we deliver also extend far beyond a traditional landlord and tenant relationship. We actively strive to improve and enhance the communities where our tenants and customers live socially, economically and environmentally. We also manage a commercial property portfolio of approximately 400 units and 6,100 leasehold properties.

Strategic Housing Authority Role

Regional Services is the strategic housing authority side of the Housing Executive, providing services ranging from assessing housing need, managing the Social Housing Development Programme (SHDP) with our housing association partners, Supporting People and Homelessness Services which is delivered by colleagues in Housing Services.

Alongside this we undertake an ongoing research programme to produce a comprehensive body of housing market intelligence to help us identify and determine how best to shape our services and the places where people want to live in Northern Ireland. In addition, we are the Home Energy Conservation Authority (HECA) for Northern Ireland. We administer the Affordable Warmth and Boiler Replacement schemes on behalf of the Department for Communities (DfC), referred to as 'the Department' throughout the remainder of this report.

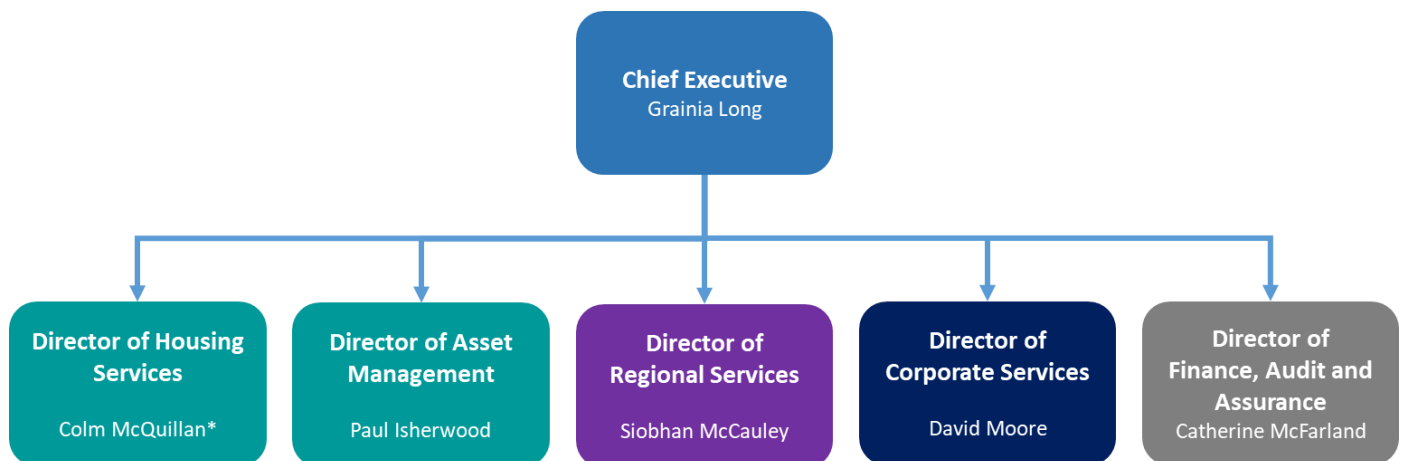
¹ The Northern Ireland Housing Executive was established by the Housing Executive Act (Northern Ireland) 1971. From 1 April 2014, following a review by the Office for National Statistics, the budgetary classification of the Housing Executive changed from solely being a Public Corporation. It now operates, for budgetary purposes, under two different regimes. Landlord Services (Housing Services and Asset Management Divisions) is now classified as a Quasi-Public Corporation (which is similar to the previous designation for the entire organisation), while Strategic Housing Authority/Regional Services is categorised as a Non-Departmental Public Body- (NDPB).

Support Services (Corporate Services and Finance, Audit and Assurance).

Support Services provide the necessary support to underpin Landlord Services and Regional Services. Support Services is made up of our Corporate Services and Finance, Audit and Assurance Divisions, who, between them shape, influence and deliver a range of services strategically and operationally. This includes: Strategic Planning and Performance Reporting, Risk and Governance, Communications, Human Resources, Equality and Safeguarding, Legal Services, Information Governance, Housing Benefit (which we administer on behalf of DfC), Corporate Accounting, Financial Support, IT, Internal Audit, Economic advice and support and Counter Fraud and Security.

Organisational Structure

Our Executive Management Team consists of our Chief Executive, Grainia Long and five Directors.



*Colm McQuillan retired in April 2022 and Jennifer Hawthorne is the current interim Director of Housing Services.

Our Vision, Core Values and Key Responsibilities

Our Vision

Everyone is able to live in an affordable and decent home, appropriate to their needs, in a safe and attractive place.

- We strive to make people’s lives better;
- We put our customers first and deliver right first time;
- We build strong partnerships and share great ideas.

- We treat our customers, staff and partners fairly;
- We respect and promote diversity and equality for all;
- We work in an open and transparent way.

MAKING A DIFFERENCE

FAIRNESS

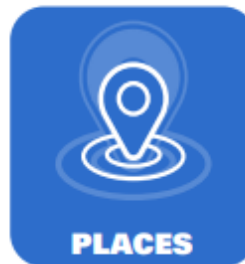
OUR CORE VALUES

PASSION

EXPERTISE

- We are professional in all that we do;
- We strive for excellence;
- We look for new, creative, better ways to do things.

- We believe in our people;
- We are constantly learning, developing and innovating;
- We provide strong confident leadership.



Our Role and Purpose

The Housing Executive was established in 1971 to provide homes and housing related services for all of the people of Northern Ireland, and we remain determined to meet our responsibilities to the best of our ability. As the Strategic Regional Housing Authority, and one of the largest social landlords in the United Kingdom, we have a wide range of strategic functions which address broader housing issues across all tenures.

Our Commitment

This annual report outlines the work that the NIHE has undertaken from April 2021 to March 2022. It gives an overview of our performance, and describes how these results have impacted on our customers.

The COVID-19 pandemic has continued to have a profound effect on our customers and our communities, and this serves as an ongoing reminder of the importance of secure, affordable and high quality housing to enable households to thrive. The pandemic has driven greater partnerships across sectors, and despite the challenges it has presented, the past year has been a successful one for the organisation.

In the past year we have:

- ✓ Delivered the highest level of annual investment in our homes since 2007- improving homes and contributing to the local economy and the construction industry,
- ✓ Met end of year targets for income collection at 99.4%, ensuring a stable and secure rental stream to invest in our homes,
- ✓ Contributed to the development and delivery of the Ukrainian Resettlement Scheme,
- ✓ Provided 5,690 households with grants through Affordable Warmth and Disabled Facilities schemes,
- ✓ Delivered 161 retrofits in homes across Northern Ireland building resilience to climate change and boosting energy efficiency,
- ✓ Approved a comprehensive Sustainable Development Strategy for the organisation, locking us on a path to Net Zero,
- ✓ Launched innovative Supporting People, Homelessness and Temporary Accommodation strategies, in partnership with key sectors, ensuring an inclusive approach to delivery and,
- ✓ Started to build new homes – for the first time in 20 years, through a new pilot project using modern methods of construction.

As we finalise this report, the impact of the cost of living crisis is becoming clearer. We have been working tirelessly to assist our customers over the last two years throughout the pandemic and, currently, through an uncertain and difficult economic period.

We are pro-actively engaging with many of our tenants who are now struggling with rising food and fuel bills. This work is set against a backdrop of political and economic instability,

which means that we, like many other organisations across the public sector, are facing a number of funding and resourcing challenges.

This report highlights that, despite many of the pressures we have faced over the last 12 months, we continue to deliver a very high standard of service to our tenants and other customers. Approximately 10% of the population of Northern Ireland live in our homes and we administer over £500 million in Housing Benefit, on time and on target.

Unfortunately, one of the legacies of the pandemic has been an unprecedented demand for our services to support those who find themselves homeless, with 15,758 presentations in 2021/22.

A key driver has been a loss of private rental accommodation due to increased property sales by landlords. The past year has seen a 45.8% increase in homeless presentations resulting from a loss of rental accommodation, compared to 2020/2021.

Given the scale of the demand, a disproportionate amount of resource is being spent on expensive hotel and B&B accommodation, in order to meet demand. This is not sustainable, nor will it meet the needs of people experiencing homelessness.

Our Ending Homelessness Together Strategy and Action Plan provides a clear pathway towards homelessness prevention and support for tenancy sustainment activities. This is a critical organisational priority, and I'm proud of the work we are doing, with our partners, to make the strongest case for long term investment in prevention, so that we move away from a responsive approach to a more holistic and sustainable one, which values prevention alongside secure and affordable housing solutions.

Over the past decade, the waiting list for social housing has risen by approximately 10,000. During 2021/22 approximately £171.8m was spent via the Social Housing Development Programme, with 1,713 new home starts and 835 completions. This is a significant investment, and demonstrates the level of commitment by the Department for Communities to social housing, and to sustained levels of investment to meet housing need.

I am delighted that the level of output has remained high, particularly given the challenges associated with rising costs and labour market constraints in the past year. This is a significant achievement and reflects the hard work and commitment of all those involved, particularly our housing association partners.

There has rarely been a more important time for the NIHE to invest heavily in energy efficiency, to keep our customers warm, and build climate resilience. Over the past year, 5,010 customers have been given energy advice and information on grant availability through our dedicated energy advice line. Approximately £24m has been invested into the Northern Ireland economy through our Private Sector Grants Scheme and 6,677 measures were delivered to 4,933 homes via our Boiler Replacement and Affordable Warmth Schemes.

In 2021/22, we also spent £75.6m on the Supporting People Programme which funded over 19,000 housing support places to some of the most vulnerable members of our society. Through this programme a total of 86 Supporting People providers delivered 867 services

across four key thematic groups including young people; older people; disability and mental health and homelessness.

I am pleased to report that we are playing a significant role in supporting those fleeing the invasion of Ukraine. NIHE is part of a multi-agency Strategic Planning Group to oversee a co-ordinated response to help meet the accommodation and support needs of Ukrainian nationals that arrive in Northern Ireland. We have been supporting the implementation of the Homes for Ukraine scheme with a key role in the co-ordination of home visits and property inspections for host sponsors. There have been over 2,000 Ukrainian nationals matched through this scheme to hosts in Northern Ireland.

As a landlord of approximately 84,000 homes and through our annual maintenance programme, the Housing Executive has a direct role in generating local economic outcomes, sustaining jobs and supply chains. Our investment of just over £195m in improving and maintaining our own homes in 2021/22 was the highest achieved since 2007/08, and is testament to the hard work and commitment of our staff, working in close partnership with the industry.

However, the NIHE's investment challenge is daunting. Put simply, we do not have a long term financial plan for the maintenance of our homes, and this is unsustainable. I am grateful for the commitment of the Minister for Communities to the Revitalisation Programme which aims to enable the NIHE to borrow against its rental income, to invest in its homes and to build new social housing. We continue to work closely and productively with the Department to meet the 2025 target, as set out by the Minister.

The past year was also my first as Chief Executive, and I am hugely grateful to the support of my colleagues across the organisation, for making me feel so welcome, and most importantly for their dedication and commitment to our customers. We are aware that the decisions we take affect the lives of so many. We do not take that responsibility lightly.

Finally, I would like to thank Professor Peter Roberts, as his term as Chair comes to an end. Peter has led the organisation with empathy and dedication, has driven our long-term commitment to sustainable development and leaves the organisation firmly focused on its customers. We are all so thankful for his hard work, and wish him every success for the future.



Grainia Long

Chief Executive

Date: 28 September 2022

LANDLORD SERVICES

2021/22

approximately
84,000
homes
managed
by the
Housing
Executive



159,00
tenants living in
83,788
homes



32,819 <16yo
42,736 >60yo



99.29%
of properties occupied
(0.71%) voids



£302m
awarded across
127
procurement
competitions

£1m
additional
annual benefit

entitlements
generated by
**Financial
Inclusion
Managers**
for our customers
(Sept 21 - March 22)

£79m on
260,000+
response
maintenance repairs

the largest amount since
2007/08



11,245
native trees
and whips
planted in
2021/22

15,661

elemental improvements
carried out across our stock

£117m
in stock investment and property adaptations



Over **440,000**
phone calls to our offices

over
3,500
minor
adaptations
completions



113
major
adaptations
completions



95 community groups across
13 areas received
Community Grants in 2021/22

£303.5m
or
99.4%
rental income
collected



REGIONAL SERVICES

2021/22



44,426
applicants
on the waiting list



31,407
in housing
stress

6,010

allocations made
by social housing
providers of which

3,160

were made by the
Housing Executive



15,758
homeless presenters
10,135
homeless acceptances



757
Disabled Facilities
Grants (DFGs)
referrals approved

£75.6m distributed
through the Supporting People
Programme to
86 providers



providing **867**
services to over
19,000
service users

416,000
invoices totalling
£440m
paid to suppliers



£24m
invested
into the NI
economy through
our Private
Sector Grants
scheme



6,677
measures delivered to
4,933 homes via our
Affordable Warmth and
Boiler Replacement Schemes



£171.8m
spent via the
Social Housing
Development Programme



1,713 starts
835 completions
as part of the SHDP



444
houses
sold to tenants



5,010 customers
advised on energy advice and
grant availability through our
energy advice line



15 rural housing need tests
carried out in 2021/22

£500.4m administered in
Housing Benefit (HB) to
107,817 customers of which
46,000 Housing Executive tenants
17,000+ new claims assessed
in 2021/22



Business Objectives

Our business objectives are influenced and shaped by a number of factors including the Draft Programme for Government (PfG), Departmental priorities, trends in the local housing market, the level of identified housing need for Northern Ireland and our duty to our tenants as a responsible and engaged social housing landlord.

Programme for Government (PfG) 2021

In January 2021, The Executive Office launched an eight week consultation period on a new Programme for Government Draft Outcomes Framework. The draft Framework contains nine strategic Outcomes which, taken together, will set a clear direction of travel for the Northern Ireland Executive and provide a vision for the future of all citizens.

The Executive is committed to developing a long-term, strategic Programme for Government. This is based on a shared and strategic vision for the future which aims to improve wellbeing for all. Good quality housing and housing services have a key role to play in the successful delivery of some of these outcomes. At the time of publication, the PfG 2021 has not been published.

Housing Executive Corporate Plan 2021/2022

The plan sets out our longer-term strategic context and includes a one year business plan incorporating Key Performance Indicators (KPIs) which support a number of Programme for Government outcomes. In this Annual Report we present our performance against an agreed one year business plan for 2021/2022 which is based on four overarching themes: People, Property, Places and Planet. All of the key performance indicators (KPIs) in the 2021/22 business plan (for Landlord Services, Regional Services and Support Services) can be found at <https://www.nihe.gov.uk/Documents/Other-Key-Documents/corporate-plan-2021-2022.aspx>

Performance Analysis

The purpose of the Performance Analysis section below is to provide an accurate reflection on KPIs for the 2021/22 business year as well as reporting on some other key non-KPI activities undertaken across the various departments of the Housing Executive.

Performance against the 2021/22 business year is detailed in the sections that follow. Please note that not every KPI is reported on in the annual report. Performance is reported by each of the divisions listed below:

- Landlord Services (comprising of Housing Services and Asset Management);
- Regional Services;
- Finance, Audit and Assurance; and
- Corporate Services.

Overall Performance

In 2021/22, Corporate Performance was reported on a monthly basis (some KPIs are reported quarterly) to our Performance Review Committee (PRC) which comprises of our Chief Executive, Directors, Head of Internal Audit and Head of Planning, Performance, Risk and Governance. This information is reported to the Housing Executive Board and regularly to the Department for Communities (DfC).

For the 2021/22 Business Year, the Housing Executive reported corporate performance for 95 Key Performance Indicators (KPIs) using a Red, Amber or Green (RAG) status. Of these 95 KPIs, 23 contributed to the draft Programme for Government 2021 outcomes.

There are two types of KPIs in our 2020/21 Business Plan: Data and milestone KPI reporting. The default position for the RAG scoring is as follows:

- Green - 100% performance against target;
- Amber – between 99.9% - 90% performance against target; and
- Red - less than 90%.

There are some exceptions to the above scoring for those KPIs which have contractual KPI scores or, where 90% is not sensitive enough to give a meaningful performance score. Also, for milestone KPI reporting it is critical to ensure the scoring is sensitive to the scale and complexity of tasks/number of tasks completed during the year to progress the KPI.

Our overall performance for the 2021/22 year against all our KPIs was:

	Total	Green	Amber	Red	Monitor PI ²
Strategic Housing Authority / Regional Services	23	14	4	3	2
Housing Services	25	11	6	2	6
Asset Management	17	7	2	7	1
Finance, Audit and Assurance	11	11	0	0	0
Corporate Services	19	13	4	2	1
Total	95	56	16	13	10

² Monitor PIs do not have targets and performance data is monitored.

Performance Summary 2021/22

Performance for the 2021/22 year improved on the 2020/21 year performance despite another difficult operating year with many challenges.

Significant volatility in the price of materials and the supply of contractor labour has been experienced in the Northern Ireland construction and maintenance sector during 2021/22. The additional cost incurred by Landlord Services in maintaining supply during 2021/22 was £13.2m. Capacity within the Northern Ireland construction sector remains a risk in relation to further increasing our annual stock investment programme.

Of the 95 KPIs, 10 were for monitoring purposes and 56 (66%) of KPIs met or exceeded their target. There were a number of notable KPI achievements including:

- Both rental income collected and arrears recovery targets met;
- Publication of the Strategic Housing Market Analysis (SHMA), in addition the Housing Executive made a number of consultation responses on important housing related areas during the year;
- All six Housing Benefit KPIs were met and over £10 million of overpayments were recovered;
- An organisational sustainable development strategy to reduce carbon emissions was completed along with a 5 year action plan;
- Carrying out significant work alongside the Department for Communities (DfC) to produce an Outline Business Case (OBC) on Revitalisation - the Housing Executive led three of the work streams which contributed to the OBC;
- Exceeded our target for planting native trees and whips; and
- Successfully delivered and/or implemented a range of strategies through Corporate Services division including Year 1 of the People Strategy, Year 1 of the Information Governance Strategy, Year 2 of the Older People's Housing Strategy and our Affirmative Action and Health & Wellbeing Strategies.

There were 13 KPIs assessed as red at year-end. For the second year in a row, a number of business areas have continued to experience challenges and therefore missed target. Some of these continued to be impacted by economic, supply chain and labour market pressures as well as continuing to experience the impacts associated with the pandemic. Further details relating to these KPIs can be found in the relevant sections later in this document. KPIs that did not meet target are listed below.

- Full implementation of Year 3 of the Chronic Homelessness Action Plan;
- Full implementation of the first year of our construction skills and learning partnership (ARTES);
- Working with DfC to develop innovative solutions to ensure the Housing Executive can further increase the supply of social homes;
- Working towards reducing our Major Adaptations Process timescales to 52 weeks;
- Procurement of phase 3 of the European Regional Development Fund (ERDF);
- Developing and implementing an office accommodation strategy;

- Starting 126 major adaptations to support those with a disability to live independently in their home;
- Implement a pilot Modern Methods of Construction pilot (MMC);
- Complete 737 retrofits to improve the energy efficiency of existing properties as part of the European Regional Development Fund (ERDF) retrofit programme;
- Maintain relet times to an average below 28 days and remain in the Housemark top performing quartile;
- Complete 1,400 new homes through the Social Housing Development Programme (SHDP);
- Ensure 10% of the SHDP will be to wheelchair standard; and
- Undertake a Corporate Assurance Mapping Exercise and implement new training on Assurance.

Landlord Services

Landlord Services - Funding Context

Landlord Services covers the work of the Housing Services and Asset Management Divisions in addition to the management of our internal Direct Labour Organisation (DLO) contracting resource.

Its primary responsibilities include the management and delivery of our housing stock investment programme, housing allocations, tenancy and void management, rent collection and arrears management, and fostering safe communities for tenants. The Housing Services Division also delivers a number of functions on behalf of Regional Services including homelessness and waiting list management services. These services are fully costed and charged to Regional Services and are thus reported against in Regional Services section of this update.

Landlord Services operates on a largely self-financing basis with the majority of its available funding determined by the level of rental income generated from its stock, supplemented by government grants and the sale of assets (land and house sales, shown as capital receipts in the accounts).

In instances where income generated is not fully expended within an individual financial year, unspent funds can be transferred to a Rental Income Reserve for retention and stock investment use in subsequent years.

Landlord Services - Financial Challenges

Over the last decade it has become clear that financial and policy constraints have greatly curtailed the organisation's ability to maintain and improve its own housing stock and to tackle the growing housing demand in Northern Ireland.

As weekly rent charges remain amongst the lowest within the UK social housing sector (Housing Executive rent is an average of £69.41 per week as at the 31st March 2022), it is clear that current levels of rental income are insufficient to provide Landlord Services with the financial capacity to improve its own housing stock, including an ability to deliver a programme of works to protect tenants from the impacts of climate change and cost of living energy price increases.

In January 2020, New Decade New Approach committed the Northern Ireland Executive to:

- Tackle the investment challenge and maintenance backlog facing the Housing Executive;
- Examine options to remove historical debt; and
- Provide a long term trajectory for Housing Executive rental charges that are affordable to tenants and landlord.

The Housing Executive Revitalisation Programme has been established to consider and assess options which will meet the investment challenge through a revitalised strategic housing authority and a sustainable social landlord that can maintain and provide good quality and affordable social homes for current tenants and future generations. The main

focus of the initial stage of the Housing Executive Revitalisation Programme will be to produce a recommendation on how best to address the Housing Executive Landlord investment challenge to the Minister. Options are currently being considered by the Department for Communities.

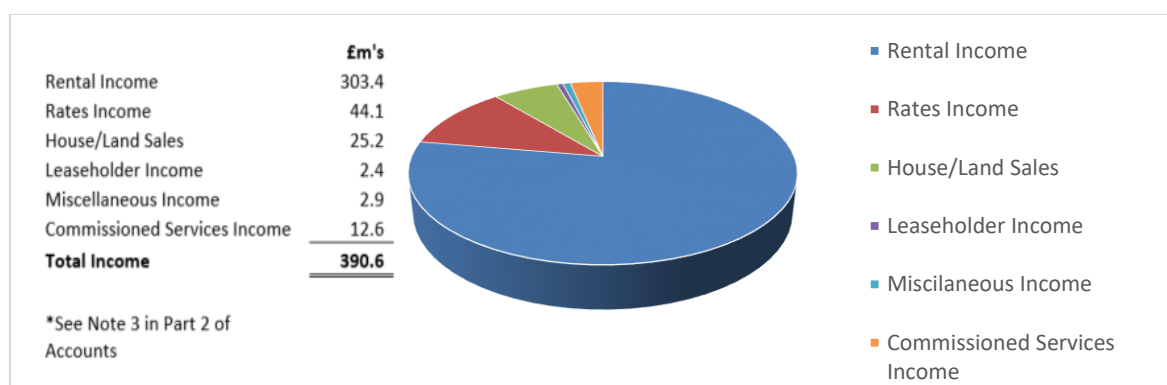
Landlord Services - Financial Performance

The charts below illustrate key areas of income and expenditure for the 2021/22 financial year.

Income & Funding Received

Landlord Services is financed mostly via self-generated income, which is then supplemented by DfC funding for specific initiatives. A breakdown of income generated and funding received is provided below.

Breakdown of Landlord Services Income (Capital & Revenue combined)



Key points to note are as follows:

- Rental income - This reflects the deferred implementation of the 2021/22 rent increase of 1.5% (deferred from April to July 2021) due to the COVID-19 pandemic;
- Rates Income – Landlord Services is required to collect rates on its properties on behalf of Land & Property Services. A sum equivalent to 10% of rates charges is retained by the Housing Executive to fund associated administration costs; and
- Commissioned Service Income – This relates to services provided by Landlord Services on behalf of Regional Services, the cost of which is charged to Regional Services.

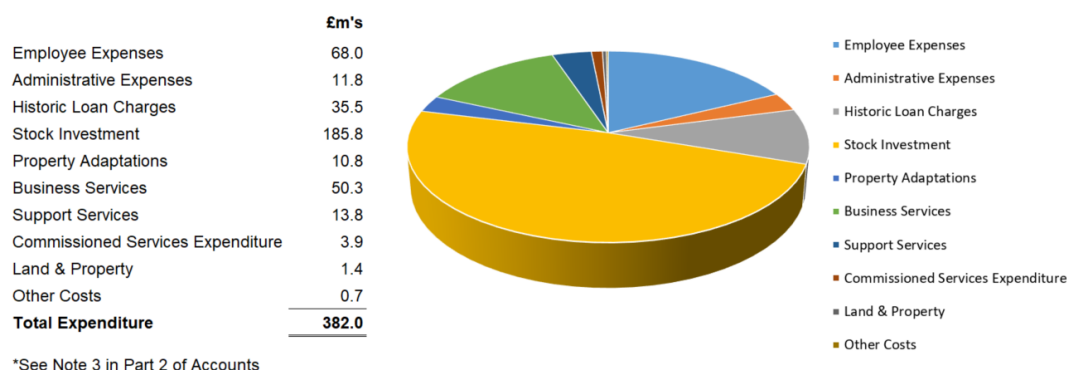
In addition to the above, DfC Funding of circa £60.6m was received for:

- Stock investment activities (£49.3m); and
- The installation of Disabled Adaptations to address tenant needs (£11.3m).

Expenditure Programme

The Landlord Services expenditure programme includes an annual programme of investment in its property stock in order to maintain it to modern day housing standards, and associated business administration expenses.

Breakdown of Landlord Services Expenditure (Capital & Revenue combined)



Key points to note are as follows:

- Stock Investment & Property Adaptations – Whilst activities continued to be impacted by the pandemic throughout the year, the overall level of stock investment achieved (£196.6m) represented a significantly increased level of annual investment when compared to the previous financial year (£165m);
- Historic Loans - Annual costs associated with the repayment of historic loans continue to decrease year-on-year. As at the end of 2021/22 financial year the amount of loan principle outstanding was circa £137m; and
- Business Services – This includes the payment of 90% of rates charged on Housing Executive properties to Land & Property Services (approx. £40.3m).

As at the end of the 2021/22 financial year, the Landlord Services Rental Income Reserve increased to circa £278m. This fund will be used to finance a further increase in stock investment activities in the next 3-4 years, but importantly remains insufficient to address medium to longer terms stock investment requirements,

European Regional Development Fund Retrofit (ERDF) Programme

The Housing Executive has been successful in securing funding from the European Regional Development fund (ERDF) to support thermal improvement works for housing stock. The total programme of works is estimated at circa £49.8m with the funding contribution from ERDF equivalent to circa £19m (subject to exchange rate fluctuations). In 2021/22, the Housing Executive spent £4.7m on this programme and received £0.6m of funding from ERDF with further funding to be received during 2022/23 as the programme progresses. The programme is targeted to complete by December 2023.

Housing Services

The KPI count below (a sub-set of the overall KPI totals) is a summary of Housing Services 2021/22 KPI performance across all four themes of People, Property, Places and Planet.

We are the largest social landlord in Northern Ireland and one of the largest in the UK with approximately 84,000 properties. Last year, out of the 6,010 allocations (5,844 in 2020/21) made to all applicants within the social sector in Northern Ireland, 3,160 (3,156 in 2020/21) were by the Housing Executive with the remaining 2,850 (2,688 in 2020/21) allocated by Housing Associations. In addition to this, we manage approximately 6,100 leasehold properties including the administration and delivery of a range of works and services where our leasehold properties are located.

Housing Services KPI Performance 2021/22

Total KPIs 25*	Green 11	Amber 6	Red 2	Data only 6
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*Total number of KPIs also includes Homelessness KPIs that are detailed within the Regional Services Section on Page 41

Sustaining Tenancies

In 2021/22 we have continued to meet our target of sustaining 86% of tenancies beyond their first year (LLHS KPI 1.3.2).

As a caring and responsible social landlord, we continued to offer our tenants more than just a property by providing them with the support, advice, and access to resources and services they need to make a lasting home.

We not only want to prevent crisis or adverse tenancy breakdown (that can potentially result in homelessness), but ensure that we are fostering happy, healthy and resilient tenancies at all points of the tenancy journey.

Our Customer Support and Tenancy Sustainment Strategy 2019-22 was extended for two years to the end of March 2024 and a Reset Tenancy Sustainment Action Plan has been drafted. The Reset Plan is a set of specific and practical actions that will be taken to tackle the current threats to tenancy sustainability and resilience, most notably, legacy issues from the pandemic for health and wellbeing in the home and community, and the escalating cost of living crisis.

Our KPI to evaluate the pilot tenant incentive scheme initiative (LLHS KPI 8.1) was partially met. Pandemic restrictions caused significant disruption to service delivery as staff were unable to carry out face to face visits required as part of the pilot. Work will continue into 2022/23 where the pilot will be expanded out across all Area Offices to thoroughly test the incentives that are being offered.

In 2021/22, following provision of funding to a number of successful pilot projects with partners, the Sustaining Tenancies Funding Programme 2021-24 was developed and

initiated. Through this channel, we will invest £1.6 million in projects, to be delivered by voluntary and community and charitable organisations that will specifically benefit Housing Executive tenants in terms of tenancy sustainability and resilience. Funding will be awarded over 3 Tranches – Tranche 1 was awarded in Winter/Early Spring 2021 and funded 21 new projects, Tranche 2 was awarded in quarter 1 of 2022/23 and funded 16 projects. A business case is currently in development for the next programme, due to launch in spring 2023.

Tenancy Fraud

Last year witnessed a slight increase in the levels of fraud reporting. The property recovery rate remained consistent with that of previous years, although it should be noted that our ability to respond to some tenancy fraud was limited by the public health guidance that remained in place during the year. Staff were constrained in their ability to conduct site-based investigations by the 'work from home' instructions and Department for Communities guidelines remained in place to prevent evictions in all but exceptional circumstances.

For 2021/22:

- 599 (480 in 2020/21) new cases of suspected tenancy fraud were recorded across all areas (of which 42 were referred to the Tenancy Fraud Unit for investigation);
- 225 (181 in 2020/21) properties subject to tenancy fraud were recovered (20 of these directly following investigation by the Tenancy Fraud Unit).

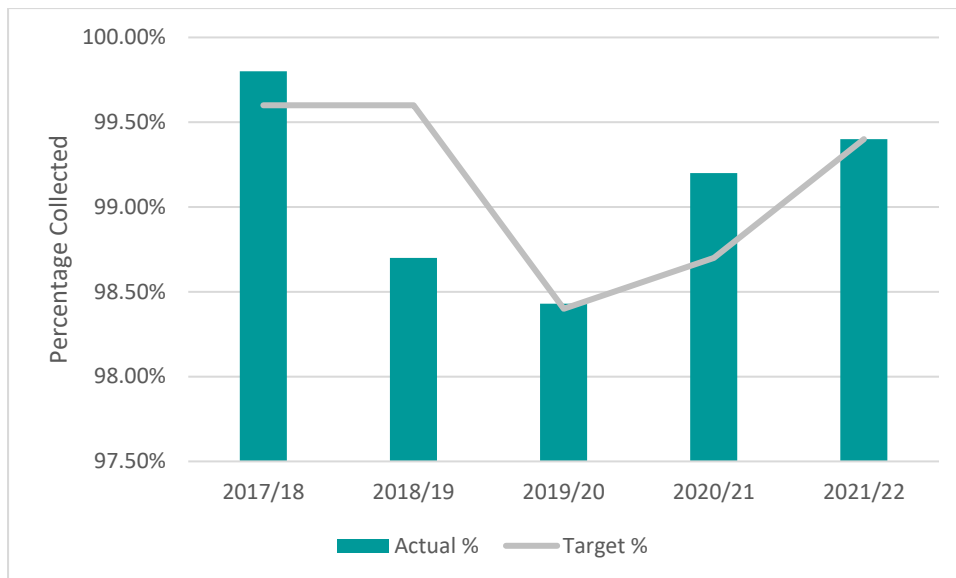
Across the year 2021/22, Housing Policy continued to provide assistance to frontline offices on complex fraud queries and was preparing for the resumption of home/site visits and recovery action to be commenced in Quarter 1 of 2022/23.

During Charity Fraud Awareness Week in October 2021, the Housing Executive was involved in the launch of a new tenancy fraud calculation methodology in conjunction with the Cabinet Office National Fraud Initiative team and the Fraud Advisory Panel. This methodology was based on a template developed by our Fraud Policy Team and Tenancy Fraud Unit in 2020. Taking this as a template, Housing Executive staff worked in conjunction with the Cabinet Office, the Charity Commission and numerous other social housing providers to devise a cost calculation method which has now been adopted as the sector standard.

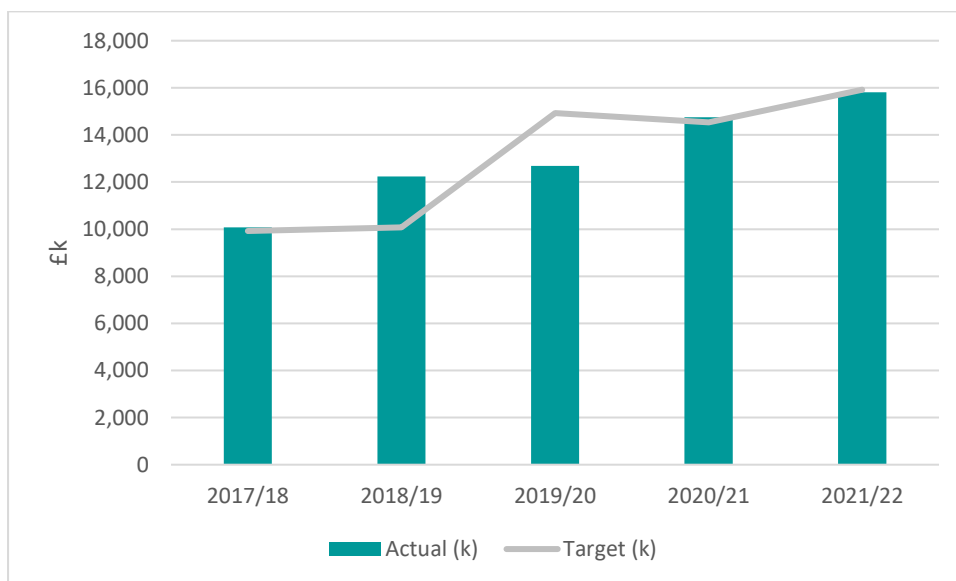
Income Collection

Our target for current arrears to not exceed £15,920k (LLHS KPI 1.2) was achieved with arrears increasing by £1,063k to £15,811k, £109k below tolerance. We also achieved our KPI to collect 99.4% of rent due (LLHS KPI 1.1). The continued impact of the changes to welfare benefits introduced via the Welfare Reform Programme was the single biggest factor accounting for an estimated £610k (57%) of the overall increase in current arrears during 2021/22.

Percentage of Income Collected 2017/18 – 2021/22



Arrears Collection 2017/18 – 2021/22



With the reduction of pandemic restrictions, normal arrears recovery activities resumed during 2021/22 with the exception of evictions. We also continued to focus on providing our tenants with all appropriate advice and assistance and staff continued to be in regular telephone contact with tenants to provide advice and assistance about the repayment of arrears.

Financial Inclusion

Our Financial Inclusion Strategy is a key component of the Rental Income Maximisation Strategy. Its primary objective is to improve the financial wellbeing of our tenants and other

customers. Through delivery of our 'Making Your Money Work' Service³ (Phase 1) we continued to:

- Provide advice and assistance with household budgets and benefits entitlement;
- Make referrals for independent specialist debt advice for tenants with significant or complex arrears problems;
- Make referrals for floating support services for tenants with perceived vulnerabilities; and
- Provide advice and assistance with the 'Make the Call' service operated by DfC.

We are developing a range of other services under Phase 2 of 'Making Your Money Work', which, when complete, can be offered to our customers. This includes providing advice and assistance about bank account options, credit unions, energy supplier options, media packages / employment opportunities.

The three Financial Inclusion Managers (FIMs) within Housing Services have continued to assist tenants in financial difficulty to improve their financial circumstances. Receiving 2,605 referrals from frontline staff during 2021/2022 they have helped customers in a variety of ways including through advice and assistance, advocacy and liaison work with benefits agencies, referrals and engaging with tenants at risk or court action and/or eviction due to arrears.

Through their income maximisation work, the Financial Inclusion Managers have generated in excess of an additional £1 million in potential annual benefit entitlement for customers in the period from September 2021 to March 2022.

In addition, they provide advice and assistance to frontline staff and have had an integral role in developing the Making Your Money Work service; delivering the associated training for the pilot exercises and providing ongoing support to staff in delivery of the service.

The Benefit and Budgeting Calculator, introduced in January 2021, continues to embed financial inclusion into frontline service delivery at key points in the customer journey. This tool enables staff to perform a quick benefit check for tenants, helping them understand how a change in circumstances is going to impact their income and how to create a realistic household budget to make the most of the money they have. It also allows those claiming Universal Credit (UC) to accurately calculate their UC payments. Around 600 staff (Patch Managers, Income Collection Officers, and Housing Advisors) are trained to use the calculator and offer this service to tenants. A calculation is offered at multiple steps of the customer journey, and is currently availed of by an average of 50 tenants/customers per month.

Universal Credit

The Welfare Benefits Unit (WBU) within Housing Services is responsible for managing the impacts of welfare changes on the Housing Executive and its tenants. The Unit also has an

³ The Housing Executive's Making Your Money Work Service is tailored to improve overall wellbeing by not only maximising money management skills with tips on how to budget and save money, but also providing the appropriate services customers need. Customers can be connected to a number of services in their local area including: free and independent money and debt advice provided by Advice NI; free Benefit Entitlement Checks through the Make the Call service; and we can arrange referrals to other specialised housing support service providers.

operational role in managing the tenancy verification processes for both Universal Credit (UC) and Rate Rebate, ensuring that tenants receive the correct entitlement to help with their housing costs and mitigating any impact on organisational income.

During 2021/22, a total of 5,276 Housing Executive tenants made a claim for UC, bringing the total number of tenants who have migrated to UC since its introduction in September 2017 to 24,822 at the end of March 2022, an average of 440 tenants per month. It is anticipated that approximately 45,000 tenants will eventually move on to UC by the time it is fully implemented.

The next phase of the rollout of Universal Credit will involve those claimants still in receipt of the legacy benefits which are being replaced being invited to claim UC i.e. Housing Benefit Income Support, Job Seekers Allowance (Income Based), Employment and Support Allowance (Income Related), Working Tax Credit and Child Tax Credit. This phase is called 'Move 2 UC', previously known as Managed Migration. The Department for Work and Pensions (DWP) has delayed the commencement of this phase a number of times, most recently due to the pandemic. It is now likely to commence in Northern Ireland during 2023 (date to be confirmed).

WBU continues to run a programme of research investigating the impact of welfare changes. May 2022 has seen completion of a quantitative research report which quantifies the experiences of 1,300 Housing Executive tenants in receipt of UC. This research will be published over the following months and is being used to inform service delivery and policy development in order to ensure we are supporting tenants appropriately and effectively during the process of moving to Universal Credit. The WBU continues to assess new areas for research as welfare changes develop.

Customer Service Excellence

Customer Service Excellence (CSE) accreditation is an acclaimed UK national standard of excellence in service delivery. In 2021 Housing Services was assessed as fully compliant across the 57 rigorous criteria and achieved "Compliance Plus" (best practice standard) in 24 of these 57 criteria.

Our performance in relation to two criteria was upgraded to compliance plus while another criterion was regraded from compliance plus to compliant. This reflected an organisational best performance, with the assessor reiterating the view that we provided "*without doubt one of the most customer focused services in Northern Ireland*" and noting that "*this organisation continues to surpass its previous performance year after year*". This reflects our commitment to put the customer at the heart of everything we do. This has been particularly satisfying as we have adjusted to the new working practices and changing needs of customers brought about by the pandemic.

Through our Continuous Tenant Omnibus Survey we measure tenant satisfaction annually across a range of key metrics, including overall satisfaction with our service. We narrowly missed this target of 85% (LLHS KPI 2.9), achieving 84%. The Customer Excellence Team will carry out an analysis of the data and research methodology (due to the pandemic surveys took place on the phone rather than in person) in order to better understand and improve the service.

Fundamental Review of Social Housing Allocations

In 2021/22 we received approval from the Department for Communities (DfC) to commence work on the implementation of the changes to the social housing allocations system in Northern Ireland which had been identified during the Fundamental Review of Allocations. As a result we achieved our KPI (LLHS KPI 8.2) to complete the Fundamental Review of Allocations Project start up and commenced Phase 1 of the implementation plan.

Following departmental approval, a Project Board and Project Implementation Team was established to deliver the recommendations stemming from the review. Key work streams have been identified with work advancing on the specification and delivery of system requirements, development of policies, procedures and guidance for staff, and communications to customers and stakeholders.

As major system changes are required to implement the majority of recommendations, a significant proportion of the effort to progress delivery in 2021/22 has been working with our Housing Management System IT supplier. Several internal and external workshops have taken place to understand requirements and agree specifications. Early Phase 1 specifications have been agreed and the delivery of these system changes is planned to commence in the first quarter of 2022/23.

Another key work stream, and major dependency for delivery, is obtaining Departmental and Ministerial Approval for changes to the Housing Selection Scheme Rules and the approach to be taken in relation Proposal 7 (Intimidation Points) and Proposal 9 (Interim Accommodation Points). The Project Team continue to work closely with the Department to facilitate these approvals, which are required to implement the Review's recommendations as outlined in the Department's Consultation Outcome Report published in December 2020.

Communication of the changes and their potential impact on new and existing Waiting List applicants and tenant transfers is of paramount importance and vital to the successful delivery of the changes. A communications strategy has been drafted and will span the lifetime of the project and includes the establishment of a stakeholder advisory group to represent social landlords and tenants interests as well as the wider housing sector to inform the implementation of the changes.

The Project will aim to implement the recommendations of the Review over the next three years to ensure that our highly valued allocations scheme for Northern Ireland is modernised and continues to provide a robust framework for the assessment and allocations of social housing in Northern Ireland.

Relets and Voids

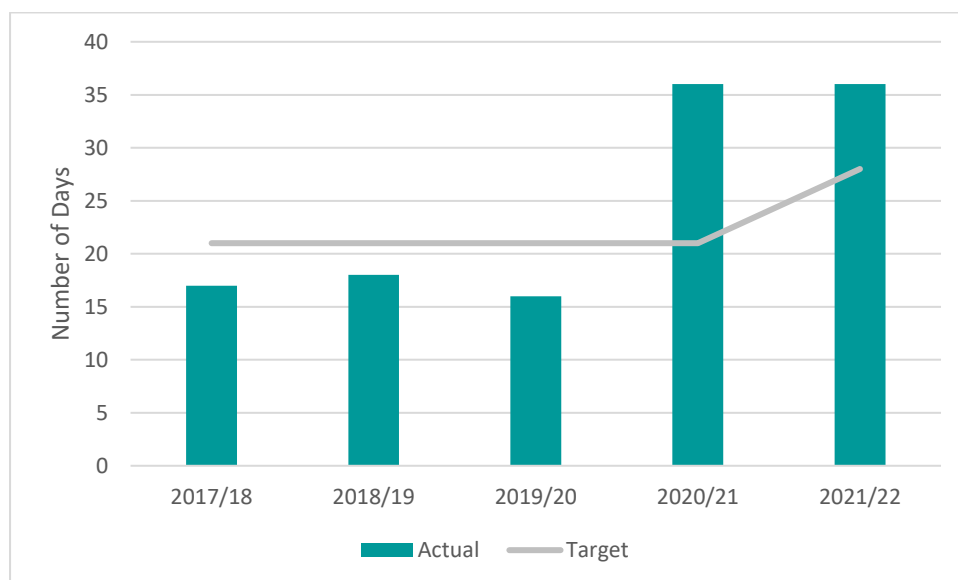
Effective voids management is a key responsibility and core function of the Housing Executive. Failure to efficiently manage void properties could lead to direct implications on rental income and housing need as well as a wider potential impact on communities through the social blight caused by empty dwellings, and resulting impacts for households on the social housing waiting list.

The pandemic has led to a dramatic shift in our relet times and void management targets. Our relet target (LLHS KPI 1.3.1) has not been met this year with an average of 36 days against the target of 28 days. Throughout the year, contractors reported ongoing issues in

delivering service due to COVID-19 as a result of self-isolation guidelines. Both the increasing cost and the availability of materials also continued to impact on relet times.

We did however meet our void target (LLHS KPI 1.3) with void properties only representing 0.71% of total stock against a tolerance of 1.2%.

Relets Performance by Number of Days 2017/18 – 2021/22



Leasehold

During the 2021/22 we continued to carry out works and services to approximately 6,100 leasehold properties. The estimated yearly charges applied to the General Service Charge accounts for the 2021/22 year totalled £1.64m with a further £768k of planned scheme costs billed for payment. General Service Charge Arrears decreased by £49k and planned scheme works arrears increased by £331.5k.

In advance of planned scheme works being carried out at the blocks where sold flats (leaseholders) are situated, 621 leasehold flats were advised of planned works to be carried out and the estimated costs for payment when works were completed.

Throughout the year the Leasehold Unit also provided pre-sale conveyancing information and completed the necessary tasks to 352 leasehold properties where resales/change of ownership took place. To support the House Sales applications for flats, 136 estimated service charges were prepared for inclusion with the offers.

In response to Leaseholders experiencing difficulties in selling their flats due to a change in lending practices by financial institutions and their reluctance to issue mortgages on sold former Housing Executive flats, we are currently developing a Leasehold Extension policy. It is envisaged that this will be implemented during the 2022/23 year, when the necessary approvals and legal procedures are finalised.

Communities

In addition to our core functions as a landlord such as allocating homes, collecting rent and maintaining properties, we invest heavily in the communities we serve to help create vibrant, safe and sustainable communities. We aim to achieve this through the work of our Community Safety, Community Involvement, Community Cohesion, Estate Services, Social Enterprise and Customer Excellence teams. Last year we had five KPIs directly linked to the work of our 'Communities' teams.

Information on some aspects of our performance last year is detailed below.

Community Safety 2021/22

We successfully published and implemented Year 2 actions for our new Community Safety Strategy (LLHS KPI 3.1) 'Working Together for Safer Communities 2020 – 2023'. The strategy is supported by annual action plans and we will continue to work with a range of partners across statutory, voluntary and community sectors. Some key achievements delivered in Year 2 include, a 'Good Neighbour Campaign', a review of our Hate Harassment Toolkit, continued work with the PSNI to manage the Hate Incident Practical Action (HIPA) scheme and our work with the Department of Justice (DoJ) on the review of hate crime legislation.

During 2021/22 we responded to 1,617 reports of alleged anti-social behaviour. We continue to use an incremental and proportionate approach in responding to reports of anti-social behaviour and the majority of reports are resolved through the use of interventions such as warning letters and follow up visits by local office staff.

Where appropriate, we used legal powers to end unacceptable behaviour and during 2021/22, 10 decrees for possession were obtained on the grounds of anti-social behaviour and 7 properties were returned to us following action.

During 2021/22 our procured mediation service provider worked on 37 neighbour disputes. With funding from the Housing Executive and the PSNI, our community based restorative partners, Northern Ireland Alternatives and Community Restorative Justice Ireland also provided mediation and community support in over 600 cases of neighbour disputes, an increase of over 200 since last year. Both restorative projects were extended with pilot projects in 3 new areas in 2021/22. These grassroots community organisations have continued to be at the centre of responding to emerging community needs throughout the pandemic as part of their community support role.

On an annual basis, funding is made available from the Community Safety budget to a range of community based groups and Policing and Community Safety Partnerships (PCSPs) to enable the development of local solutions to address anti-social behaviour in Housing Executive estates. In 2021/22 £470,292 was awarded to address community safety issues in our estates.

Overall 85% of those surveyed reported they would be willing to report ASB to us in the future and 94% of those surveyed found staff courteous, sensitive, responsive and knowledgeable when dealing with their complaint.

Estate Services

We continued to work with a range of partners and stakeholders on Response, Grounds and Planned Maintenance issues. Following a high profile media case relating to pest control a new holistic approach was agreed and was embedded within the new Response Maintenance Contracts. We continue to produce and analyse weekly statistics on response maintenance jobs for all contracts for our Customer Service Unit (CSU), Contract and Regional Managers. These are scrutinised monthly by Housing Services Management at the monthly Performance Review Group (PRG) to address any issues or negative emerging trends.

We established an Area Welfare Officer Forum and worked with our Data Analytics team extensively in order to commence the development of dashboards for our Area Welfare Officers, Contract Managers, CSU and Area staff. The Estate Services Handbook has been reviewed in conjunction with policy leads and will continue to be updated and refined with organisational changes.

Minor adaptations such as installing a grab rail, ramp or replacing a bath with a shower are delivered through our Response Maintenance contracts. We monitored the trends on the number of minor adaptations started for people with a disability (demand led) through LLHS PI 1.7. In 2021/22 we delivered 4,779 minor adaptations.

We provided project support for the procurement of the new Response maintenance contract and have provided support, advice and guidance across all work streams and divisions.

Community Cohesion

The Housing Executive invested £356k into our communities through Cohesion funding during 2021/22. Our Good Relations Officers, Race Relations Officer, Interface Officer and Shared Housing Officer, work in partnership with communities to translate our Community Cohesion Strategy in order to produce practical and tangible actions that will benefit those communities.

The KPI (LLHS KPI 3.2.1) to implement our Community Cohesion Strategy 2015-20 Action Plan (extended to 2021/22) and develop a new Community Cohesion Strategy was partially met. A new Community Cohesion Strategy was not developed however we successfully implemented the 2021/22 Action plan including the following key achievements:

- 15 race relations projects delivered across 3 regions;
- Two 'Areas at Risk' supported;
- 76 estate based cohesion projects supported;
- Supported 12 reimaging projects via a community led approach to address the physical manifestations of segregation within and between our estates;
- Continued to work in partnership with DfC to deliver the Housing for All Programme;
- Continued to work in partnership with the DoJ to deliver the Interface Programme, to remove, reimage and reduce interfaces in Northern Ireland; and
- Supported 6 Peace IV⁴/Interreg programmes to engage, enable and empower our communities.

⁴ The €270m PEACE IV Programme is a unique initiative of the European Union which has been designed to support peace and reconciliation.

The current strategy has undergone an independent review of the effectiveness of the strategy and to take cognisance of the wider Northern Ireland Executive approach in terms of future Programme for Government commitments, which may impact the direction of any new Cohesion Strategy. A request for an additional one year extension has been made to the Executive Team and this item will carry forward into the 2022/23 business year with a new Cohesion Strategy likely in place in the 2023/24 year.

Community Investment

The Housing Executive invested over £356k into our communities through Cohesion grants during 2021/22. Our Good Relations Officers, Race Relations Officer, Interface Officer and Shared Housing Officer work in partnership with communities to translate our Community Cohesion Strategy in order to produce practical and tangible actions that will benefit those communities.

During 2021/22 we:

- Processed a range of applications through our new online grants system (Salesforce). We funded and administered 76 estate based good relations projects, 15 race relations projects and 11 reimaging projects of contentious murals on our estates. We will continue to work with our communities at their pace and support them on the journey of good relations and positive expressions of culture;
- Supported 13 projects and a funded worker under our external funding Areas at Risk Programme in North Belfast (Glenbank & Whitewell) on behalf of DfC; and
- Worked to deliver in partnership or as lead agency 6 major programmes under SEUPB Peace IV Programme; 3 of those have been completed with targets met. Live programmes include ONSIDE⁵ programme, Children and Young People programme and Building Positive Relations Belfast programme.

Under the 2021/2022 action plan, the Housing Executive's Community Cohesion team also supported the delivery of the Department for Justice (DOJ) programme to remove all interface barriers by 2023. This Interface programme contributes to the draft Programme for Government Outcome 4: Building a Strong and Shared Community. To date we have completed 16 interface locations and have received funding of circa £1,495k from Together: Building United Communities (T:BUC) funds into our communities.

We continue to work in partnership with Department for Communities (DfC) to support the delivery of the current 59 shared new build schemes on the Shared Housing Programme. This year we exceeded this KPI (LLHS KPI 3.9) to deliver an additional 200 units with 248 units across 13 schemes delivered. In addition to this work is ongoing with Housing Associations to develop Good Relations Plans through the establishment of Advisory Groups.

Community Involvement

The Community Involvement Strategy 2018-2023 has been developed to help deliver the Housing Executive's corporate objective of fostering vibrant communities and provides a

⁵ The ONSIDE project is a cross border project created to address the social isolation experienced by disabled people. ONSIDE's aim is to enable disabled people to create community connections - both locally and online. We operate throughout Northern Ireland and R.o.I. border counties.

framework for the Housing Executive and tenants, residents and leaseholders to work together towards mutually agreed outcomes. This year we successfully implemented Year 4 of the strategy (LLHS KPI 3.3). Key achievements included:

- Conducting research to establish a baseline of current participation levels and participants views across our communities;
- Awarding 95 groups Community Grants across all 13 areas;
- Progressing on all our current Service Level Agreements to support our hard to reach groups;
- Continuing to support the Central Housing Forum to challenge and lobby our services; and
- Continuing our work with the Digital Inclusion Working Group to ensure the Housing Executive increases digital capacity and capability for our Housing Community Network.

During 2021/22 we promoted the use of our online collaboration portal as an interactive tool for network members and our customer engagement partner. The portal facilitates virtual engagement, funding announcements and provides a conduit for us to receive feedback from members on Housing Executive business areas. Participants in the Central Housing Forum have continued to work in partnership with the Housing Executive to improve the collaboration portal, its function and how to maximise usage among the network.

Tenant and Customer Engagement

The Housing Executive's Central Housing Forum tier continued to scrutinise us throughout the 2021/22 year via online meetings. The forum has met with the Housing Executive's Chair, Chief Executive and Directors to discuss issues relevant to the communities they serve. They also received a range of internal and external presentations.

A number of new Working and Task and Finish groups were established including Succession of Tenancies review, Climate Change, and Grants dealing with adaptations. Supporting Communities has also provided training sessions on topics such as good governance, social enterprise, committee skills, and impact awareness training.

The Rural Resident's Forum (RRF) continued to meet on a regular basis with Housing Executive staff via Zoom. RRF has continued to follow their work programme and receive presentations from internal and external departments. RRF met with the Chief Executive in May 2021 to discuss matters impacting on residents in rural areas. The RRF have also presented to the Social Housing Committee at Stormont on issues that relate to people in rural areas as well as providing feedback into the Department for Communities Intermediate rent consultation.

Grant Funding

During 2021/22 we invested £260k in our communities through our area based community grants programme focusing on projects related to environmental improvement, health and wellbeing and digital inclusion to encourage our communities to engage with us at a local level.

We have continued to work with our colleagues in Supporting Communities to develop new community groups in under-represented areas. As a result, there were 21 new community

groups established and they have also maintained 28 community champions during the pandemic. In addition to this, we have engaged with the Rainbow Project to ensure LGBTQ+ representation on the Central Housing Forum and have successfully set up a LGBTQ+ Working Group.

Social Enterprise

The three key objectives for the Housing Executive's Social Enterprise Strategy is to:

- To strengthen the Housing Executive community;
- To improve the economic circumstances of our customers; and
- To work in partnership with others for the benefit of Housing Executive communities.

Our Year 2 Action Plan was implemented (LLHS KPI 3.4) and during 2021/22 the Housing Executive's Social Enterprise programme supported a range of organisations in the delivery of job creation, work and training opportunities. This was facilitated through the distribution of grant funding set within the Social Enterprise Plus Strategy.

Graduate Trainees

In 2021/22, there were 14 Housing Services Graduate Trainees who successfully completed their development programme and took up roles throughout the Housing Services Division. A further 19 Graduate Trainees who commenced their development scheme in November 2021 continue to develop through their experiential placements, qualifications and learning programme in 2021/22.

The restrictions as a result of the pandemic significantly impacted on the delivery of the Graduate Trainee Programme throughout 2020/21 and again in 2021/22 with qualification delivery moving to online platforms and creative solutions being required to support new trainees in roles. This aspect is proving to be an effective way of maintaining the quality of educational provision. The remote working environment creates an opportunity to try alternative models for involving trainees in innovative solutions for Business Improvement with the usual conference again replaced with virtual "Dragon's Den" events at which Trainees pitched their ideas and creative solutions to managers. It is expected that some of these will be taken forward leading to tangible improvements to our services.

GEM Programme Talent In House

The Graduate Empowerment Mentoring (GEM) Programme is a training scheme, supported by 'Incommunities Group' seeking to build careers in housing. The GEM Programme lasts 12 months and during this time GEMs attend experiential learning events, build their network across the sector and complete the Chartered Institute of Housing level 4 qualification. Housing Services Division has participated as a partner in the GEM Programme since 2016. Since 2019, Housing Services moved to a "Talent In House" GEM programme, investing and developing our existing staff to support our wider focus on skills development and retention.

Whilst pandemic restrictions prohibited the annual Belfast GEM Shack Conference taking place in person in 2020/21 and 2021/22, the Housing Services GEMs worked with GEMs from Clanmil Housing Association in Belfast and Circle Voluntary Housing in Dublin to deliver an online conference for GEMs across the UK & Ireland in November 2021.

In January 2022 three further Housing Services staff joined the GEM Programme Talent In House which will be delivered in 2022/23 through a blended manner of face to face learning events and online platforms.

It is notable that the GEM Programme Talent In House continues to provide a beneficial learning and development opportunity for Housing Services staff and a networking opportunity for the Housing Executive with Housing providers across Ireland and the UK, promoting shared learning and best practice.

Asset Management

Asset Management KPI Performance 2021/22

The KPI count below (a sub-set of the overall KPI totals) is a summary of Asset Management 2021/22 KPI performance across the division.

Total KPIs 17	Green 7	Amber 2	Red 7	Data only 1
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Asset Strategy and Investment Planning

During the year we prepared an updated projection of our 30 year stock investment requirements with Savills plc to inform the Minister's Housing Executive Revitalisation (HER) programme. This projection outlined the investment required to achieve the Commonly Adopted Standard, while also achieving decarbonisation of the stock. We are already operating with a considerable funding shortfall and this future level of required funding will not be available under our existing rent levels.

Consequently, pending the outcome of the HER programme we have continued to direct investment in our stock in accordance with the approach and priorities agreed with the Department of Communities in 2017 and extended in 2020. These focus on optimising the level of our stock available to meet high and increasing housing need, and largely focus on addressing our landlord maintenance obligations.

The uncertainty with regard to future funding for investment in our stock is reflected in both our Cavity Wall Insulation Action Plan (LLAM KPI 4.7) (that was issued in March 2022) and our Sustainable Development Strategy (LLAM KPI 5.6) and Action Plan that was approved by our Board in March 2022. Both documents acknowledge that considerable investment will be needed to significantly improve the thermal performance of our properties. At present this can only be done with the assistance of external funding as in the case of the Energy Efficiency in Social Housing Programme that is being part-funded by the European Regional Development Fund (ERDF).

Such improvements in tandem with the introduction of no/low carbon heating systems and renewables will be required to reduce our tenants' energy use and associated carbon emissions. In the short term, therefore, our actions will focus on addressing poor insulation where it is having a detrimental impact on a property's structure, undertaking pilot projects to test new energy efficiency products and technologies, developing our in-house retrofit expertise and preparing future programmes. We will be publishing a new Energy Efficiency Strategy for our stock this year that will set out more details on this.

Plans to be on site in 2021/22 with our Modern Methods of Construction/Low Energy re-provision scheme pilot in North Belfast (LLAM PI 4.6) were delayed and we are now aiming for a start in the summer 2022. As a result this KPI was assessed as red at year end.

We continue to assess and address the sustainability of our stock and as part of this good progress is being made with our Tower Blocks Action Plan including achieving our KPI of implementing Year 2 of the Action Plan (LLAM KPI 4.5). A demolition contract has been

awarded for Monkscoole House, and approval has now been granted to demolish Latharna House, Rathmoyne House, Coolmoyne House, Kilbroney House and Clarawood House with re-housing of their residents underway. Business cases for the redevelopment of another two blocks are with the Department for consideration. We have commissioned external contractors to undertake feasibility studies of a number of blocks that we intend to retain for a longer period.

Adaptations to Homes

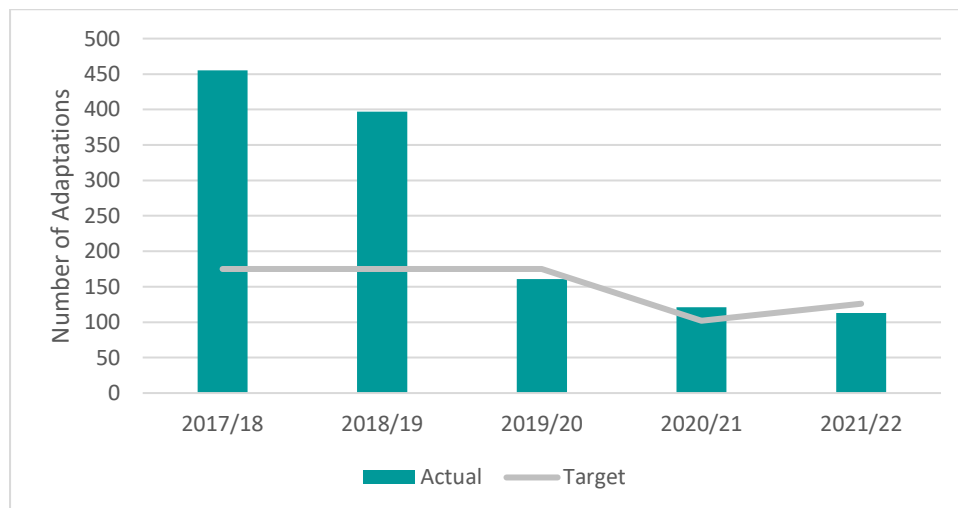
For some of our tenants, where appropriate, we undertake bespoke adaptations to our own stock. These adaptations can either be minor or major. A minor adaptation may be installing grab rails or replacing a bath with a shower, whereas a major adaptation is more complex and could include bespoke adaptations to properties such as internal reconfigurations, single and double storey extensions and adding access ramps.

In 2021/22 we did not fully achieve our target (LLAM PI 4.2) to start 126 major adaptations for people with a disability, achieving 113. Reasons for delays include surveying issues, access issues primarily to tenants isolating, lack of resources internally and externally and difficulty in obtaining materials.

In 2021/22 we have:

- Commenced 113 major adaptations;
- Installed 224 lifts;
- Installed 776 adaptation showers; and
- Completed 2,800 other minor adaptation works.

Number of Major adaptations to Housing Executive homes 2017/18 – 2021/22



We have been working to streamline the length of time tenants wait to have a major adaptation completed (LLAM KPI 4.1). The majority of live schemes have experienced delays due to challenges including issues with gaining assess, delayed surveys, shielding and resourcing issues, all as a direct result of the pandemic and therefore the KPI was not met. We have however made good progress in reducing the time tenants have to wait for a major adaptation in recent years and will continue, where possible to reduce this further.

Planned Maintenance

Our key objective through the planned maintenance programme is to maintain the quality of tenant's homes. Maintaining homes has a number of benefits both for the organisation and our tenants. It helps maintain the value of our assets, but more importantly provides a safe, modern, warm and comfortable home for our tenants to enjoy.

In 2021/22 our objective was to carry out 17,127 elemental improvements to our stock. This cumulative figure was made up of various elements detailed below. A number of individual elemental targets were achieved, however overall we did not fully meet this KPI (LLAM PI 6.9) with a year-end outturn of 15,661 (91.4% of target) elemental improvements. A number of issues were attributed to the failure to fully meet this objective in part to pandemic related issues such as staff and contractor absence but also due to difficulty in obtaining trade resources and materials. Therefore the KPI was assessed as amber.

In 2021/22 we delivered works that included:

- 9,143 External Cyclical Maintenance;
- 4,719 Heating Installations;
- 2,428 Window Replacements;
- 5,738 Bathroom, Kitchen and Rewire elements;
- 1,241 Bathroom Replacements;
- 1,317 Kitchen Replacements;
- 6,087 Fence Painting Elements;
- 45 Multi-Element Improvement elements; and
- 57 Roof Elements

Despite this shortfall we have improved the fabric and quality of a significant proportion of our housing stock which will benefit our tenants now and in the future.

ERDF Housing Executive Retrofit Programme

In September 2019, the Housing Executive announced the Energy Efficiency in Social Housing project to improve the energy performance of almost 1,900 of its homes across Northern Ireland. The six year €43.8 (eligible costs) million programme (equivalent to £31.7m using exchange rate from August 2022) is expected to be completed by the end of 2023, and eight schemes addressing thermal efficiency of aluminium bungalows and no fines properties have already been completed.

Improvements to the thermal efficiency of these homes include cladding, new double glazing and insulation. Due to the significant challenges experienced particularly due to the pandemic and the cost of and supply issues with materials, a 30% reduction to the programme had been agreed resulting in delivery of works to almost 1,900 properties by September 2023. The remaining thermal improvements works are programmed to be completed after that date.

Up until end of March 2022, work has been completed on nearly 250 properties which is lower than had been anticipated at this stage. The KPI (LLAM PI 6.7) for 2021/22 was to complete 737 works, however only 161 were achieved in year therefore not meeting the KPI. There has also been other delays caused by related pandemic issues including material and labour availability in the market and issues with contractors in agreeing work content and

costs. Works have however been progressing with eight schemes completed on site to date, 12 projects are currently on site and 8 approved schemes are due to start in quarter 1 of 2022/23.

Procurement

The Corporate Procurement Unit (CPU) contributes to the creation of a strong, competitive, regionally balanced economy by ensuring that an annual contract spend of approximately £300 million is managed effectively by the Centre of Procurement Expertise (CoPE) for the housing sector. Many procurement strategies implemented by the CPU result in more people in better jobs. The primary objective of a significant number of the contracts we procure is to help those in need and ensure that our tenants can live in a decent home, appropriate to their needs, in a safe and attractive place.

In the 2021/22 the Corporate Procurement Unit has awarded a total of 127 procurement competitions worth a total of £302m (based on the initial term of the contract).

In terms of future plans, CPU are working on a number of key projects with colleagues to deliver the following in the coming year;

- Procurement of contractors to deliver major adaptation works for persons with disabilities (MAPDs) - Anticipated for a 2 year period and in excess of £40m;
- Obtain external contractors to assist with the next tranche of demolitions to support the Tower Block Strategy;
- Temporary Agency workers contract - This contract is worth in the region of £12m per year; and
- Furniture for Temporary Accommodation Contract - This contract is worth approximately £2m and will enable the Housing Executive to provide furniture, electrical appliances and homeware items for its temporary accommodation (approximately 380 units).

The operating environment over the last 12 months continued to be challenging in terms of price volatility, labour and material availability, particularly in the construction market. These market volatility issues were initially caused as a result of the pandemic and have been compounded by the recent geopolitical situation in Russia and Ukraine. Contractors have faced unprecedented cost increases over the period, to offset some of the costs and in an attempt to prevent contractors going into administration, the Northern Ireland Executive released a Procurement Advisory Notice (PAN) to allow assistance to be provided to contractors during the term of the contract. The Housing Executive has utilised the PAN and has provided a number of contractor's relief on cost increases upon scrutiny of suitable documentation.

Direct Labour Organisation

Our in-house Direct Labour Organisation (DLO) continues to deliver a response maintenance service to almost 26,000 homes in North and West Belfast, Portadown and Coleraine.

The current DLO consists of approximately 460 staff (including agency staff). Alongside the response maintenance service, staff are engaged in the delivery of a grounds maintenance service, motor vehicle workshop and electrical health and safety inspections.

During the course of this year the DLO continued to deliver above expectations and adapted quickly to the challenges faced. At the end of 2021 a Contractor went into administration and the DLO assumed responsibility to deliver both response and planned works to ensure that our customers were not disadvantaged.

The DLO has been recognised both internally and externally for its performance. In May 2022 the DLO was awarded with the Health and Safety Contractor of the year award, along with being shortlisted for the Chartered Institute of Housing (CIH) 'Working in Partnership' award for providing an excellent service throughout the pandemic. Delivery has been challenging through this period, and it is down to the commitment and dedication that the staff of the DLO continued to deliver above expectations.

As we continue through the next year the DLO will be working closely with other departments as part of an ongoing 'Evolve' programme. This programme will ultimately improve the way the DLO provides its service as well as facilitating future potential expansion of services with the ultimate goal to provide our tenants and customers with a focused, efficient and effective maintenance service.

Compliance and Health and Safety

The Compliance Health and Safety Department, consisting of three teams provides the organisation with assurance that compliance and health and safety requirements are being centrally co-ordinated and monitored in relation to the following aspects:

- Compliance - Gas and Electrical Safety, Oil Remediation, Fire Safety, Asbestos and Legionella;
- Health and Safety – Corporate and Construction; and
- Inspection and Risk - Technical Inspection Unit and Risk and Governance.

The Department has continued to provide a significant contribution to the organisation's COVID-19 response. This included their role on the COVID-19 sub-group, associated Task Teams, liaising with Contractors providing statutory functions, developing and updating organisational COVID-19 risk assessments and providing advice and training to line managers on a variety of health & safety related issues. The additional resources required to support COVID-19 management and to organise the remote delivery of internal and external training programmes resulted in some delays to the planned 2021/22 programme; these will be addressed in 2022/23 objectives for each team.

Despite these unprecedented challenges, the Compliance Health and Safety Department was responsible for successfully delivering against LLAM KPI 3.3 Health & Safety Compliance: To ensure the Housing Executive meets its Statutory Health & Safety requirements and ensure compliance with policies and procedures. This KPI was demonstrated through key targets implemented throughout 2021/22 including:

- 99.75% of annual landlord gas safety inspections were completed with the remaining properties being managed through the "no access" procedure;
- 100% Fire Risk Assessments, 100% asbestos re-inspection survey and 100% of Legionella Risk Assessments 2021/22 targets have been achieved;
- 97.73% of reported incidents were investigated within 6 weeks;

- 100% of each Principal Contractor working on planned schemes per region received a Health, Safety and Welfare Inspection from the Construction Health & Safety Team; and
- 100% of Principal Contractor working on response maintenance projects per contract area, received a Health, Safety and Welfare Inspection from the Construction Health and Safety Team

In March 2022 the Health and Safety Team organised and presented a Contractor Health and Safety Awareness event to over 150 delegates, including contractors working for the Housing Executive. This event focused on current issues in the Construction Industry such as Mental Health and Ladder Safety and current Health and Safety Executive for Northern Ireland (HSENI) priorities such as Safety Work at Height and Asbestos Management. The inaugural 'Contractor of the Year Award' was presented to a planned and a response maintenance contractor who achieved the highest average score in their Health, Safety and Welfare Inspections over a 12 month period with, for example, no serious or imminent dangers.

During the year the Team continued to communicate with all staff on a variety of safety matters through the development and issue of Health and Safety Bulletins, Safety Matters, Safety Alert Notices and internal Awareness Courses, all of which are accessible through the dedicated health and safety site on the staff intranet, Gateway.

Asset Management Divisional Training & Development

Staff training continues to be a key focus with particular emphasis on contract management training and best practice. We did not fully achieve our KPI of implementing the first year of our Construction Skills and Learning Partnership 'ARTES' (LLAM KPI 5.4). While significant work had taken place, a number of milestones were not achieved by the end of the year and therefore will be carried forward into next year.

Over the course of the last year, following the drafting, development and tender of the CT097 Response Maintenance Contract, training has been provided to over 50 Housing Services Maintenance Staff, Contract Managers and Asset Management staff, in preparation for mobilisation and management of this new contract, which was awarded in October 2021 and went live in December 2021.

A continued focus for 2022/23 will be the Central Contract and Performance team providing support, advice and any additional training required or requested to operational colleagues regarding all new and upcoming contracts through the Asset Management and Housing Services Directorates. This may also include refresher training on the CT055 Planned Maintenance Contract and Major Adaptations for Persons with Disabilities (MAPD) contract.

Graduate Trainee Programme

Since the programme commenced in 2015, we have recruited 45 and retained 37 Graduate trainees who have successfully completed the programme and are placed in various roles across the division. The programme aims to develop staff and provide them with multi-purpose skillsets which can be utilised on projects across the division, resulting in a well-informed, flexible and motivated staff resource, who understand our business.

Almost all graduate trainees are currently fully embedded in their job roles within the staffing structure, including the fifth tranche of six graduate trainees who commenced with the organisation in October 2021. A comprehensive four day Induction Programme was delivered to the trainees which focused on the current key operational contracts, best practice and first principles of New Engineering Contract (NEC) contract management ensuring that they were provided with the necessary skills and knowledge for their job role.

A key focus of our recruitment process and advertising campaign continues to proactively encourage female applicants, aiming to change the profile of the male dominated construction industry. Currently over 20% of our graduates are female. Due to the success of the programme we anticipate recruiting a further tranche of graduate trainees in 2022 from key technical disciplines, primarily for roles within the project delivery department.

Regional Services

The Housing Executive is the Strategic Regional Housing Authority for Northern Ireland. Regional Services work encapsulates this strategic role. It works strategically on housing matters across Northern Ireland, supporting a range of stakeholders to create sustainable places and communities where people want to live. Many of our Key Performance Indicators (KPIs) help to deliver Programme for Government Outcomes.

We carry out significant customer-led research and market intelligence. This ranges from customer surveys, housing market analysis, house condition surveys, through to assessing housing need. The latter informs local authority community planning frameworks as well as forming the basis for the new build programme which is delivered in conjunction with our housing association partners. We also support people across the spectrum of health, housing and justice to live as independently as possible and for as long as possible in their own homes.

In addition, we deliver a range of grant initiatives to address fuel poverty and housing disability adaptations in the private sector and are leading out through our land portfolio on a range of projects which are developing mixed use, mixed developments of housing.

As the Home Energy Conservation Authority for Northern Ireland, our role is to consider best practice and seek to support improvements in home energy efficiency across the entire housing stock in the region. This is an important role which has gained strategic importance in recent years as climate change issues move up local and national governments' agendas.

The following sections will outline our progress on achieving these important areas of work.

Regional Services - Funding Context

Regional Services is substantively funded by Government grant received from DfC, with a smaller proportion of funding provided by other bodies in relation to specific services that the Housing Executive delivers on their behalf.

Given the austerity funding constraints introduced across the wider public sector in recent years, there has been a continued requirement to seek efficiencies in order to deliver services within a reduced year-on-year funding allocation.

Whilst funding for the Regional Services capital programme has been largely protected, significant funding reductions have been applied to the Regional Services revenue programme, equating to a real terms reduction of in excess of 20% since 2015/16. This has made programme planning very difficult with reliance placed on receiving additional funding via in-year Monitoring Rounds in order to fund and stabilise service delivery given increasing costs and demands.

Regional Services – Financial Challenges

Programmes continue to experience significant increasing demands and costs, particularly in relation to the statutory homelessness programme. Whilst our aim will always be to protect operational frontline statutory services, this is becoming increasingly difficult. We also need

to continue to fund preventative work to support the delivery of the homelessness strategy so that we can prevent homelessness escalating in future years.

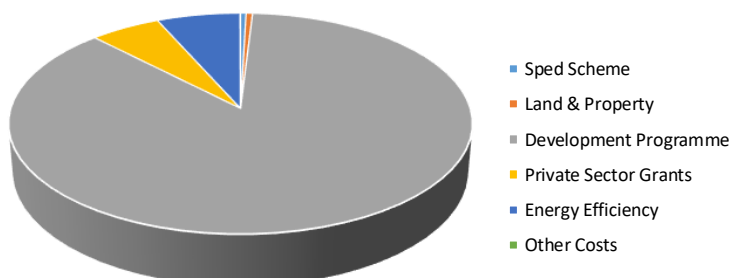
Accordingly, there remain major financial challenges as the present level of funding is insufficient to redesign services to meet escalating level of customer demand and need. If additional funding is not forthcoming, this has the potential to significantly destabilise our ability to meet our statutory responsibilities in the future, thereby adding to the risk of worsening homelessness in our community.

Capital Expenditure Programme

The capital expenditure programme in 2021/22 delivered approximately £196.3m of services, with £171.8m (87%) of this provided to Housing Associations to support the delivery of the social housing development programme. A summary breakdown of the key elements of the capital programme is provided below:

Breakdown of Regional Services Capital Programme

Capital Programme	£m's
Sped Scheme	(0.9)
Land & Property	1.0
Development Programme	171.8
Private Sector Grants	11.1
Energy Efficiency	13.1
Other Costs	0.1
Total Capital Programme	<u>196.3</u>



*See Note 3 in Part 2 of Accounts

Key points to note are as follows:

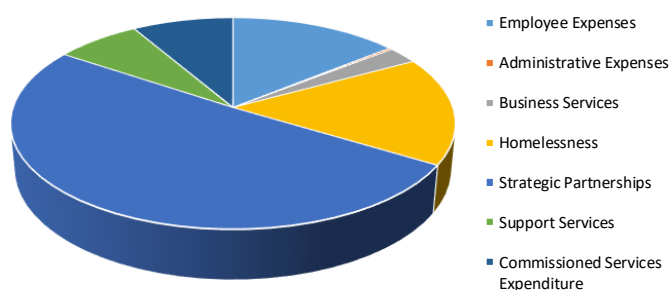
- Development Programme – The programme delivered a total of 1,713 new social housing starts during the 2021/22 year with a programme budget of £171.8m;
- Private Sector Grants – This programme includes expenditure of £8.7m for Disabled Facility Grants to help customers maintain a better degree of independence in their own home; and
- Energy Efficiency – This programme includes expenditure of £11.8m in Affordable Warmth grant measures which includes cavity wall insulation heating, double glazing etc. and approx. £1.3m in grants to implement new more thermally efficient heating boilers

Revenue Expenditure Programme

Meanwhile services provided as part of the revenue programme were extended during 2021/22 to provide a range of additional COVID-19 response services (£15.6m). This included £9.3m for homeless services and £6.3m for Supporting People services. These services were separately funded by DfC and are included in the summary revenue programme details below.

Breakdown of Regional Services Revenue Programme

Revenue Programme	£m's
Employee Expenses	21.1
Administrative Expenses	0.4
Business Services	3.9
Homelessness	24.7
Strategic Partnerships	75.7
Support Services	10.7
Commissioned Services Expenditure	12.6
Total Revenue Programme	149.1



*See Note 3 in Part 2 of Accounts

Key points to note are as follows:

- Employee Expenses – Salary costs continue to reduce in real terms, mirroring a year-on-year reduction in staffing levels combined with a higher than normal level of vacancies. Note that Employee Expenses includes the staffing cost associated with the delivery of the Housing Benefit administration team;
- Homelessness – Expenditure against this programme included £14.8m against the baseline homeless programme and £9.9m in relation to additional COVID-19 response services. Within this, homeless accommodation service demands continue to grow year-on-year, necessitating increased use of temporary accommodation in the form of single lets and a continuing reliance on non-standard accommodation such as hotels and bed and breakfast accommodation. Costs in relation to temporary accommodation and associated costs were circa £17m for 2021/22; and
- Strategic Partnerships – This includes Supporting People programme expenditure of £75.7m, which includes the delivery of additional COVID-19 response services (£4.4m). Cost pressures remain within the sector reflecting that the annual baseline funding of £72.8m has remained unchanged for a number of years.

Regional Services COVID-19 Response

Regional Services secured ring-fenced COVID-19 funding of £15.66m to introduce a variety of COVID-19 response measures, principally across the Homelessness (£9.3m) and Supporting People (£6.3m) programmes.

The Homelessness measures provided included an expansion of temporary accommodation in response to a significant spike in demand and a wide range of support initiatives to deal with a rapidly increasing number of homeless presenters.

The Supporting People response continued to provide financial assistance to sector providers who experienced a reduction in funding income resulting from the need to reduce levels of occupancy in order to protect clients from risk of infection spread. The priority being to ensure that these vital services remained financially viable.

Other elements of COVID-19 related expenditure were incurred in relation to the Social Housing Development Programme and PPE/IT costs. These costs were funded from within existing baseline funding allocations.

A summary of the Regional Services COVID-19 expenditure for 2021/22 is detailed in the table below.

COVID-19 Measure	Expenditure £k's
Homeless COVID-19 Response	9,939
SP - Provider Financial Support	3,635
SP - Provider PPE	195
SP – Health jointly funded schemes	548
PPE & IT costs	15
Social Housing Development Programme	7,640
Total Covid-19 costs	21,972

Regional Services KPI Performance 2021/22

Total KPIs 23*	Green 14	Amber 4	Red 3	Data only 2
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*Does not include Homelessness Services and Housing Benefit KPIs that are operationally delivered by Housing Services and Finance, Audit and Assurance Divisions respectively.

Social Housing Need

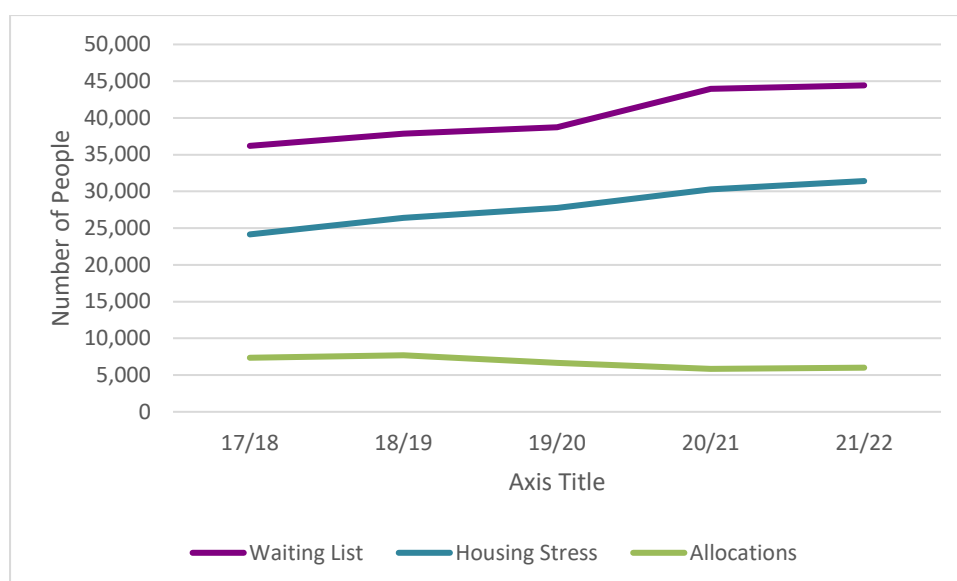
The Housing Executive has statutory duties under the Housing (NI) Order 1981, planning legislation and regional planning policy to identify housing need. Regional Services is responsible for assessing need and the information is used to inform the Social Housing Development Programme and determine where best to develop/acquire new accommodation.

During the year, we presented our Housing Investment Plans to all 11 councils (RSKPI 1.3). These plans set out housing need and our plans, programmes and investment, within our remit, for housing. These plans will help Councils in the preparation of their Local Development Plans and will inform decisions on land use and development over the next 15 years in the context of meeting social housing need and delivering appropriate future housing solutions that contribute to balanced and sustainable communities and neighbourhoods.

At 31 March 2022, 44,426 households were on the waiting list for social housing (43,971 at 31 March 2021) of whom 31,407 (30,288 at 31 March 2021) are considered to be in Housing Stress⁶. Of those in Housing Stress, 23,973 are Full Duty Applicants, households that meet the statutory definition of homelessness (22,212 at 31 March 2021).

⁶ applicants awarded with 30 or more points as per the Housing Selection Scheme

Social Housing Waiting List, Housing Stress, Allocations 2017/18 – 2021/22



Supporting People

The Housing Executive has the responsibility for securing the provision of housing-related support services and takes administrative responsibility for delivering the Supporting People (SP) Programme (introduced in April 2003). This role includes awarding grant-funding to provider organisations, in order to enable them to deliver services that provide housing-related support and assistance to service users, thus assisting them to live more independently.

In 2021/22, there were 82 providers providing 825 services to over 19,000 Service Users within 15 Primary Client Groups and across four key themes of: Young people, Older People, Disability and Mental Health and Homelessness.

The principles of the SP Programme inform five high level SP Programme Outcomes, which in turn links into the 11 SP Outcome Indicators (SPOIs) at service level. In the 2021/22 year, the following Outcomes were reported against the 11 SPOIs for the four key thematic groups:

- Disability & Mental Health Thematic Group – average 96% overall success rate against the indicators across 34 Providers, delivering 281 Services;
- Older People Thematic Group – average 93% overall success rate against the indicators across 27 Providers, delivering 396 Services;
- Young People Thematic Group – average 93% overall success rate against the indicators across 14 Providers, delivering 34 Services; and
- Homelessness Thematic Group – average 86% overall success rate against the indicators across 38 Providers, delivering 114 Services.

Supporting People Finance

The Supporting People Team grant funded £75.65m to providers in 2021/2022. This consisted of:

- £70.7m in SP programme funds;
- £606k for the Provider Innovation Fund. The Provider Innovation Fund (PIF) is a competitive fund that aims to support improvements to the delivery of the SP Programme;
- £329k awarded through the COVID Recovery Fund to providers to help them address specific matters arising from the pandemic; and
- £4.38m in COVID funding to help alleviate pressures including staffing, cleaning or Personal Protective Equipment (PPE)

The challenges faced by the SP sector due to the emergence of COVID-19 were unprecedented. SP funded providers experienced numerous challenges; however, the providers adapted quickly to the change in circumstances and worked effectively in partnership across the sector. In order to deliver support and share information throughout the pandemic, the SP Team had frequent telephone engagement with providers.

In July 2021 Communities Minister Deirdre Hargey announced a £500 recognition payment for workers employed through the Supporting People (SP) Programme, in recognition for their part in delivering critical services over the last year. Supporting People developed a framework to administer payments to eligible organisations for onward payment to staff. The scheme was launched in December 2021 and £814k has been paid relating to the first phase which was for solely SP funded schemes. The scheme is currently in its second phase.

The team met all 3 KPIs in 2021/22 through:

- Completing obligations as part of the review of standardised regional payment rates (RS KPI 4.5.5);
- Achieving 17.5% spend of SP Programme funding delivered through Floating Support, against a target of 16.5%; and
- Developing a new Supporting People Strategy (RSKPI 4.13).

In 2021/22 we also:

- Carried out a Strategic Review of Joint Commissioned Supported Accommodation for Young People to evaluate the efficiency, effectiveness and quality of services;
- Carried out 62 Quality Assessments and 105 Contract Management meetings through our contract management teams;
- Responded to, followed up and reported on 191 (266 in 2020/21) Major Adverse Incidents across four thematic areas; and
- Developed a Supporting People Communications Plan.

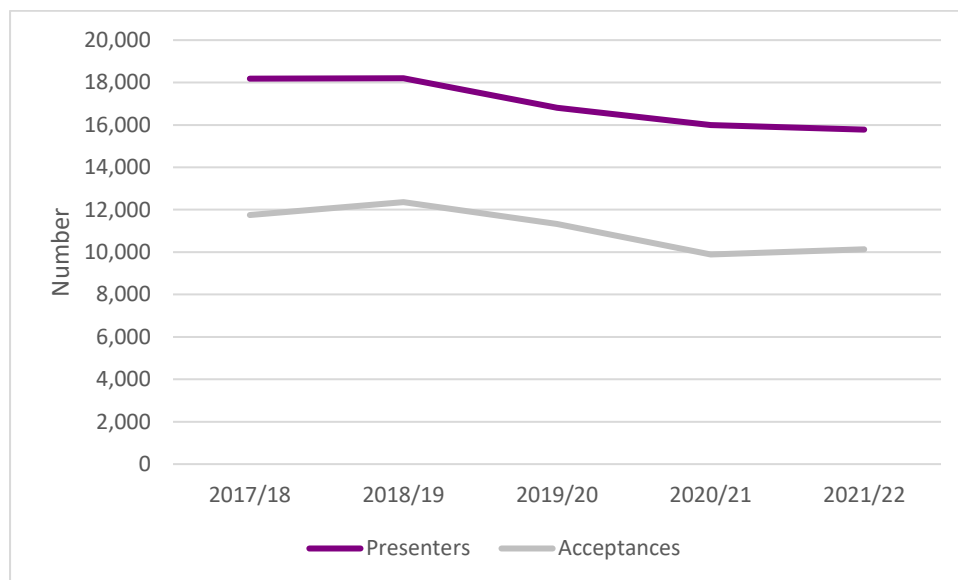
Homelessness Services

The Housing Services Division delivers the homelessness function on behalf of Regional Services. In 2021/22 the number of households presenting as homeless marginally decreased from 15,991 to 15,758. Those accepted as Full Duty Applicants (FDA) increased

from 9,507 in 2020/21 to 10,135 at year end. Single people, at 44% of the total awarded FDA, remain the highest overall presenter household category grouping.

As was the case with data for 2020/21 the continued impact of the pandemic on a number of homelessness trends should be noted in any analysis of the data for 2021/22.

Numbers of Homeless Presenters and Acceptances 2017/18 – 2021/22



The top three reasons for homeless presentations in 2020/21 were: sharing accommodation not reasonable; sharing breakdown/family dispute; and loss of rented accommodation. Overall, approximately 62% of presenters are in these categories.

In 2021/22 there was a total of 6,010 allocations for properties in social rented properties with 5,379 of these being to Full Duty Applicants. Allocations to Full Duty Applicants represented a total of 89.5% of all allocations in 2021/22 within the social sector. Over the course of the past year we have provided total funding of approximately £53.53m for homeless services across Northern Ireland. This includes £9.3m (including £284k for Persons from Abroad) to fund the Homeless response to the COVID-19 pandemic.

The overall funding of £51.73m (including the Supporting People element) helped provide the following key programmes:

- £17.3m on temporary accommodation, including Dispersed Intensively Managed Emergency (DIME);
- £1.9m for storage of personal belongings;
- £5.5m on outside agencies in the voluntary sector; and
- £27.03m on Supporting People funding of homelessness services.

Homelessness Services were responsible for a number of KPIs in 2021/22. The pandemic resulted in a significant impact to a number of KPIs during 2020/21 with a number of KPIs not achieved due to reallocation of staff, pandemic related challenges and a shift in focus to ensure core homelessness services (both ours and our partners) were delivered safely and promptly throughout the pandemic. This resulted in a number of KPIs being amended for

2021/22 with a view to re-baselining some KPIs to account for the significant impacts of the pandemic on demand for homelessness services.

The Housing Executive continued to deliver the Homelessness Strategy 2017-22 (LLHS KPI 7.08) via a Year 5 Implementation Plan. There was minor slippage with 5 actions and as a result the KPI was assessed as amber. Key achievements included:

- Support provided to 31 projects with a total value of circa £894k as part of our baseline Homelessness Prevention Fund;
- Working with key stakeholders to develop a prevention definition to be used as part of the delivery of the Homelessness Strategy 2022-27;
- The continued delivery of a Chronic Homelessness Action Plan which, from 2022/23 onward, will be incorporated into our annual action plans to be developed as part of the Homelessness Strategy 2022-27; and
- The commission of a range of research projects on homelessness including Experiences of Youth Homelessness, An Evaluation of the Homelessness Strategy 2022-27, The Impacts of Chronic Homelessness for Women, and Homelessness Service User Journeys.

We did not complete our objective to implement Year 3 of the Chronic Homelessness Action (CHAP) Plan (LLHS KPI 7.11). The implementation of the plan was paused in order to implement our COVID-19 Response for homelessness. This decision was taken as a result of:

- the diversion of resources, including staffing to the COVID-19 response;
- the reprioritisation of activities related to chronic homeless as a result of the pandemic; and
- as well as practical difficulties in undertaking particular actions such as the proposed review of counter services which has not been possible due to the suspension or substantial reduction of this face to face service delivery during the pandemic.

Eight milestones remain outstanding and have been included in the year one action plan for the Homelessness Strategy 2022-27.

While we will not have delivered all of the actions outlined in the CHAP there continues to be a focus on supporting those households who are experiencing chronic homelessness through the delivery of our COVID-19 response, including a number of priority actions in our Reset Plan linked to rough sleepers.

COVID-19 Homelessness Reset Plan

The delivery of the Reset Plan was supported by the provision of circa £9.3m of funding which enabled the Housing Executive to deliver a range of pandemic specific actions as part of our homelessness response. These actions included:

- The continued delivery of a Memorandum of Understanding throughout 2021/22 to support rough sleepers who are ineligible for housing assistance via the provision of accommodation and essential support;
- The acquisition of a range of new temporary accommodation options which have been vital in meeting an increase in demand for temporary accommodation which,

over the course of 2021/22, remained at over double pre-pandemic levels. These options have included over 700 single lets acquired on a block-booking basis, the delivery of a Bespoke Facility for Temporary Accommodation within Belfast region, the provision of an additional 30 units within Queens Quarter Housing, and a number of block-booking arrangements with non-standard providers;

- Extensive collaboration with the sector through a multi-agency group which was established specifically to address the challenges of the pandemic and includes key stakeholders within the homelessness sector from a range of statutory and voluntary agencies; and
- The delivery of a further 11 projects, via funding of circa £399k, as part of the Homelessness Prevention Fund which are specific to the Housing Executive's response to the pandemic.

Homelessness Strategy 2022-27

We achieved our KPI to develop a new Homelessness Strategy (LLHS KPI 7.06). A draft Homelessness Strategy 2022-27 was subject to public consultation over the course of November 2021 to January 2022. Over the course of the consultation a total of 30 responses were received and there was significant support for the approach outlined in the strategy.

The aim of the strategy is that 'Wherever possible homelessness should be prevented, if homelessness cannot be prevented it should be rare, brief and non-recurrent'. This is guided by the three objectives noted below which were widely supported during the consultation process.

1. To prioritise homelessness prevention;
2. Address homeless by providing settled, appropriate accommodation and support; and
3. Support customers to transition from homelessness into settled accommodation.

This strategy will evolve based on experiential evidence, emerging pressures and priorities. A key commitment within the strategy is to listen and respond to people with lived experience of homelessness and the Housing Executive recognises that their views are integral to the development of priorities, and to make sure that the actions we take are leading to real change and improvement for the people these services are for. The Housing Executive has published a Year 1 Action Plan alongside the Homelessness Strategy 2022-27 with 44 actions due for delivery during 2022/23.

Draft Strategic Action Plan for Temporary Accommodation

We also led a public consultation on a draft Strategic Action Plan for Temporary Accommodation in the final months of 2021/22. This Action Plan was developed in consultation with key stakeholders as part of the Housing Executive's Strategic Review of Temporary Accommodation project which was conducted with the goal of assessing how effectively the current temporary accommodation portfolio meets the needs of homeless customers. The draft plan has set out how we will transform our temporary accommodation responses over the next five years to achieve the following four ambitions:

- Minimised need for temporary accommodation;
- Customers receive appropriate accommodation and support at the point of need;
- Customers moving on from temporary accommodation sustain their tenancies; and

- A sustainable supply of good quality, affordable accommodation which is safe, warm and well managed.

Housing Benefit Administration

The Finance, Audit and Assurance Division is operationally responsible for the management and delivery of the Housing Benefit function. However as Housing Benefit is a statutory responsibility funded from the Regional Services budget, for consistency its performance is reported against Regional Services.

Housing Benefit KPI Performance for 2021/22 is shown below.

Total KPIs 6*	Green 6	Amber 0	Red 0	Data only 0
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*These KPIs are included as part of the Finance, Audit and Assurance KPI summary on Page 69.

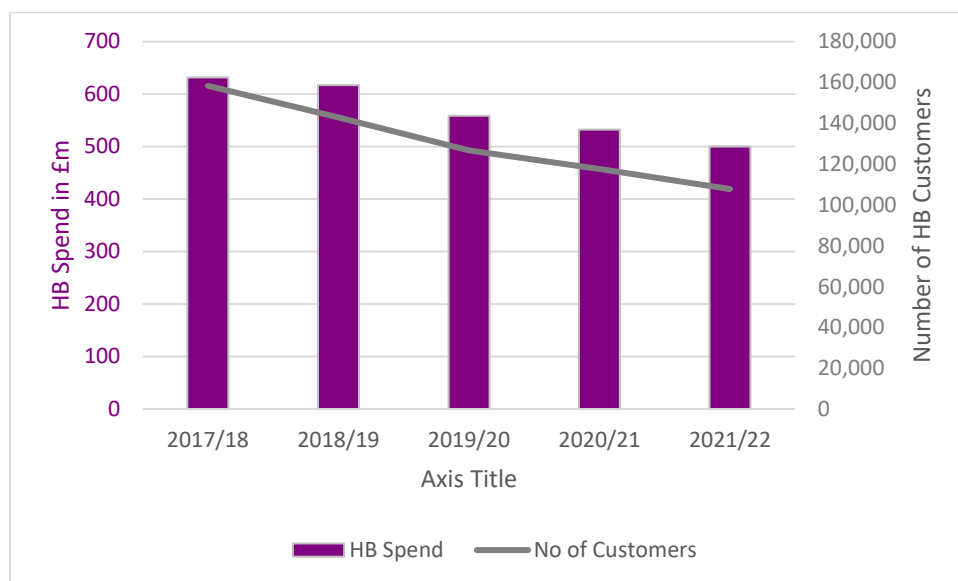
Breakdown of Customers Claiming Housing Benefit 2021/22

At the end of March 2022 there were 107,817 customers claiming Housing Benefit (HB) broken down as follows:

Tenure	Number of Customers
Housing Executive tenants	46,104
Housing association tenants	25,170
Hostel claims	2,218
Private rented sector tenants	34,325

Over the course of the year we paid out £500.4m in HB (excludes Discretionary Housing Payments), assessing 17,059 new claims for HB and dealing with 244,753 changes to existing claims notified by claimants and 4,023,425 changes notified via the Department for Work and Pensions (an information system that informs local authorities of any change to other social security benefits or tax credits).

Annual Housing Benefit Spend in £m and Annual Number of HB Customers 2017/18 – 2021/22



There were six KPIs for Housing Benefit in 2021/22. Housing Benefit exceeded their targets for all KPIs. Overall KPI performance for 2021/22 is shown in below.

Housing Benefit KPI Target and Performance 2021/22

KPI Title and Code	2021/22 Target	2021/22 Performance
SSKPI 5.1 - Process new HB claims within an average of 15 days.	15 days (average)	6.4 days (average)
SSKPI 5.2 - Process change of circumstances claims within an average of 5 days.	5 days (average)	1.86 days (average)
SSKPI 5.3 - Ensure an accuracy rate of 97% for HB award assessments.	97%	99.6%
SSKPI 5.4 - Recover Overpayments to the value of £9.5 million ⁷ .	£9.5million	£10.72 million
SSKPI 5.8 - 97% of new claims decided within 14 days of having all information.	97%	99.65%
SSKPI 5.9 - Process 60% of new claims within 10 days of receipt of the claim.	60%	85%

Additional financial assistance was delivered to 20,541 claimants through the Discretionary Housing Payment Scheme, with awards totalling £4.23m being made over the course of the year. Distribution under Housing Benefit and Discretionary Housing Payment scheme for the financial year totalled £500.4m, compared with £536.8m for 2020/21.

Further help with rates charges was also provided through the Rates Relief and Lone Pensioner Allowance (LPA) Schemes. During 2021/22 a total of £3.09m was paid in Rates Relief to Housing Executive and Housing Association tenants. Total Caseload including Private Rented Sector is recorded as 12,557 at the end of March 2022. A further £157k in

⁷ Overpayments recovered throughout the period from 6th April 2021 to 4th April 2022

LPA was paid to Housing Executive and Housing Association tenants. Total Caseload including Private Rented Sector is recorded as 5,187 at the end of March 2022.

We have also maintained our focus on the prevention and detection of fraud and error in the HB system. During 2021/22 sanctions were taken against 49 claimants for benefit fraud, and we recovered around £10.72 million of overpaid HB, of which £0.6m was recovered directly from Housing Executive tenants through Housing Benefit payments in year.

Welfare Reform and Housing Benefit Projects

The Finance, Audit and Assurance Division administer the Welfare Reform function on behalf of Regional Services. The Welfare Reform Project was officially closed in December 2020 as the vast majority of Welfare Reform changes had been successfully completed at that stage. A new Housing Benefit Projects team has been established to oversee the remaining Welfare Reform changes and bring forward a number of new initiatives as follows:

- Continuation of mitigation payments for those impacted by SSSC and Benefit Cap;⁸
- Move to UC Project;⁹
- Transfer of Low Income Rate Relief and Rates for Owner Occupiers: The Housing Executive has been working with the Department of Finance and Land & Property Services to establish a project to introduce a new low income Rates Relief system and to transfer the administration of Rates for Owner Occupiers. The transfer of Housing Benefit (Rates) and Low Income Rate Relief for Owner Occupiers will increase the Housing Benefit caseload by 42,000 claims;
- The Digital Transformation Programme: This programme incorporates a number of projects which will increase digital inclusion and improve customer awareness and accessibility to available financial support within Housing Benefit; and
- Further development of the Discretionary Housing Payments scheme: In June 2021 DfC commenced a review of the Discretionary Payment Scheme. At the outset, the policy intent of DHPs was updated and the main policy objective of DHPs is now to sustain tenancies and prevent and alleviate homelessness.

Further work is still required and the Projects Team will continue to promote DHPs across the sector, as well as working collaboratively with DfC to ensure we are maximising support for our customers.

⁸ On 8th February 2022, the Northern Ireland Assembly passed legislation to extend the provision of Welfare Supplementary Payments for those affected by Social Sector Size Criteria (Bedroom Tax) indefinitely and closed loopholes in the legislation which meant Social Sector tenants lose entitlement to Welfare Supplementary Payments when they moved without reducing their level of under-occupation. The new legislation also amended current SSSC policy so that those tenants who have previously lost Welfare Supplementary Payments can have had them reinstated (if they remain eligible).

⁹ The natural transition of Housing Benefit claimants to Universal Credit (UC) continued throughout the year albeit at a slower pace than previously anticipated. The managed migration of legacy Housing Benefit caseload 'Move to UC' has been further delayed and will not commence until January 2023. The completion of this process is programmed for December 2024. The 'Move to UC' programme is not yet developed in Northern Ireland (or in UK as a whole); however, consideration of a partner led approach involving the Housing Executive as a trusted partner to support claimants/tenants to move to UC is seen an endorsement of the work undertaken by the Housing Executive during the ongoing 'transition to UC'.

The DfC Review has now concluded, proposals include paying rent in advance, tenancy deposits and helping tenants with arrears; however, any changes would require a legislative change and an increase in the budget from DfC

Private Sector Improvement Services

Our Grants Team administers grants on behalf of the Department for Communities for properties in the private sector. During 2021/22 expenditure across a range of grants was over £24m.

During the pandemic, our Grants Team adapted its working methods including streamlining procedures to accelerate emergency applications, processing more applications electronically and adapting technical inspections to improve safety and cope with pandemic related regulations and limitations. Many of these changes are now embedded into our working practice.

We are acutely aware of the challenges facing the construction industry, regarding contractor capacity and the impact of increased costs for labour and materials for grant-aided works. The Housing Executive has been working to help mitigate the impact.

In September 2021, we reviewed and increased the Schedule of Rates for grant-aided works for Home Improvement Grants and the Affordable Warmth Scheme. An increase of 12% was applied to rates to help customers and their chosen contractor to complete the necessary works.

Home Improvement Grants

Through Home Improvement Grants we approved a total of 1,225 grant applications with a commitment value of £13.31m and paid £11.2m for work completed in 2021/22.

Disabled Facilities Grants (DFG) is one of two mandatory grants administered by the Housing Executive. They are delivered in partnership with Health Trusts to privately owned properties. Despite the variety of restrictions in place during 2021/22 we were able to approve 757 referrals (RS PI 3.2). This work is critical in helping improve the quality of life for people with disabilities and helping support independent living.

In 2020/21 work took place to improve service delivery times for DFGs against a baseline by at least 5% (RSKPI 3.9). In 2021/22 this target was not fully met. End to end processes have been impacted by pandemic related matters affecting the construction industry such as reduced capacity, increased costs and availability of materials. With significant areas of the process outside the Housing Executive's control, this KPI will be reviewed in 2022/23 to focus on improving timescales that are within the Housing Executive's control.

We paid out over £660k for mandatory Repair Grants following the issue of statutory notices by local councils. This resulted in vital improvements to 291 properties in the private rented sector.

Currently discretionary grants (renovation, replacement and home repair assistance) are only available in exceptional circumstances. In 2021/22 we were able to pay £1.77m in grant-aid for completed work and have approved work to start in 177 properties with a commitment value of £1.9m.

Energy Efficiency Grants

We narrowly missed our KPI to deliver 7,000 fuel poverty measures to approximately 5,000 homes (RSKPI 3.5.1). This KPI is a combination of both Boiler Replacement Scheme and the Affordable Warmth Scheme¹⁰ (AWS). There were 6,677 measures delivered to 4,933 homes against targets of 7,000 and 5,000 respectively. Therefore the KPI was assessed as amber. While we did not meet the target both schemes are contributing positively to combatting fuel poverty in Northern Ireland, delivering the PfG outcomes, reducing carbon footprint and improving the energy efficiency of people's homes.

	Target	Achieved	Approvals	Actual Spend
Disabled Facilities Grants	Demand led	757	£10.8m	£8.73m
Repairs Grants	Demand led	291	£0.61m	£0.66m
Discretionary Grants	n/a	177	£1.9m	£1.77m
Affordable Warmth Scheme	3,000 homes 5,000 measures	2,841 homes 4,585 measures	£12.4m	£11.82m
Boiler Replacement Scheme	2,000	2,092	£1.3m	£1.3m
			Total	£24.28m

Affordable Warmth Scheme

Despite continuing restrictions during 2021/22, we approved 2,787 referrals made to us by Councils at a value of £12.4m. During the year 2,841 homes completed work and benefited from 4,585 energy efficiency measures against a target of 5,000. The energy efficiency measures provided included loft and cavity wall insulation, ventilation, draught-proofing, heating, window replacement and solid wall insulation. Overall, this work resulted in reduced fuel costs for householders, and £11.82m invested into the economy. There is an additional £6.5m already approved and waiting for applicants to start work in 2022/23.

Since September 2014, there have been:

- Over 25,200 approvals to start work;
- £107m of approvals issued;
- 41,135 measures completed;
- 22,523 homes improved; and
- £97m spent on energy efficiency improvements.

Boiler Replacement Scheme

Through the Boiler Replacement Scheme (RSKPI 3.6) we approved 2,005 applications to the scheme in 2021/22 with a value of £1.3m. Meanwhile against a target of 2,000 we saw 2,092 owner occupiers replace central heating boilers which were over 15 years old with a new high efficiency 'A' rated condensing type boiler.

¹⁰ The Affordable Warmth Scheme is directed to those areas where levels of fuel poverty are highest. It targets low income households, experiencing fuel poverty and energy inefficiency, in order to improve their home's thermal comfort. We work in partnership with local Councils to deliver the scheme to households in need.

Housing & Health and Accessible Housing Register (AHR)

The Housing and Health team was formed in March 2021. The team lead is a joint funded post with the Department of Health in order to promote collaborative working between agencies in the delivery of housing for people with disabilities.

Key achievements in 2021/22 include:

- Formation of an Interdepartmental Housing and Health Adaptations Programme Board made up of Department for Communities, Department of Health and the Housing Executive;
- The delivery of interagency training for complex case management with Health and Social Care Trust Occupational Therapy services and Housing Executive staff;
- Completion of guidance regarding Building Control requirements for Minor Adaptation provision Review; and
- Updating of the Adaptations Design Communications Toolkit.

Accessible Housing is a key enabler for people with disabilities, it enables them to live within their own homes and communities if they choose to do so.

The Accessible Housing Register (AHR) development work completed in March 2021 and we now have facilities to capture accessible data via an electronic AHR survey form and an electronic calculation which will assign the appropriate AHR classification based upon the property attributes being matched against the relevant design standards i.e. wheelchair, life time homes, mobility etc. (linked in with the National Register of Social Housing Design Standards).

Collection of Housing Executive AHR data was impacted as a result of pandemic restrictions on face to face activities. The surveys subsequently commenced in July 2021 and to date we have over 2,450 properties that have been surveyed and assigned an AHR classification.

Housing Association stock is built to specific design standards and therefore does not need to be surveyed as the design standard will determine the AHR classification i.e. wheelchair standard. A total of 16,961 properties have been classified to date.

We are currently in the process of setting up an AHR Steering Group to assist landlords to take forward the implementation of the AHR within their respective organisations. We will continue to build the pool of accessible stock data for our own stock and will continue to work with the Northern Ireland Federation of Housing Associations (NIFHA) to build the pool of Housing Association accessible stock.

Housing Research

Our Research Unit continues to play a key role in supporting the development of housing policy and strategy within and beyond the Housing Executive. We successfully delivered our annual research programme (RSKPI 1.1) in consultation with a range of stakeholders, including the Department for Communities. The programme aims to provide evidence to help inform planning and decision-making by the housing sector as a whole in Northern Ireland.

The 2021/22 research programme began with 44 projects that either commenced or were due to commence. This is in addition to other ongoing support and analysis activities. In line with public health guidelines and government restrictions, face-to-face survey work was

suspended, but the use of telephone and online methodologies ensured that key projects, such as the Continuous Tenant Omnibus Survey (CTOS), were able to continue.

Findings published during the year included:

- Strategic Housing Market Analysis: Belfast Report and Derry and Strabane Report;
- A series of reports examining various homelessness issues: The Impacts of Chronic Homelessness for Women; Homelessness Service User Journeys and The Role of Day Services in delivering support to those experiencing Chronic Homelessness;
- Home Improvement Grants Customer Satisfaction Survey;
- Evaluation of the Solar PV Scheme; and
- Estimates of fuel poverty in Northern Ireland in 2019.

In line with our statutory responsibility and the five-year intervals between previous surveys, and the postponement of the House Condition Survey fieldwork in 2021, we continued with the planning for the House Condition Survey, with fieldwork to be undertaken in 2022. However, following a review of evidence in other jurisdictions, and engagement with data users, stakeholders and other research bodies, a recommendation was made to postpone the fieldwork, the commencement of which is under review.

We achieved our objective to hold two 'Insight' research engagement events (RS PI 1.2). Before the pandemic these events were held in person, however, this year as we were unable to facilitate this we produced and published an Insight Briefing summary, and held virtual Insight Event, with a focus on homelessness. This event showcased how our research can feed directly into policy, in this instance the new homelessness strategy 2022-2027, Ending Homelessness Together.

Work has commenced or progressed on a range of projects throughout the year. This includes Strategic Housing Market Analysis for the remaining 3 areas in Northern Ireland, Intermediate Rent Model research, Understanding Tenant Participation and Understanding Tenancy Terminations and Issues for Sustainment projects. Findings from projects are made available on our website: www.nihe.gov.uk/Working-With-Us/Research

Social Housing Development Programme

The Housing Executive's Development Programme Group (DPG) manages the delivery of the Social Housing Development Programme (SHDP) on behalf of the Department for Communities. The SHDP is managed on a rolling 3 year basis, with each iteration subject to approval, both from the Housing Executive's Board and the Minister for Communities. All new social housing is developed and delivered by housing associations. For the 2021/22 year, a final budget of £178m was in place to deliver on key targets.

DPG manages the delivery of the SHDP through close working relationships with these associations, plus a range of internal parties (including the Housing Executive's three Regional Place Shaping teams, Land and Housing Analytics Unit and the Supporting People Team) as well as external stakeholders (including DfC, Council Planning Departments and Land and Property Services).

DPG is responsible both for SHDP Programme Management and individual project approval recommendations (which involves the calculation of Housing Association Grant; an assessment of each new social housing scheme in terms of Value for Money against DfC

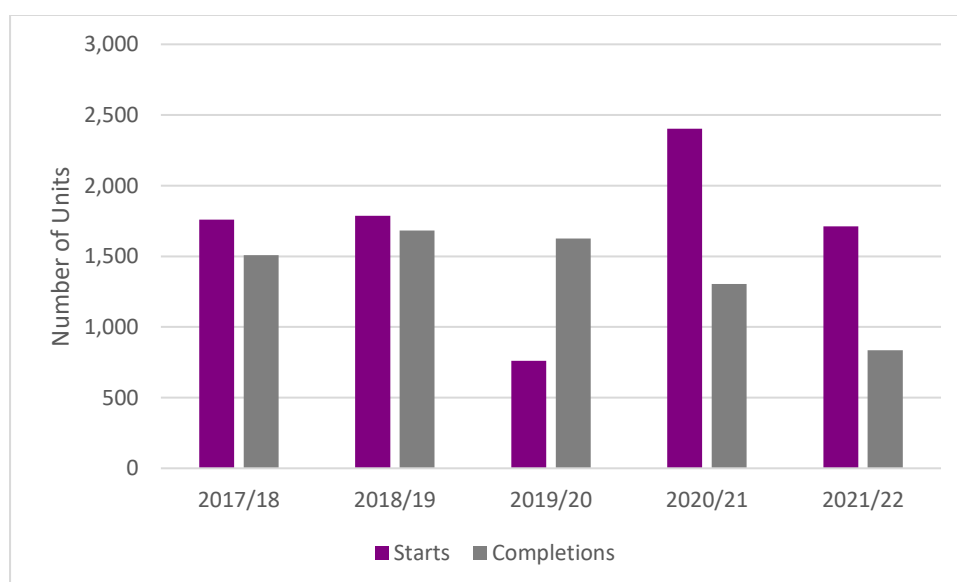
benchmark costs; and ensuring compliance with the Design elements of DfC’s Housing Association Guide). DPG also works with DfC staff to secure Departmental Approvals for schemes when the level of Housing Association Grant funding is above Delegated Approval Limits.

In 2021/22, housing associations delivered Starts on 1,713 new social homes (across 82 schemes) against a target of 1,900 (RSKPI 2.1) therefore the KPI was assessed as amber. There were 835 completions against a target of 1,400 (RSSKPI 2.2).

Starts activity was adversely impacted through the loss (notably during the final week of the financial year) of a number of schemes and associated units for which, up until that point in time, delivery had been anticipated during the 2021/22 year. The affected schemes had typically received Housing Executive Project Approval and secured Planning Approval (from the relevant Council Planning Department), but were not able to be finalised by housing associations due to a range of unresolved issues including conveyancing, the award of works contracts or the signing of Developer’s Agreements. The non-resolution of these issues before year-end meant the affected schemes were not able to meet the necessary criteria to allow them to be counted as starts during the 2021/22 year. However, the expectation remains that the schemes will be delivered as starts during the 2022/23 year.

There was also a slow-down in completions during 2021/22, as schemes under construction were affected by a range of factors linked to the pandemic, including staff shortages, supply chain challenges, and on-going increases in the cost of construction materials. These factors, taken in combination, had the effect of delaying the delivery of schemes that had originally been scheduled for completion before financial year-end.

Social Housing Development Programme Starts and Completions 2017/18 – 2021/22



The Housing Executive also monitors the delivery of new homes constructed to Wheelchair-Accessible standards and new homes built in rural locations:

- There is an on-going annual target for 10% of New Build units to be built to Wheelchair-Accessible standards (RSKPI 2.5). Of the 1,713 Starts confirmed in

2021/22, a total of 1,551 were New Build units, 116 of which have been designed to Wheelchair Accessible standards (representing 7.5% against the 10% target); and

- The target for 2021/22 was to secure 12.3% of the overall SHDP Starts, in rural locations. A total of 128 units across 15 schemes started on-site in rural locations last year (7.5%).

As well as managing the delivery of new social housing across Northern Ireland, DPG also provides grant assistance to housing associations to carry out vital adaptation work to their properties for tenants with disabilities. In 2021/22, a total of 676 adaptation claims were assessed, resulting in total expenditure of £3.2m to facilitate these works (including 17 major adaptations).

DPG also continued to process residual claims submitted by housing associations under the auspices of Procurement Guidance Note (PGN) 01/20 ('COVID Relief claims'), with a value of £3.7m processed during the last financial year. Following the publication of Procurement Advice Note (PAN) 01/21 (relating to the impact of pandemic recovery upon Construction Material Prices) by the Department of Finance in August 2021, additional arrangements were put in place to reimburse housing associations via additional grant, to cover some of the costs sustained by contractors/developers due to on-going increases in the price of construction materials. DPG received and processed 80 claims of this type during the final quarter of the last financial year, with associated expenditure of approximately £4.9m.

New and Affordable Housing

A key barrier to housing development is a lack of access to land. The planning system is crucial for providing access to land and to ensure that sustainable development is achieved, that social, economic and environmental benefits are balanced in an appropriate way. Planning promotes good quality residential development that is designed to a high standard, is close to service and facilities, supports health and wellbeing and is important for the delivery of sustainable communities.

The Local Development Plan (LDP) process is an increasingly important way to provide land for affordable housing. Currently, our Land and Regeneration Department is actively working with all 11 Councils to aid the preparation of new Local Development Plans (LDPs).

These new LDPs will provide a 15 year framework to guide development and growth within the Council area. As a statutory consultee in the LDP process, we are providing an evidence base and advising Councils on the formulation of the Plan Strategy housing policies, including a requirement to meet affordable housing need (social and intermediate housing).

The Housing Executive has now responded to the 11 Councils' Preferred Option Papers and seven draft Plan Strategies (dPS) and we are assisting the remaining four Councils to develop housing policy options for their dPS. We have also attended to Independent Examinations into dPS for Belfast in January and February 2021 and for Fermanagh and Omagh January 2022. We acted as a witness, on behalf of Belfast City Council and Fermanagh and Omagh District Council to support their housing policies, in particular their affordable housing policies. Over this next year we will be attending the three scheduled Independent Examinations for Lisburn and Castlereagh, Antrim and Newtownabbey and Mid and East Antrim and any other forthcoming Independent Examinations.

Land and Regeneration is also working with Department for Communities, Department for Infrastructure and Councils to promote mixed tenure development as a housing and planning policy, which is included in LDPs. We have been successful in achieving the inclusion of affordable housing policies that support mixed tenure development in published dPS and we will continue to influence remaining councils to include similar policies. The inclusion of a priority for mixed tenure development in DfC's draft Housing Supply Strategy will also provide additional support for LDP policies that can provide a mix of tenures in residential developments.

Over the next year, work will continue on the development of an intermediate rent product to provide an affordable, high quality rental property, with longer-term tenancies, for those who may not be able to access social housing, but wish to rent (RSKPI 2.10). Increased affordable housing as an integral element, within residential developments, will support a place-making approach, as mixed tenure developments allows people from different backgrounds and with different incomes to live together and share access to services and facilities, thereby encouraging the creation of inclusive, balanced, and sustainable communities.

As a statutory consultee (RSKPI 2.9) in both the development plan and development management systems, we have increased the potential to provide additional social housing schemes to the Social Housing Development Programme, especially in areas with a high need. The full ability of the role of planning will not be realised until the adoption of the LDPs, however, it is anticipated that Belfast City Council's Plan will be adopted in Autumn 2022, and this will allow its affordable housing policy to be enacted, facilitating the delivery of additional affordable housing in this area of high affordable housing need.

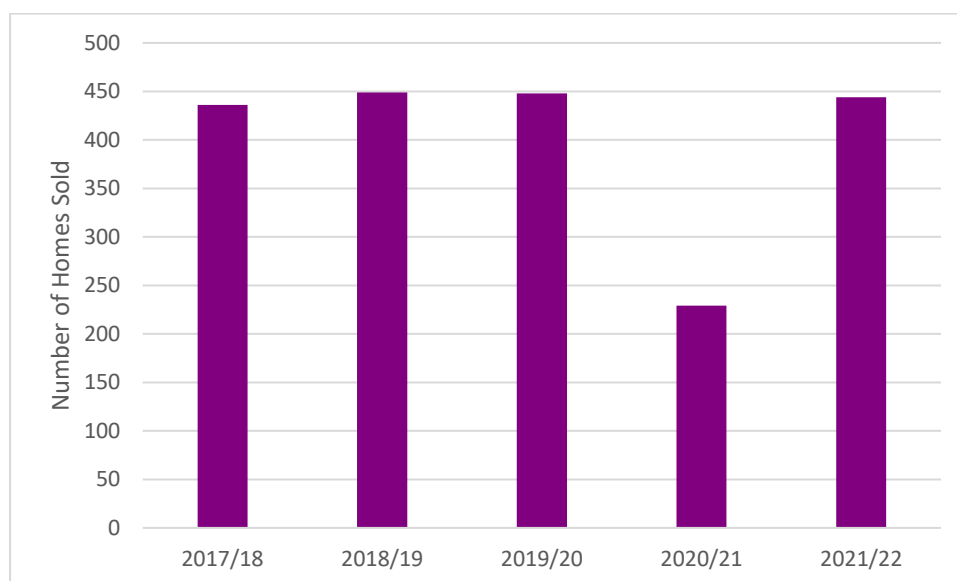
House and Land Sales

We continued to implement the House Sales Scheme (RSKPI 4.4.3), which provides an opportunity for tenants to own their home. During the year we sold 444 homes under the scheme (229 in 2020/21), realising net capital receipts of £24.6m. This includes four properties purchased through equity sharing and the disposal of 10 vacant dwellings valued at £414k¹¹. In line with overall market conditions, the average valuation of sold houses increased slightly on the previous year, from £72.4k to £76.3k.

Under the Scheme for the Purchase of Evacuated Dwellings (SPED) we disposed of 5 dwellings, realising £0.9m. There were no purchases completed under SPED. All receipts relating to the sale of land equate to £0.767m (excluding expenses).

¹¹ This figure is included in the House/Land Sale figure depicted in the chart 'Breakdown of Landlord Services Income (Capital & Revenue combined)' on page 19.

House Sales 2017/18 – 2021/22



Place Shaping

Our Place Shaping work is critical to the delivery of the organisations role as the Strategic Housing Authority for Northern Ireland. The organisation has three regional place shaping teams who work with a wide range of strategic and delivery partners on local housing matters to create and shape sustainable places and communities where people want to live.

Community Planning

As a statutory partner in the Community Planning process we have an important role in promoting the general well-being of our community and its citizens. Our Place Shaping Teams represent the Housing Executive's interest across all 11 Community Planning Partnerships and lead on the delivery of a number of key actions within the Community Plans.

In line with DfC ambitions to increase housing supply, the Housing Executive is utilising its role in these partnerships to highlight gaps in housing supply and to identify and support sites for development in areas of acute housing need. A number of housing supply initiatives have been initiated this year as part of our contribution to Community Planning and include:

A housing led regeneration group has been established under the Living Here Board of the Belfast Agenda. The aim of this group is to bring together key public and private partners across the city to understand the gaps in housing supply across the city council area, to identify the potential for land in public ownership to contribute to supply and critically to understand the barriers to development and work with partners to bring forward solutions to unlock development opportunities. The Belfast Agenda is currently being refreshed and this will include the development of an Action Plan to inform this work over the next four years.

In South Region, Place Shaping plans are advanced for Armagh City and Dungannon. The plans have been co-designed to reflect the needs and priorities of the community as identified through the Community Planning Partnership and through extensive consultation. The Place Shaping plans are aimed at facilitating the delivery of housing which is accessible, inclusive and will help to address the growing need for affordable housing in these locations.

North Place Shaping are leading on a key action within the Derry City and Strabane District Council (DCSDC) Community Plan to explore potential development sites within the city and bring forward schemes for residential or mixed use development. Following completion of the scoping analysis of potential sites, partners agreed to jointly commission research to assess the challenges, constraints, opportunities and benefits in respect of promoting a balanced and sustainable city centre living concept relative to Derry City Centre. The commission will assist in informing wider regeneration strategies of the Housing Executive and DCSDC, in particular, the proposal will seek to align with the Housing Supply Strategy under development with DfC, the Housing Executive's Housing Investment Plan for the area and the emerging plans for the city.

Through the partnerships we also have the opportunity through Data Sharing Agreements with Council partners to share information on public assets. This assists in the identification of potential sites for mixed use/mixed housing tenure developments in prime locations across Northern Ireland.

This year, we have continued to progress actions within the Monkstown Place Shaping pilot. The aim of the pilot has been to examine how the assets of partner organisations located within the estate could be developed. This resulted in a collaborative approach to the development of three derelict and vacant sites at Devinish Drive (20 units by Choice Housing Association completed in 2020), Cloyne Crescent (3 units on site by Connswater Housing Association) and Ballyalton Park on the former Moylinney nursing home (20 Units completed by Radius Housing Association in 2022). These developments have increased housing supply for a range of household groups in an area of high demand. By utilising publicly owned brownfield sites this new housing will support sustainable development, address negative perceptions of the area and complement existing quality open space.

Our Community Planning partnership work also contributes to the broader agenda to create communities where people want to live by participating in the co-design of services, and collaborating on actions to support community cohesion and improve the health and wellbeing of citizens.

Regeneration

Through the delivery of catalyst housing developments our Place Shaping teams perform a lead role in urban and rural regeneration initiatives. The reuse of vacant buildings and brownfield sites within our cities, towns and villages promotes sustainable development by addressing areas of dereliction, while at the same time supporting local economic activity. Some activities carried out in 2021/22 include:

- Completion of 52 site identification studies and locality appraisals. This activity informs and supports our work with housing association partners to bring forward schemes where potential sites have been identified in areas of housing need;
- During the year, our Belfast Place Shaping team continued to work with partners across the Housing Association sector to support proposals for affordable housing within Belfast City Centre. This includes 'Loftlines', a development of 890 homes as part of a mixed-use, mixed-tenure development in the Titanic Quarter; and
- The Upper Long Streets in North Belfast was declared as a Redevelopment Area. The proposal represents a £37m investment in housing regeneration, over a 9 year period and is a major redevelopment project for this area of North Belfast.

As part of our work with the Housing Led Regeneration sub group of the Belfast Agenda, we are working with partners to examine the potential for a number of 'Place Shaping Pilots' in the city.

This year we partnered with Newry, Mourne & Down District Council to host a housing conference to consider the key issues affecting the delivery of affordable housing across the district and how these issues could be addressed through effective collaboration across public, private and the community/voluntary sector.

Following this successful engagement, we supported the development of 70 new social homes as part of a mixed tenure scheme on a prominent former convent site in Newry City Centre. The scheme will also provide a community space and 18 homes for private sale contributing to the sustainability of this city centre scheme.

As a result of a locality appraisal on the Dhu Varren Estate outside Portrush we are bringing forward a housing led regeneration scheme for 19 general needs and active elderly homes on a site of previously demolished unpopular housing. It has also contributed to the organisation's land transfer programme for inclusion in the Social Housing Development Programme for delivery by Habinteg Housing Association.

As a statutory body we also actively source potential sites for housing through the public sector disposal process. During the year we secured housing interest in the former Newtownabbey High School site for the provision of much needed homes. We supported Apex Housing Association to bring forward the housing development which comprises 110 social housing units aimed at single person households and small families from the waiting list along with the provision of 10 affordable homes to buy. The development has received planning permission and is programmed to be under construction during 2022.

The Housing Executive is working with partners in the Department for Communities and Mid and East Antrim Borough Council on the extensive redevelopment of the St Patrick Barracks site in Ballymena town. The scheme which aims to deliver 115 new social homes has secured planning approval and is programmed to start during 2022.

Building Successful Communities

The Building Successful Communities¹² (BSC) initiative was introduced as part of the 'Facing the Future - Housing Strategy for Northern Ireland' and aims to use housing intervention as one of the main catalysts for local regeneration. Work completed on the six pilot areas in 2021/22 include:

- In the Tiger's Bay/Mountcollyer area work has commenced on private housing on lands sold by Housing Executive. Grove Housing Association has received support for 25 social housing units on the former Grove primary school, to be constructed by Choice Housing;
- In the Lower Oldpark and Hillview area Apex Housing has completed and sold five new affordable homes;

¹²

The Building Successful Community Programme strategic aims are to: improve current housing and infrastructure; deliver new social and affordable homes and bring empty homes into use; deliver environmental improvement programmes; improve access to services and amenities; and encourage physical, economic and social regeneration.

- In Lenadoon, work continues on the development of 23 new social homes by Choice housing;
- In Lower Falls, Radius Housing has submitted planning for 22 new social homes. The Housing Executive will also make land available for the provision of two new social homes at Roumania Rise;
- In Lower Shankill, Radius Housing has commenced the development of 18 new social homes at Hopewell Avenue and is considering a design scheme for social and affordable housing at Brown Square; and
- In Doury Road, Ballymena, a catalyst housing new build project on land transferred from the Housing Executive to Triangle Housing Association was completed during the year, delivering 11 new homes.

Reaching Rural

In November 2021, the Minister for Communities launched the Housing Executive's Rural Strategy 2021-2025 'Reaching Rural' (RSKPI 2.8). We have long recognised the important role that our housing and housing services play in supporting and sustaining rural communities. This new Strategy sets out in detail our plans to contribute to the sustainable and inclusive growth of our rural communities dispersed across Northern Ireland, over the next four years.

The Strategy has been shaped by the growing demand and changing policy context for the development of new rural homes, the need to consider the housing requirements of an ageing population, the growing recognition of the requirement for carbon neutral, energy efficient rural homes and the challenges and opportunities that all of these factors will present.

A Rural Action Plan that summarises our priorities was also developed. It is based around the following three themes, which encompass the tailored approach we developed to ensure the support of rural communities with an equitable share of our resources:

1. Supporting our rural customers;
2. Enabling the provision of rural homes; and
3. Securing the future of our rural communities.

Key achievements during 2021/22 included:

- 128 new social housing units were started in rural areas supporting the sustainability of these communities. This included 102 new build units (the highest New Build Rural Starts out-turn in the past five years) and 26 Existing Satisfactory Purchase/Off-the-shelf schemes. This represented 7.5% of the overall SHDP out-turn of 1,713 Starts, against the strategic rural target of 12.3%. The shortfall emphasises the ongoing challenges of delivering new housing in rural communities. Through our rolling programme of Site Identification Studies, we will continue to assist Housing Associations in identifying available land in rural areas of unmet housing need. This approach will help promote the inclusion of rural schemes on the SHDP to meet the strategic target;
- We carried out 15 Housing Need Tests during 2021/22 to uncover hidden housing need in rural areas.

- For our 2021 annual Rural Community Award, we introduced a new Young Volunteer Award in order to recognise the importance of engaging with children and young people in community activities, and to highlight the vital contribution they can make. Awards were presented to community groups and individuals in Cloughmills, Strathfoyle, Saintfield, Derriaghy, Annahilt and Magheraconluce, and Donaghmore; and
- In 2021/22, as part of the Village Catalyst Grant Scheme¹³, the Housing Executive provided funding support towards a pilot project in Rathfriland, which will restore a former bank into a community facility and provide four units of rented accommodation on upper floors, helping to support this rural community. The Housing Executive will seek to continue to contribute to the Village Catalyst programme over the next five years.

The Rural Needs Act (NI) 2016

The Rural Needs Act (NI) 2016 (The Act) places a statutory duty on the Housing Executive to have due regard to the needs of people in rural areas when developing, adopting, implementing or revising our policies, strategies and plans when designing and delivering our public services.

In 2021/22, the Housing Executive considered 21 policies, strategies, plans or services to ensure that due regard was given to meeting the needs of people in rural areas in a fair and equitable way. There were 18 policies determined to have no differential impact on people in rural areas. For the further three policies, mitigating actions were put in place as shown below:

Description of the activity undertaken by the public authority.	The rural policy area which the activity relates to	How the public authority has had due regard to rural needs when developing, adopting, implementing or revising the policy, strategy or plan or when designing or delivering the public service.
<p>Place Shaping Site Identification Study Policy & Procedure</p>	<p>Rural Housing</p>	<p>There are rural settlements where a relatively marginal housing need may discourage housing association site identification activity due to the perceived costs of development and management of small, rural housing schemes.</p> <p>SISs can help facilitate rural development by encouraging housing associations to deliver in rural areas with sustained housing need and can influence the identification of land for affordable housing within the Local Policy Plan of Local Development Plans.</p> <p>The additional delivery of affordable housing will help meet the housing needs of rural people, contributing to their health and wellbeing.</p>

¹³ The Village Catalyst grant scheme is a partnership initiative between DAERA, DfC, the Architectural Heritage Fund and the Housing Executive, to tackle rural poverty and social isolation, by developing sustainable uses for disused historic buildings.

Description of the activity undertaken by the public authority.	The rural policy area which the activity relates to	How the public authority has had due regard to rural needs when developing, adopting, implementing or revising the policy, strategy or plan or when designing or delivering the public service.
Delivering Excellent Office Visits	Other	All offices, irrespective of location, will remain open to the public on an appointment basis and emergency arrangements will be in place for customers who need an issue addressed immediately. In addition to appointments, people in rural areas can make contact with the Housing Executive via multiple methods and all available evidence (including anecdotal) suggests there has been no significant customer dissatisfaction with the operation of an appointments only system during the Pandemic.
Homelessness Strategy 2022-2027 (including Homeless to Home, a Strategic Action Plan for Temporary Accommodation)	Rural Housing	<p>Three potential barriers for rural households were identified:</p> <ul style="list-style-type: none"> • Most supported accommodation placements will be in urban areas meaning that rural clients may have to move locality to avail of relevant support; • Time taken for rural support provision can be longer due to travel distances so fewer clients may be able to be supported; and • Limited supply in rural areas of social and affordable housing options. <p>Mitigations include:</p> <ul style="list-style-type: none"> • A local approach to service delivery will be taken, with Local Area Groups playing a key role in the delivery of the aims of the Strategy; • A drive towards homelessness prevention will seek to ensure as many clients as possible are retained within existing accommodation as possible, reducing the demand for temporary accommodation; • A Dispersed Outreach approach will provide support to individuals who have been placed in non-standard and non-supported accommodation; • The alignment of the Strategy with the Supporting People Strategy and Rural Strategy means that information from homelessness data sources will be fed into the analysis of any geographical gaps in the supply of housing support, as well as issues raised at Local Area Groups to ensure that all clients in all locations will be able to access the right support; and • Rural housing supply issues will also be fed into the development of the Housing Supply Strategy with a view to increasing the capacity of social and

Description of the activity undertaken by the public authority.	The rural policy area which the activity relates to	How the public authority has had due regard to rural needs when developing, adopting, implementing or revising the policy, strategy or plan or when designing or delivering the public service.
		affordable housing options. Options to assist clients to access private rented sector will be explored.

Heritage in Housing

The Housing Executive recognises that empty homes and properties, wherever they are located, are a wasted opportunity and that bringing them back into use, where it is possible to do so in a cost-effective way, will help to increase housing supply and regenerate communities. The “Heritage in Housing” (HIH) programme supports the Heritage Lottery Fund’s (HLF) Townscape Heritage Initiative (THI) to provide funding to projects that improve the historic built environment of conservation areas in need of investment with grants available between £100k and £2m.

Between 2015 and 2021, the Housing Executive has provided funding of £416k for the HIH programme which has contributed to the restoration of 18 empty properties and the provision of rental accommodation within five designated townscape conservation areas.

The 2021/22 HIH match funding programme contributed £76,400 towards the restoration of five empty properties in the THI areas of Carrickfergus and Armagh, providing 10 units of accommodation for private rent within these town centres.

There are a further two years remaining of the THI in its current form. Within this timeframe, there are proposals to focus investment in Armagh and Lurgan.

Small Pockets of Deprivation

The Small Pockets of Deprivation (SPOD) Programme was introduced to direct regeneration funding to a number of areas, which, although targeted for action, were too small to be constituted as full scale Neighbourhood Renewal Areas (NRAs).

In 2021/22, £419k was paid to 13 delivery organisations in SPOD areas across Northern Ireland to deliver projects which met the Neighbourhood Renewal Strategic Objectives of Community, Economic, Social or Physical renewal.

Some of the activities that received funding support during 2021/22 included; the running costs and maintenance for community premises within Housing Executive estates allowing for signposting to services and advice; salaries or contributions to salaries to run projects and community premises; training and courses; food hampers and essential items for vulnerable and in need members of SPOD areas; environmental equipment and programmes; health and wellbeing projects.

Additional activities and initiatives were also funded in line with the delivery of DfC’s COVID-19 priorities which included support for food and fuel poverty, connectivity and PPE.

Sustainable Development

In April 2021 the Board and Chief Executive commissioned the delivery of a Sustainable Development Strategy and Action Plan to cover the Housing Executive in its role as Northern Ireland's strategic housing authority and largest landlord.

The Sustainable Development Strategy and Action Plan was approved by the Board in March 2022 and demonstrates our commitment to both embed sustainability in all that we do and contribute to addressing the challenges noted above. It has a long term goal of achieving Net Zero Carbon across all of our activities by 2050, and End of Decade and Short Term (initial 5 Year Action Plan horizon) targets for carbon reductions in both corporate activities and in the housing stock. The Strategy covers business activities all across the organisation and also sets out how through our roles as both Northern Ireland's strategic housing authority and Home Energy Conservation Authority we will seek to promote sustainability and action across the wider housing sector. The 5 Year Action Plan is structured around our four themes of People, Places, Property and Planet, five pillars and the UN's Sustainable Development Goals. In addition to this, we successfully produced the annual HECA progress report.

The Sustainable Development Unit is the focal point for climate change and energy transition across the Housing Executive in its role as Strategic Housing Authority, with the Unit representing the Housing Executive in all major climate change initiatives across central government.

The Housing Executive continues to embed the ethos of sustainability throughout its carbon reduction and energy efficiency initiatives whether its influencing behavioural change by educating and empowering or assessing best practice to ensure householders are central to a 'just' energy transition. Through our role in delivering the Northern Ireland Energy Advice Service, we easily exceeded our target (RSKPI 3.17) of providing 1,000 onward referrals to the existing available energy efficiency schemes, achieving 3,938 and exceeded our target of providing energy efficiency and grant availability advice to 5,000 customer enquiries (RSKPI 3.15).

The key outputs of the Sustainable Development Unit are aligned to the Housing Executive's statutory responsibility as Northern Ireland's regional Home Energy Conservation Authority, with a continued focus on reducing greenhouse gases (GHG) and improving energy efficiency across NI's housing sector. The key highlights of this year has been the final conference for the transnational EU funded HANDIHEAT project, led by the Housing Executive and launching a new EU funded project, HEATER, which aims to improve awareness of education and behaviour change across rural stakeholders. This year we refreshed the NI Oil Buying Club Network, and continued successful delivery of the NI Energy Advice Service and with the significant hike in energy costs throughout 2021/22, our NI Oil Buying Network is actively growing its membership across all householders, with the key objective of tackling fuel poverty.

The Housing Executive currently holds Platinum status for the Business in the Community Environmental Benchmarking Survey, an increase of two levels within the Survey. This benchmarking survey allows the organisation to identify environmental impacts, measure progress, drive improvement, and raise awareness of the environment as an important, strategic, and competitive issue at Board level. The Unit continues to successfully maintain

the Environmental Management System to the international environmental management standard ISO 14001:2015 for our environmental operations at the Housing Centre.

In September 2021 HANDIHEAT¹⁴ held its final conference in Belfast as a means of drawing the project to its formal conclusion. This was a virtual event given the COVID-19 restrictions, with EU partners presenting online from their respective NPA regions. The conference was attended by Housing Executive Chief Executive Grainia Long and Chair Professor Peter Roberts, Mark O'Donnell (DfC) with the keynote speech provided by Sir Professor Michael Marmot (Professor of Epidemiology, University College London) who addressed the important topics of health inequality and climate change.

In other demonstration pilot opportunities the Sustainable Development Unit is the Housing Executive lead in the GIRONA project. The purpose of the GIRONA Project is to demonstrate that household energy bills can be significantly reduced through the utilisation of renewables technology. The GIRONA Project involves fitting solar photovoltaic renewable technology and battery storage equipment in 6 Housing Executive houses. The GIRONA Project will help customers to understand their patterns of usage and in turn enable them to better manage their consumption, leading to reduced energy bills. There will also be the potential for un-utilised "battery-stored" energy to be re-exported to the wider electricity grid. This NI first project aims to establish a working business model to benefit householders, landlords and the system providers through renewable energy generation and storage options.

Another pilot project commenced this year, called RULET (Rural Leading the Energy Transition) is an initiative within the SPIRE 2 EU funded project aimed at reducing or eliminating the risk of low-income households being left behind in the transition to clean, smart, integrated energy systems. Domestic electrical heating systems, when combined with energy storage and smart controls and operated at scale, have the potential to create significant system value by managing high levels of wind penetration.

¹⁴ Over a 4 year period, from October 2018 to March 2022, the Housing Executive was appointed Lead Partner to coordinate and manage an energy efficiency transnational project called HANDIHEAT. This €2,015,554 EU Northern Periphery and Arctic Programme (NPA) project originated from a concept to provide renewable energy for a community scheme in Irvinestown, Co Fermanagh.

Finance, Audit and Assurance

Total KPIs 11*	Green 11	Amber 0	Red 0	Data only 0
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*Includes six Housing Benefit KPIs reported on page 51 and shown below.

Housing Benefit 2021/22 KPIs 6*	Green 6	Amber 0	Red 0	Data only 0
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Corporate Investigation and Security

The Housing Executive's Corporate Investigation and Security Unit are responsible for investigating:

- Fraud and other financial crime;
- Whistleblowing;
- Tenancy Fraud; and
- Technical Investigations.

The unit is composed of three teams of investigators all of whom hold professional investigation accreditation. In 2021/22 the Corporate and Technical Investigation teams have investigated two complex fraud cases which have resulted in reports to the PSNI and 9 whistleblowing allegations.

The Tenancy Fraud team have dealt with 116 cases and 20 recovered dwellings for re-allocation to those in need of social housing. Due to the COVID-19 crisis the amount of investigative work that could be carried out by the team was greatly diminished by the inability to conduct visits to dwellings or carry out interviews. The team has carried out investigations remotely, gathering evidence and providing reports to Local Office housing staff in order for further action to be taken.

With the lifting of restrictions and a partial return to the workplace, the team have resumed some visits to dwellings and carried out interviews in local offices. The team continue to investigate referrals made via the Housing Executive website "report a fraud" function which saw a marked increase in reports during the period of the pandemic.

The team have continued to manage and record the fraud and money laundering risks to the organisation and included risks posed by the pandemic. This risk management process involves the regular assessment of fraud and money laundering risks through engagement with the organisational risk champions, as well as informing the organisation of new and emerging threats. The team continue to participate in several Northern Ireland Civil Service counter fraud groups and regularly share best practice and information with other Departmental or Arms-Length Bodies counter fraud and investigative units.

IT

Despite the additional challenges presented by the pandemic, with a growing dependency on technology for all staff, the IT Service team worked collaboratively with the suppliers of our IT services to successfully handle over 25,000 service requests and over 23,000 incidents in 2021/22.

The IT Department continued to provide support for staff who are working from home and, in preparation for the return to the workplace, delivered over 500 new laptops and a large amount of additional peripheral equipment to enable flexibility for staff going forward.

The rollout of video conferencing has enabled over 50,000 virtual meetings to be delivered over the last year. A major upgrade to the infrastructure supporting the Housing Management System and the Telephony system has been implemented. This will ensure continued high availability for the 24/7 service to enable the organisation to handle up to 90,000 customer calls per month.

With regard to online digital services, an upgrade to the Website platform to the latest software version has also been undertaken. This will ensure ongoing cyber security compliance and enable the further development of digital services.

We have continued to leverage the power of the Data Analytics and Geographical Information Systems (GIS) tools to provide key business insight and a wide range of management information in an easy-to-use online format to enable more effective and timely decision making. This has included the rollout of a Manager and People Portal to provide access to key management information from a single source. This will be enhanced over the next year to include additional key information.

The IT Team continued to work alongside other teams to continue to deliver innovative solutions in 'business as usual' activities and is currently managing the procurement and implementation of a fully integrated HR and Payroll system in collaboration with the HR and Finance departments. This is a major project and will be completed over the next 18 months.

The implementation of a new Records Management system is currently underway which is a major exercise involving the migration of over 25 million records and is due to be completed over the next six months.

IT Strategy Review

Our KPI to Review our IT Strategy to ensure that it supports innovative solutions to meet the changing direction of public service delivery (SSFAA 3.3) was achieved. We are currently completing a review of the IT Strategy and the underpinning Enterprise Architecture roadmap.

The IT Strategy is grounded in the needs of our customers and is focussed on improving the lives of our tenants and wider community.

Financial Development

Finance Development is responsible for ensuring that management of NIHE finances is integrated with service delivery and is carefully planned, managed and reported in line with our statutory responsibilities and organisational priorities. Key activities are as below:

Financial Planning

Understanding current and future year financial requirements is key to ensuring continuity of programme delivery and organisational outputs. Financial Planning's focus is on understanding organisational requirements and working with the senior management team to determine funding affordability in the short, medium and longer term. This involves regular

liaison with the senior management team, Board and DfC officials to ensure we optimise funding opportunities and report on organisational performance.

Finance Business Partnering

Financial management within each Directorate is supported by a dedicated Finance Business Partnering team who provide specialist financial advice to support operational and strategic decision making in relation to an annual turnover of circa £1.2 billion. This role is critical to ensuring effective financial management, control and reporting is consistently exercised and promoted across all aspects of business activity.

Financial Accounting

The Financial Accounting team's focus is centred on ensuring compliance with statutory reporting requirements comprising the production of statutory annual accounts and other technical accounting returns required to facilitate wider Government reporting. The team also have responsibility for cash flow management including application of effective Treasury Management practices to maximise return on surplus cash balances.

Financial Support Services

The delivery of key services by Financial Support Services continued despite the ongoing impact of the pandemic with minimal impact on our customers. Payment volumes have returned to pre-COVID levels reflecting the rise in activity levels throughout the organisation. As a support department, we provide services that support our customer facing colleagues.

Payments

- Total payments of £646m were processed by the team. Approximately 416,000 invoices were paid totalling £440m to suppliers, service providers and contractors, 90% were paid within 10 days and 98% within 30 days. Additionally approximately 89,000 grants, allowances and other payments were paid; and
- Project work continues to replace paper-based transactions and reduce manual keying in order to streamline processing.

Income

- 1.7m payments totalling £680m were collected and accounted for. This includes payments from tenants, leaseholders and Housing Benefit claimants in addition to invoiced accounts receivable;
- A wide variety of payment methods are offered to provide convenient alternatives to the customer and work continues to extend the range of methods across all payment types;
- Housing Benefit of £495m was paid to tenants in both the public and private sectors, in addition to Rates Relief and Lone Pensioner Allowances, funded by the Department for Communities and Land and Property Services respectively.

Payroll

- Payroll Services were provided to 3,013 employees. The team participated in the HR and Payroll System procurement exercise. Again, advances in technology will offer opportunities to streamline processes and improve service to our internal customers.

Finance Systems Development & Compliance

The Finance Systems Development team maintain and support the key finance systems and reporting tools, manage our systems projects and support of end users. Focus has again been on expansion of paperless processing of payments. Input was given to a range of organisation system projects that will generate interfaces into the Accounts Payable system. Additionally, an Employee Benefits platform was launched by the team in conjunction with Human Resources and is subject to ongoing development.

The Compliance team supported the divisional risk management processes, progression of audit recommendations and compliance activities for the wider Finance, Audit and Assurance Division. Compliance dashboards have been developed to support managers by giving visibility to outstanding actions and assurances. The Responsible Officer process which gives authorisation to staff to incur expenditure has been reviewed and changed to reflect current expenditure categories and to reflect the fact that the majority of payments are now processed online and have system controls in place reducing the risk of fraud.

Insurance & Claims

Focus has been on increasing the level of expertise within the section with the aim of providing a more comprehensive service to the business. This journey started with the recruitment of a professionally qualified section head with experience in the insurance and claims industry. As posts have become vacant, this journey continues.

This approach is resulting in benefits to the business through increased ability to deal with claims in house, reducing cost and time to settle. The team have taken on additional work, dealing with damage claims beyond their traditional public liability claims. It is hoped that additional savings can be realised by reducing the need for claimants to appoint solicitors in cases where we accept liability.

They are providing training and advice in relation to claim prevention to the wider business and ensuring that “lessons learned” are communicated. Trips and falls are the cause of a high volume of claims. A workgroup has been established to review the process of regular inspections to identify potential hazards.

Following a decline in Public Liability Claim volumes, volumes returned to pre-pandemic levels with 943 claims received, up from 602 in 2020/21. This is largely attributable to maintenance activities increasing. Live claims at year end increased to 655 from 384 in March 2021, due to staffing issues relating to recruitment delays and absences due to COVID. It is hoped these issues will be shortly resolved and that normal processing timescales will resume.

Internal Audit

Internal Audit worked with the Housing Executive senior managers to plan an annual programme of assurance supporting the effective identification and management of key risks

across the organisation. The delivery of this programme of work informed the Head of Internal Audit Annual Opinion and Report which provided the Chief Executive with independent assurance regarding the adequacy and effectiveness of risk management, control and governance at the Housing Executive during the last financial year.

The Internal Audit team also worked with management to provide advisory input throughout the year in response to new or emerging risks, particularly where new procedures were required to ensure these were satisfactorily governed, for example Supporting People and the Social Housing Development Programme.

During the year an External Quality Assessment (EQA) of the Internal Audit service was undertaken. The EQA scrutinised the effectiveness and robustness of our processes and provided a conclusion of Generally Conforms which is the highest rating achievable. This excellent EQA result provided independent endorsement of the NIHE Internal Audit Service with the assessors concluding that the service has a very positive impact on the governance, risk management and control environment within NIHE.

Economics Services Unit (ESU)

During the year the ESU contributed to good investment decisions across the organisation and assisted clients to meet their obligations regarding expenditure approval on around 80 proposals, including capital investments for maintenance, regeneration and new build schemes helping to meet the Social Housing Development Programme target.

During the year ESU also undertook a Test Drill of a random sample of Housing Executive Business Cases and Post Project Evaluations to provide assurances that the principals of appraisal and good governance were being applied below Executive Team expenditure approval thresholds. Overall the findings of this report were positive and where recommendations were identified, these have been communicated to staff accordingly to ensure a continual improvement in the quality of business cases and the processes applied. The team also provided support and analysis for a number of policy decisions and undertook a number of strategic economic briefings and assessments for senior management during the year. Economic support and guidance was also provided to the Housing Executive Revitalisation Project.

During the year, the economists mobilised quickly to ensure all business cases were robust and ultimately approved, particularly those that enabled the delivery of key services or strategic priorities. The economists continued to embed the Department of Finance, 'Better Business Cases NI' guidance by making the appropriate business case resources (e.g. new business case addendum pro-forma) and business case training accessible to all staff.

Corporate Services

The Corporate Services Directorate delivers several functions that both supports the other divisions within the organisation and also influences and shapes the strategic direction of the organisation. Key functions delivered by the division include:

- Human Resources - Advisory;
- Human Resources - Learning and Organisational Development;
- Equality, Diversity and Inclusion;
- Corporate Planning and Performance;
- Risk and Governance;
- Corporate Communications;
- Legal Services; and
- Information Governance.

A summary on performance against the KPIs is outlined in the table below and further information on key achievements and initiatives delivered by the teams is detailed below.

Total KPIs 19	Green 13	Amber 4	Red 1	Data only 1
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Risk & Governance

The Housing Executive regards risk and governance as an integral part of how we do business and believes that its effective operation helps us to make better business decisions. The identification and monitoring of risk is completed at all levels of the Organisation and contributes to our ability to meet our objectives.

The 2021/2022 year saw the ongoing restructuring within the Corporate Services Division. As a result of this restructuring there was increased synergy and partnership working between Risk and Governance and the Planning and Performance team.

The Corporate Risk Register was kept under continuous review and extensive engagement took place throughout the Organisation to ensure that where possible, risks were mitigated and action taken to reduce scores. Extensive work was undertaken with Audit and Risk Committee Members to enhance the risk reporting mechanisms to enable members to focus on the key areas of concern and to streamline reports.

The Risk and Governance team continue to work collaboratively with our colleagues in the Department for Communities and substantial work was progressed during the year to introduce a new Arms-Length Body Partnership agreement which will help shape our future relationship and responsibilities.

The Risk and Governance Team had five KPIs in 2021/22, fully achieving two KPIs (SSCS PI 1.13 and SSCS PI 1.40). Despite significant work and progress throughout the year, two KPIs narrowly missed target: SSCS PI 1.12 Implement a corporate approach to policy development and SSKPI 6.3 ensure the effective implementation and appropriate development of the Housing Executive's governance framework. One KPI, SSCS KPI 1.11

to undertake a Corporate Assurance Mapping Exercise was not met due to slippage in the last quarter on two milestones.

Further information on key issues and risks facing the Housing Executive can be found in the Governance Statement later in this document

Corporate Business Planning & Performance

The Corporate Business Planning and Performance Unit is responsible for a wide range of functions including the development of and reporting against the Corporate Plan and associated annual business plans to the Department for Communities, the Housing Executive's Board and our Senior Management Team.

The team also provides support, assistance and training on the risk and performance system used across the organisation for a range of functions including corporate reporting, risk, audit recommendations and recording data breaches.

The Annual Report and Accounts was successfully developed and laid before the Northern Ireland Assembly (SSCS PI 6.1) and we successfully implemented Year 1 of the Older People's Housing Strategy (SSKP 3.7). We will publish a progress report on the actions in Year 1 later in the 2022/23 year.

During 2021/22, following significant engagement and consultation with key stakeholders, partners and customers, we developed, and received Board approval for our new Corporate Plan and accompanying annual action plan. A public consultation will take place in the 2022/23 year. The 2022/23 – 2024/25 Corporate Plan focuses on 6 key strategic themes below:

- We will work with our partners, taking the lead role as the Strategic Housing Authority, to increase social housing supply to help meet identified need;
- We will help NI meet its emissions targets, address the impact of climate change and help sustain and protect our environment for future generations;
- We will invest around £1,973m¹⁵ (over the next 3 years) into our local economy, through our housing services, construction activity, employment opportunities and through our support for the health, voluntary and community sectors;
- We will work with our partners to deliver innovative housing solutions for our customers and to help reduce poverty and improve health and wellbeing;
- We will engage with our customers to ensure that they are at the heart of service improvements and our business delivery model; and
- We will be an employer of choice and deliver high quality services for all in N.I.'s increasingly diverse community.

Throughout the year the team also successfully updated the Corporate Charter and published 2020/21 performance against the agreed service standards.

Human Resources

Our Human Resources Team is based within the Corporate Services Directorate and

¹⁵ This is an estimated figure, subject to future budgets, on a number of our key programmes and initiatives including: Social Housing Development Programme; Supporting People; Homelessness Services; Stock Investment; Regeneration Activities; Grants Programmes and Community Asset Investment.

provides people orientated services for employees and agency staff across the Housing Executive. Following an extensive restructuring exercise the approved HR structure is based on two distinct strands. They are:

- HR Advisory – This includes employee resourcing, employee relations (including policy), business partnering and health and wellbeing; and
- Learning and Organisational Development – This includes learning and organisational development, equality and inclusion and the programme management office.

Human Resources Advisory

During the year the work of the HR Advisory team concentrated on the delivery of our People Strategy. Our key priorities included the delivery of a comprehensive workforce plan, strengthening our people governance through a full review of all core people policies and development of a new Health & Wellbeing Strategy and action plan. We also established a new Health & Wellbeing Team whose immediate priority was to support our changing response to COVID-19 throughout the year including the development of new guidance to ease a transition back to the workplace.

Further information on Human Resources Advisory can be found in our staff and remuneration section later in this report. Our HR Advisory team had six KPIs and achieved five of them, very narrowly missing out on one. We narrowly missed the KPI to increase staff attendance, with absence to be no more than 6.6% (SSCS KPI 1.6), which increased marginally at the end of quarter 4 resulting in a year end outturn of 6.68%.

Details on other KPIs are below.

- SSCS KPI 1.10 - Successfully developing and implementing the Housing Executive's workforce plan. In 2021/22 since the previous year, recruitment exercises more than doubled and the number of posts recruited tripled;
- SSCS KPI 1.3 - Implementing Year 1 of our People Strategy. Key deliverables included the delivery of a comprehensive Workforce Plan, extensive policy development work, implementation of the new Health and Wellbeing Strategy and Action Plan, development of a new Pay and Grading structure and completion of a business case to procure a new HR system;
- SSCS KPI 1.5 - In conjunction with Directors and senior management we reviewed current working arrangements and developed plans and policies to support increased flexibility in Housing Executive working practices;
- SSCS KPI 1.8 - Establish a new Health and Wellbeing team and implement year one of the Health & Wellbeing strategy was achieved; and
- SSCS KPI 6.2 - To ensure that the Housing Executive complies with the legislative framework governing employment and that it fully discharges its responsibilities under section 75 of the Northern Ireland Act 1998 was achieved.

Learning and Organisational Development.

The Assistant Director of Learning and Organisational Development took up post in September 2021 with a mandate to deliver our people strategy in relation to learning,

performance management, equality, diversity and inclusion initiatives and development of our people in line with organisational objectives. Furthermore to provide a joined up approach to operational delivery of improvement via Learning and Development, the provision of Programme Management Office (PMO) services to the organisation and delivery of an inclusive service to our customers through consultation and Equality Diversity and inclusion team.

The KPI to establish a new OD team and a wider Learning Academy for all Housing Executive employees (SSCS PI 1.2) was not fully met despite significant progress across the majority of milestones. At year end, the Learning and Organisational Development team was not fully resourced and as a result the KPI was assessed as amber. Significant work also progressed on the learning academy for all Housing Executive employees with a programme designed with Housing Services and DLO for the 34 DLO apprenticeships planned to commence in September.

The L&OD function is also responsible for ensuring that we deliver on our commitment to affirmative action measures and implement the recommendations following our IIP Silver reaccreditation in April 2021. We have commenced a number of actions to respond to areas identified for development to include leadership development, review of leadership competence, and improved opportunity for engagement. We are also reviewing our reward and recognition practices, giving consideration to new and developing needs of our people and recognising the impact of virtual working on both areas.

Our KPI to develop an affirmative action plan has been achieved (SSCS KPI 1.7). The plan was presented, and subsequently approved at the January 2022 Board meeting and also presented to our Consultative Forum on Equality in March 2022. A formal consultation process commenced in May 2022. In addition to this, 653 staff completed Dignity at Work training and there were 1,647 completions of the Diversity and Inclusion NI Workplace e-learning.

We also demonstrated compliance with the legislative framework governing employment and fully discharged our responsibilities under Section 75 of the Northern Ireland Act 1998 (SSCS KPI 6.2)

Our work to establish a learning academy has been progressing through collaboration with each directorate to understand key learning needs for business critical roles, and via a number of organisation wide focus groups to understand the learning need and experience of our people. The L&OD team have been working closely with DLO and Housing Services to understand and plan for new apprenticeship schemes. In particular we have collaborated with our DLO colleagues in the development of a trades apprenticeship scheme to support the DLO Evolve programme which is due to commence in September 2022 (SSCS PI 1.1). Close partnerships have been developed with local colleges to agree training delivery and during Apprenticeship week we visited local schools and college open days to highlight opportunities within our DLO trades team and customer service roles.

A full wrap around personal development programme has been designed to support our apprentices across all directorates and in November 2021, we successfully collaborated with our external training provider to design our pilot leadership programme.

In the second half of 2021/22, we ran regular focus groups in order to assess and understand pertinent areas of our employee experience. We have been gathering feedback and information in relation to learning needs and learning experiences to develop a clear understanding of what is required and should be developed in order to perform our roles with confidence and leadership. Role design and structure has also been an area we have given consideration to within our focus groups, leading to recommendations for improvement and training in each of these areas.

Information received from Learning and Development focus groups held in the second half of 2021/22 have been reviewed and this information has been used to shape our Learning and Development Strategy. Following final review, we will prioritise a number of actions to include a full appraisal of our Learning Management System (LMS) to facilitate in flow learning, a new mentoring and coaching programme for knowledge sharing and training, Organisational Development interventions to include team coaching and learning pathways, and establishment of learning partnerships with local providers.

In addition to focus groups, and in consideration of our Investors in People (IIP) feedback, the Learning and Organisational Development team, Health and Wellbeing team and Communications team have collaborated to introduce 'The Big Chat', an upward flow feedback channel to better understand our employee experience and better understand our unique value proposition. This is a platform for everyone in the organisation to have their say on areas for improvement and to create opportunities for our people to build new connections as we emerge from virtual working.

We will also use this to track our Net Promoter Score (NPS)¹⁶ and understand if the initiatives that we implement support our objectives and the experience of our people. In April 2022, 37% of those who attended the 'Big Chat' forum said they were 'very likely' to recommend a role in the Housing Executive to their friends and family, 32% said they were 'quite likely', and 23% said they 'possibly' would recommend a role in the Housing Executive to their friends and family.

A number of Business Cases are being progressed following a full appraisal of current programmes to enable delivery of our apprenticeship programme and management and leadership development plans to enable our people to deliver fully on our Corporate Plan.

PMO

The Project Management Office continues to provide a valued service to the organisation through strategic reporting on the organisations portfolio of products and facilitation of the NI integrated Assurance Process. The PMO provide specialist advice and guidance on programme and project management methodologies whilst supporting the PMSG in the selection, control and prioritisation of business change programmes. At 31 March 2022, they were providing project support to 21 business change projects within the organisation and supports PMSG and Programme Board management arrangements on a bi-monthly basis.

Equality, Diversity and Inclusion

Equality, Diversity and Inclusion is central to the Housing Executive's work and "fairness" has been a core value of the organisation since it was first formed over 50 years ago. Our

¹⁶ Net Promoter Score (NPS) is a metric used in customer experience programmes. NPS measures the loyalty of customers and staff to a company.

Corporate Plan and our People Strategy include clear objectives to have a workforce which is representative of our community. We are committed to building a diverse and inclusive workforce and our People Strategy includes a range of actions that will help us to achieve this. Our strategic people objective is:

We will ensure a highly valued, engaged, performance and customer orientated workforce, which is representative of our community, and an environment of dignity and respect and health and well-being, where all employees are enabled to reach their potential and be recognised for their individual contributions.

During the year the Equality, Diversity and Inclusion Unit (EDI Unit) was consolidated and began development of an extensive Affirmative Action plan to help us achieve this objective. This plan is viewed as a “living document” which is sensitive to change and will respond to the needs and demands of the community we serve and the changing internal environment of the organisation. We have evolved this plan in liaison with the Consultative Forum on Equality and our newly formed Equality, Diversity and Inclusion Steering group. We will continue to consult and engage with our staff and representatives of the equality sector to ensure the Affirmative Action plan is informed directly by our consultation and delivered in liaison with the equality sector.

The Equality, Diversity and Inclusion Steering group made up of staff from across the organisation will provide a sounding board for issues that impact on staff and customers and have the opportunity to introduce and develop new initiatives that will further equality across the organisation.

We recognise the importance that culture plays in creating an inclusive working environment and we reviewed our Dignity at Work Policy during 2020/21 and have rolled out a training and awareness programme to support this during the 2021/22 year. Values and behaviours are also critical to building an inclusive workforce therefore we ensure that these are regularly discussed as part of our performance management process.

We currently hold a Bronze Certificate from Diversity Mark Northern Ireland, in recognition of the organisation’s commitment to equality and diversity and its on-going work with regard to the introduction of a series of initiatives which will further embed the diversity culture within the organisation.

In addition to contributing to the People Strategy the EDI Unit is responsible for a number of other equality based functions. This includes:

- The implementation of the Housing Executive’s Equality Scheme and relevant legislation;
- Fair Treatment reporting (Article 55);
- Monitoring housing waiting lists, allocations and grants services;
- Providing Communication Support across the organisation; and
- Maintaining a Safeguarding service.

During the year the Unit completed equality screening of 26 employment and housing services policies, produced two equality monitoring reports, provided consultation support on three major policy consultations, provided responses to 38 requests for equality information, managed 148 safeguarding cases and responded to 87 suicide risk reports. The

Communication Support service provided linguistic and sensory disability support to over 5,600 customers in 38 languages including sign language.

Legal Services

Legal Services is a specialist and distinct function providing accessible niche legal services across a wide range of practice areas reflecting the breadth of the statutory functions of the Housing Executive. These include housing and the housing selection scheme; homelessness; land and property; grants; vesting and compensation; statutory house sales; the Scheme for the Purchase of Evacuated Dwellings (SPED); housing support services and Traveller accommodation.

The core functions of Legal Services are:

- Provision of an effective and high quality legal advice service to the Housing Executive (which includes drafting of legal documentation);
- Representation of the Housing Executive in litigation that is of strategic importance e.g. defending judicial reviews, seeking possession orders on grounds of anti-social behaviour, non-occupation; and unlawful occupation following failed applications for succession;
- Assisting in the development of policies and procedures designed to facilitate the Housing Executive in obtaining value for money services from external solicitors;
- The provision of support to Retaining Officers (the internal clients of external solicitors), so that those Officers can carry out their role as client as effectively as possible; and
- The provision of quality assurance services in respect of in-house conveyancing and settlement in-house of small value public liability claims.

Key Achievements during 2021/22 include:

- Working closely with colleagues in Housing Services on a range of Housing and Homeless issues including the Afghan Resettlement Scheme; the review and updating of the Homeless manual – personal possessions and storage obligations; successfully recovering properties due to anti-social behaviour, failed claims for succession to a tenancy and non-occupation; successfully defending an application for leave to judicial review a decision under the housing selection scheme; successfully defending a judicial review of a negative SPED decision; securing access for gas inspections to be undertaken to ensure statutory compliance; injunctions to compel tenant compliance with their tenancy agreement;
- Advising on the design and drafting of the Board approved leasehold extension policy;
- Advising and drafting on the procurement and contract documentation in respect of the appointment of external firms of solicitors for Commercial contracts; Ejectments and Debt Recovery and Procurement;
- Advising and assisting in relation to the salary sacrifice car scheme;
- Completion of assurance exercises that in-house legal work undertaken by non-lawyers in house sales and settlement of small claims is compliant with good practice and relevant legal process;

- Advice on the scope of the consultation on the DfC review of the Caravans Act (NI) 2011 as regards site provision for Travellers;
- Advice and Assistance on the response to the Department of Justice consultation on anti-social behaviour powers; and
- Completion of a land transfer to Radius Housing Association.

Corporate Communications

The Communications Department is responsible for a wide range of functions: Public Relations, Customer Engagement and Campaigns, Website and Social Media, Internal Communications, Public Affairs and Graphic Design. We are also responsible for coordinating our Corporate Social Responsibility (CSR) function.

Our main objectives are to provide an understanding of the work we do and to provide accurate and timely information to tenants, customers, stakeholders and elected representatives.

Key highlights of the 2021/22 year include winning the Chartered Institute of Public Relations (CIPR) Northern Ireland award for publication of the year for our tenant magazine Streets Ahead and rolling out our tenant focussed social media campaign “Good Neighbours make Great Neighbourhoods”. The team also held a series of events to mark the organisation’s 50 year anniversary including a virtual event for staff and stakeholders. This was attended by the Minister for Communities, Deirdre Hargey, former colleagues and other senior stakeholders from the housing sector.



Grainia Long

Chief Executive

Date: 28 September 2022

Key Performance Indicators (KPIs) 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 Communities, and that suitable systems are in place to provide reliable information on performance against those targets.

Our Internal Audit Department 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, our Internal Audit Department is content to conclude that the 2021/22 KPIs have been calculated on a reasonable basis with appropriate supporting evidence.

A handwritten signature in black ink, appearing to read 'AR' followed by a long horizontal stroke.

Adele Reilly
Assistant Director, Internal Audit

Date: 28 September 2022

ACCOUNTABILITY REPORT: CORPORATE GOVERNANCE REPORT

Overview

The Accountability Report has three sections:

1) Corporate Governance Report:

The purpose of the Corporate Governance report is to explain the composition and organisation of the Housing Executive's governance structures and how they support the achievement of its objectives.

The Corporate Governance report includes the Directors' Report, the statement of Northern Ireland Housing Executive's and Chief Executive's responsibilities and the Governance Statement.

2) Remuneration and Staff Report:

The purpose of the Remuneration and Staff Report is to set out the Housing Executive's remuneration policy for directors. Further, it also includes the remuneration due to the director, pension information and details of any benefits in kind if applicable. A Staff Report is also included which provides detail of staff numbers and costs, staff composition, sickness absence data, off-payroll engagements in accordance with Treasury guidance and staff policies adopted during the year by the Housing Executive.

3) Assembly Accountability and Audit Report:

The Assembly Accountability and Audit Report brings together the key accountability documents within the annual report and accounts. These key documents include the Losses and Special Payments, details of any remote contingent liabilities and the Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly.

ACCOUNTABILITY REPORT

CONTINUED:

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 2022.

Statutory basis

The Northern Ireland Housing Executive (the Housing Executive) is a Non-Departmental Public Body (NDPB) for accounting purposes, which was originally established by the Housing Executive Act (Northern Ireland) 1971 (since repealed and superseded by the Housing (Northern Ireland) Order 1981). Under the terms of the 1971 Act, the Housing Executive took over the housing responsibilities of some 65 separate authorities and became Northern Ireland's single comprehensive regional housing authority. The Housing Executive's main functions, duties and powers are primarily contained in a series of housing orders spanning from 1981 to 2006, amended and supplemented by the Housing Amendment Acts of 2010, 2011 and 2016.

Primary responsibilities

As a comprehensive regional housing authority, under existing legislation the Housing Executive's responsibilities consist of a range of duties, powers and functions which include the following:

- to regularly examine housing conditions and housing requirements;
- to draw up wide ranging programmes to meet these needs;
- to effect the closure, demolition and clearance of unfit houses;
- to effect the improvement of the condition of the housing stock;
- to encourage the provision of new houses;
- to establish housing information and advisory services;
- to consult with district councils and the Northern Ireland Housing Council in respect of drawing up draft programmes meeting housing need;
- to manage its own housing stock in Northern Ireland;
- the preparation and drafting of the statutory Housing Selection Scheme and any modifications for departmental approval;
- to support, or aid in the support of, charitable or benevolent associations or institutions connected with the provision of housing accommodation, or with objects ancillary to such provision;
- to provide grant payments to improve private sector homes;

- to provide disabled facility grants for the adaptation of private sector homes to enable disabled residents to continue to live in their homes;
- to formulate and implement a Homelessness Strategy;
- to carry out homelessness assessments and in certain circumstances to secure housing for the homeless;
- to provide caravan sites for the Irish Traveller Community as appears appropriate;
- the giving of assistance by way of grant or loan to a voluntary organisation concerned with homelessness, or with matters relating to homelessness.

The Housing Executive has additional functions under other legislation which include the Home Energy Conservation Authority for Northern Ireland and the administrator for the Supporting People programme and Housing Benefit. We are also responsible for management of the Social Housing Development Programme and the administration of the Affordable Warmth Scheme.

Board Members

The role of the Board is to provide effective strategic leadership, direction, performance, challenge, support and guidance to the organisation. The Board supports the delivery of the Programme for Government targets (PfG), Ministerial priorities, the Department's housing strategies, government reforms and promotion of the core values of the organisation.

The Housing Executive is subject to directives from the Department for Communities (DfC) in connection with the exercise of any of its functions. It is referred to as "the Department" throughout this report.

The Housing Executive is governed by a ten member Board. All ten Board Members are appointed by the Minister for Communities (or the Secretary of State in the absence of a Minister). Four of these ten members are nominated from the Northern Ireland Housing Council Membership and the remainder are nominated via a public appointments exercise conducted via the Commissioner of Public Appointments Northern Ireland.

During 2021/22, the Board continued to evolve its governance architecture to provide greater capacity to focus on strategic issues, enhance capacity for scrutiny due to new issues and increased complexity of Housing Executive operations, and to further develop partnership arrangements with the Department for Communities. A new Committee Structure was implemented (*see Board Appointments Section below*), and the Board further strengthened its governance arrangements by nominating Pauline Leeson, an existing Board Member to assume the role of Senior Independent Director (SID), effective from 1 April 2022. The primary role of the SID is to act as a sounding board to the Chair, and assist, where appropriate, with issues such as whistleblowing, discipline and grievance cases.

The Chair continues to review and restructure Board business to ensure that the Board's time is focused on strategic matters and is reflective of updated internal committee / organisational structures, roles and responsibilities. An external Board Effectiveness Exercise commenced in July 2022 and the outcomes will be presented to the Board in October 2022. An Internal Audit Advisory Review of the new Board Committee Structure was also completed during Quarter 4 of the 2021/22 financial year.

During 2021/2022 the Housing Executive Board met every other month, alternating with Committee Meetings, and with Special or adhoc meetings called as necessary. No regional office visits were scheduled during the COVID-19 Pandemic.

Board Appointments

Board Members for the period 1 April 2021 - 31 March 2022

Chair - Professor Peter Roberts (1 April 2019 to 4 November 2022).

- Professor Roberts was originally appointed to the role of Vice-Chair of the Housing Executive Board by the Minister for Department for Social Development on 5 November 2012 for a 5 year term, and subsequently appointed Interim Chair of the Board from 1 January 2017 (following the retirement of the previous Chair Donald Hoodless). Professor Roberts was formally appointed to the role of Chair by the Secretary of State on 1 April 2019.

Vice Chair - John McMullan (1 April 2019 - 31 March 2024)

- John McMullan was appointed to the role of Vice Chair of the Housing Executive Board by the Secretary of State on 1 April 2019 for a 5 year term.

Other Board Members:

- Jim McCall (re-appointed for a second term from 1 June 2020 to 31 May 2025);
- Derek Wilson (re-appointed for a second term from 1 June 2020 to 31 May 2025);
- Pauline Leeson (appointed for a first term from 1 November 2020 to 31 October 2025);
- Chris Welch (appointed for a first term from 1 November 2020 to 31 October 2025; temporarily appointed by the Secretary of State, in the absence of a Minister, to fill the vacant position from 1 August 2019 to 30 January 2020, and subsequently extended by the Minister from 1 February 2020 to 30 June 2020);
- Alderman Allan Bresland (appointed from 1 January 2020 until the date of the next Local Government Election);
- Councillor Catherine Elattar (re-appointed for a second term from 1 January 2020 until the date of the next Local Government Election);
- Alderman Amanda Grehan (appointed from 1 January 2020 until the date of the next Local Government Election);

- Councillor Michael Ruane (appointed from 1 January 2020 until the date of the next Local Government Election).

Independent Committee Members for the period 1 April 2021 - 31 March 2022

Audit & Risk Assurance Committee (ARAC):

- Sharon Hetherington (appointed for a first term from 1 December 2017 - 30 November 2022);
- David Peacock (appointed for a first term from 1 November 2020 to 31 October 2025).

Asset Management & Maintenance Committee:

- Una Davey (appointed for a first term from 1 November 2020 to 31 October 2025);
- Niall Sheridan (appointed for a first term from 1 September 2021 to 31 August 2026).

Resources & Performance Committee:

- Mark Lowry (appointed for a first term from 1 September 2021 to 31 August 2026);
- Parvesh Paul Sood (appointed for a first term from 1 September 2021 to 31 August 2026).

Tenant & Customer Services:

- Linda Watson (appointed for a first term from 25 April 2022 to 24 April 2027);
- Vacant (recruitment process underway).

One Board Member will change during the 2022/23 financial year, as the second term of office for the current Chair is due to expire on 4 November 2022. A recruitment exercise is already underway by the Department for Communities.

One Independent Member's first term of office is due to expire during the 2022/23 financial year, which is currently under review by the Committee / Board Chair.

At 31 March 2022, the gender breakdown of Board Members was:

- Female: 3
- Male: 7

As at 1 May 2022, the gender breakdown of Independent Committee Members is:

- Female: 3
- Male: 4
- One vacancy

Register of Interests

In accordance with the Code of Practice for Board Members, a Register of Interests is maintained to record both Board and Independent Committee Members' declarations of personal and/or business interests. These are dealt with in line with best practice and the register is available on the Housing Executive's website. In addition, any declarations shared during meetings are also captured within their respective Minutes.

Financial accounts

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

Results for the year

The Housing Executive operates separate budgetary control and reporting requirements for Landlord Services and Regional Services. This results from Landlord Services being categorised as a Quasi Public Body and Regional Services being categorised as a Non Departmental Public Body (NDPB).

Landlord Services is mainly funded by rental income from tenants, supplemented by grant funding from the Department and a small amount of miscellaneous income. Landlord Services are able to utilise unspent rental income to fund expenditure in future years.

Regional Services is almost entirely funded by Government Grant from the Department and, includes both:

- DEL Capital and Resource funding;
- Annually Managed Expenditure funding.

Details regarding budgetary performance for the year in respect of Landlord Services and Regional Services are included in the Performance Report.

For the Year Ending 31 March 2022, the Housing Executive continues to prepare its annual report and accounts in accordance with International Financial Reporting Standards.

The Statement of Comprehensive Net Expenditure within the annual accounts shows Net Expenditure after tax for the year of **£372.4 million** (2020/21: £282.1 million).

During the year, a revaluation of the Housing Executive's land and housing stock and other property assets portfolio was undertaken by independent external valuers. More detail is provided in Note 10 and in the section below titled "Property, Plant & Equipment".

Residual costs of **£11k** (2020/21: (£2101k) were incurred from a Voluntary Early Severance (VES) scheme, where its final tranche of staff were approved to leave under a programme of restructuring back in 2018/19. These costs are accounted for 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 the Staff Report within the Accountability Report.

The annual pension report, which is provided by the appointed independent actuary, continues to show a deficit in the pension fund. The deficit has decreased from **£236.1 million** in 2020/21 to **£165.9 million** in 2021/22, mainly due to a higher than expected return on assets and also an increase in the discount rate. This gain though was partially offset by an increase in the rate of inflation. Note 22 provides further pension disclosures.

Property, plant & equipment

For year ending 31 March 2022 annual accounts, the Housing Executive’s land and housing stock have been revalued by an independent external valuer as at 31 March 2022. The Land was valued by McKibbin Commercial Property Consultants and the Housing Stock was valued by Land and Property Services, an executive agency within the Department of Finance for Northern Ireland.

The remainder of the Housing Executive’s property estate was also revalued during 2021/22 using indices received from Land and Property Services. These properties were revalued during 2019/20 by Land & Property Services when it was the first year of a five year valuation exercise.

The ‘Other Assets’ category was revalued using appropriate March 2022 indices.

Housing Stock continues to be valued at ‘Existing Use Value for Social Housing’ based on the guidance issued by the Department of Communities & Local Government: ‘Stock Valuation for Resource Accounting – Guidance for Valuers 2016’. Valuations were made in accordance with the Royal Institution of Chartered Surveyors’ Red Book.

Existing Use Value for Social Housing is obtained by adjusting the market value for each property archetype by a factor (adjustment factor) which reflects the valuation for the properties if they were to be sold with sitting tenants enjoying tenant’s rights.

The Adjustment Factor measures the difference between private open market rented property and socially rented property at a regional level and has been calculated in accordance with the guidance.

A revaluation of the Housing Executive’s property and other assets portfolio as at 31 March 2022 resulted in an increase in value of £120.8 million which has been transferred to the Revaluation Reserve Account. Of this amount, £113.6 million represented an increase in the housing stock valuation, which is reflective of a general improvement in property prices in Northern Ireland.

Land, Commercial Properties and Offices are valued at open market value for existing use. Hostels and Travellers’ sites are considered to be specialised assets and are valued at Depreciated Replacement Cost.

There was a £5.8 million increase in the value of land as a result of the revaluation exercise undertaken by McKibbin Commercial Property Consultants. During the current financial year, land which was previously identified as ‘Amenity’ has been

reclassified as 'Undeveloped Land' with a value of £0.9 million (see Note 10(a) Land – Reclassification uplift) and is accounted for as a revaluation movement. 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 £20.0 million has been transferred to the Revenue Reserve Account from the Revaluation Reserve Account. During the financial year, the Housing Executive sold 456 dwellings, which includes 7 properties purchased through equity sharing.

Charitable donations

The Housing Executive made no charitable donations during the year.

Open Government

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

Data Protection Breaches

During the 2021/22 year, one personal data breach was referred to the Information Commissioners Office (ICO). The ICO has subsequently closed this case with no further action required. Details regarding these breaches can be found on page 107 in the Governance Statement.

Complaints Handling

The Housing Executive is committed to providing a high quality customer service and has a formal complaints procedure for any customer unhappy with the service they have received. Details of the complaints procedure are available on the Housing Executive website and in local offices. Complaints may be made via telephone, in writing, email, via our Customer Portal or social media or in person. Complaints may be made via a third party such as an elected representative or Housing Rights.

During the year, the Housing Executive dealt with 282 Formal complaints across all divisions. There were 216 First Stage complaints and 66 complaints were then dealt with by the Chief Executive at Second Stage, with staff carrying out detailed investigations and addressing issues raised. The Northern Ireland Public Services Ombudsman investigated 5 complaints raised against the Housing Executive at assessment stage and 1 complaint at detailed investigation stage.

Performance on complaints is available on the website and is reported to Executive team bi-annually and Board annually. All cases are examined for lessons learned and potential service improvements.

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. In 2021/22, a

total of **431,926** (2020/21: 373,686) payments were processed with **424,516 (98.28%)** (2020/21: 360,915 (96.58%)) 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 **388,906 (90.04%)** (2020/21: 331,647 (88.75%)) were paid within 10 days of the invoice date.

Pensions

The Housing Executive participates in the Northern Ireland Local Government Officers' Superannuation Committee (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 Housing Executive'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 businesses as it is in receipt of subvention from the Department, however full disclosure is given in Note 20.

Going Concern

The Northern Ireland Assembly has authority for approving the annual budget, including the annual budget allocation to the Northern Ireland Departments. In the absence of the Northern Ireland Assembly, budget allocations to the Northern Ireland Departments for 2022/23 (the block grant) have not been approved. Legislative cover however provides for contingency arrangements to allow continuation of services and spend to be incurred in the year ahead. In this context, a contingency planning envelope has been proposed by the Finance Minister to enable public services to be maintained. In the absence of an agreed budget allocation, a more cautious approach to service delivery has been currently adopted in order to ensure that expenditure commitments are constrained until such times as an agreed budget allocation is confirmed. There is no reason to believe that future approvals will not be forthcoming once the Assembly is reinstated. As a result, the Housing Executive is confident the financing of its liabilities will be met by future grants from the Department and the application of future income. It has therefore been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Auditor

The Comptroller and Auditor General (C&AG) was appointed as the Statutory Auditor of the Housing Executive from 1 April 2003, following the Audit and Accountability (Northern Ireland) Order 2003. The C&AG is the Head of the

Northern Ireland Audit Office and he and his staff are wholly independent of the Northern Ireland Housing Executive. He reports his findings to the Northern Ireland Assembly.

During 2021/22, the Northern Ireland Audit Office carried out additional non-audit services relating to costs associated with the Housing Executive participating in the National Fraud Initiative. The cost of this exercise is disclosed in Note 6 to the financial statements.

Committees of the Board

During 2020/21 the Board of the Housing Executive prioritised and strengthened further its strategic role, to enable more time to focus on issues which are high level and of fundamental importance to the current and future direction of the organisation.

The new Committee Structure, introduced in shadow form early in 2021, involved the establishment of a new Resources and Performance Committee and the expansion of the remit of the DLO Performance & Development Committee to include Asset Management and Maintenance. Both operated in shadow form during February / March 2021, their respective Terms of Reference and delegated authorities were formally approved by the Board on 28 April 2021. This structure was enhanced further with the establishment of one additional Committee (Tenant and Customer Services Committee), operating in 'shadow' form during March 2022. The respective Terms of Reference and delegated authority for this new Committee were formally approved by the Board in February 2022.

Each Committee operates under its own Terms of Reference, meets at least four times per year, and comprises two Independent Members to enhance the oversight it provides. Each Committee Chair brings to the attention of the Board any matters of strategic interest or delegated authority undertaken by the Committee.

All Board Members have access to all materials relating to each Committee to ensure full disclosure and transparency.

Audit and Risk Assurance Committee (ARAC)

The Audit and Risk Assurance Committee (ARAC) is an advisory and scrutiny body with no executive powers. The Committee operates in accordance with the DoF Audit & Risk Assurance Committee Handbook (NI 2018) as specified in DAO (DOF) 03/18. The Committee, which is chaired by the Board Vice-Chair, supports the Accounting Officer and Board by reviewing the comprehensiveness and reliability of assurances on internal audit findings, governance, risk management and the integrity of financial statements and the annual report.

The Committee comprises three Board Members and two Independent Members, and meets quarterly with adhoc and/or special meetings, workshops or visits arranged as required. Representatives from the Northern Ireland Audit Office and an observer from the Department for Communities also attend these meetings.

Asset Management and Maintenance Committee

The Asset Management and Maintenance Committee formally commenced operation in 2021/22 having operated in shadow form during 2020/21. Its primary function is to support the Board in carrying out its constructive challenge and oversight function on behalf of the Board in relation to the annual planned stock investment programme and any new asset-related strategies. The Committee comprises four Board Members and two Independent Members.

The Committee also has responsibility for a range of matters including: approving (under delegated authority from the Board), significant asset related procurements up to values of £10million; agreeing and approving the Annual Improvement and Investment Plan; ensuring the monitoring of overall Organisational progress in respect of asset management initiatives, and monitoring performance against Key Performance Indicators and service delivery plans.

Committee Meetings alternate with Board Meetings and are attended by the Executive Team and a number of other officials and/or Business Partners as required.

Resources and Performance Committee

The Resources and Performance Committee formally commenced operation in 2021/22 having operated in shadow form during 2020/21. Its primary function is to support the Board in carrying out its constructive challenge and oversight function on behalf of the Board in relation to the corporate and annual business plan and the annual budget. The Committee comprises three Board Members and two Independent Members.

The Committee also has responsibility for a range of matters, including: approving strategic financial and resourcing plans to align with the achievement of corporate objectives; ensuring the monitoring of performance against the approved corporate and business plans; approving significant policy changes, financial or establishment changes that support delivery of corporate objectives; and approving land disposals above a value of £500k.

Committee Meetings alternate with Board Meetings and are attended by the Executive Team and a number of other officials and/or Business Partners as required.

Tenant and Customer Services Committee (Shadow)

The Tenant and Customer Services Committee, was established in shadow form during 2021/22 and commence operation in May 2022. The Committee comprises three Board Members and two Independent Members (a recruitment exercise is currently underway for one of these two positions).

Its primary function is to support the Board in carrying out its constructive challenge and oversight function, on behalf of the Board, in relation to relevant performance matters which impact tenants and customers, relevant key tenant and customer-related strategies, and ensure the monitoring of the end user experience in relation to tenant and customer satisfaction.

Committee Meetings alternate with Board Meetings and will be attended by the Executive Team and a number of other officials and/or Business Partners as required.

Board Task and Finish Groups

During 2021/22, one Task and Finish Group remained operational up until 31 December 2021, namely, the Supporting People Progress & Scrutiny Group. The business considered by this Group was redirected to the newly established Tenant & Customer Services Committee.

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 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, Statement of Financial Position 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, 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;
- prepare the financial statements on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer of the Department 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 Managing Public Money Northern Ireland.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Housing Executive's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 MARCH 2022:

The Chief Executive, as the Accounting Officer of the Northern Ireland Housing Executive ('the Housing Executive'), is required to have in place adequate and effective arrangements for the management of risk and to produce an Annual Governance Statement. This Annual Governance Statement has been approved by the Housing Executive Board and forms part of the Annual Report and Accounts.

This Annual Governance Statement refers to the accounting period 1 April 2021 to 31 March 2022. It has been produced in line with guidance issued by the then Department of Finance and Personnel (DFP) in Dear Accounting Officer letter DAO 10/12 and Annex 3.1 of Managing Public Money Northern Ireland (MPMNI). It comprises the following sections:

1. Scope of responsibility;
2. The Housing Executive's Governance Framework;
3. Overview of significant reports (3a External Reports & 3b Internal Reports);
4. Declaration of significant governance issues;
5. Other significant issues; and
6. Conclusion.

1. Scope of responsibility

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

The Management Statement and Financial Memorandum (MSFM) issued to the Housing Executive by the Department for Communities ('the Department') sets out the controls to be exercised over the different areas of the Housing Executive's activities by the Department.

The MSFM, MPMNI and relevant Dear Accounting Officer (DAO) letters set out the controls to be exercised over the different areas of activity, by the Department either directly, or by the Housing Executive, through its Board under delegated authority.

2. The Housing Executive's Governance Framework

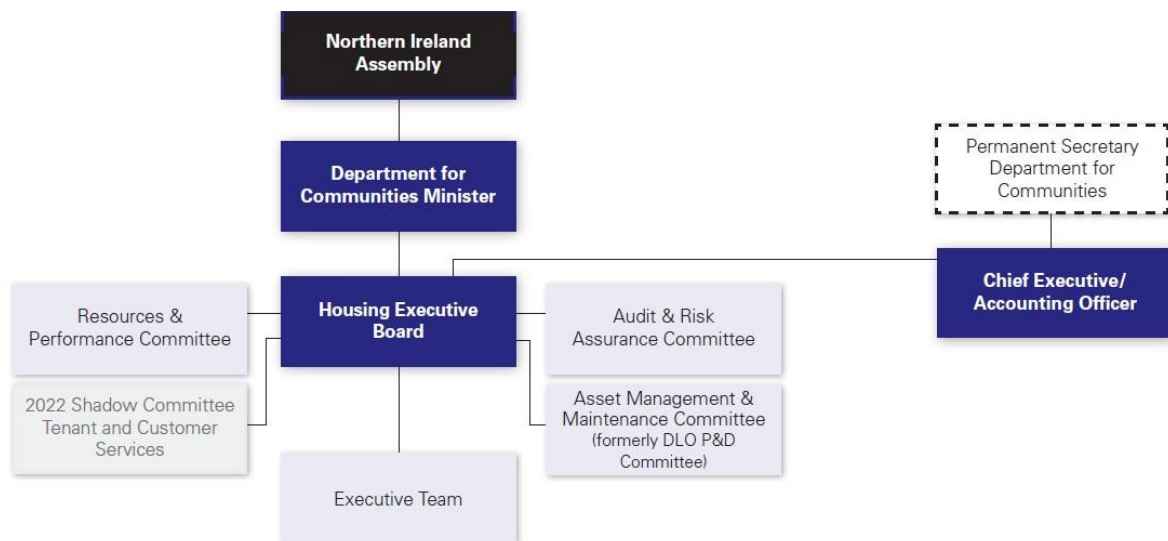
The Housing Executive operates a Governance Framework that brings together legislative requirements, good governance principles and robust management processes. This includes the system of internal controls, standing orders and the assurance process. The Governance Framework is regularly reviewed.

The Housing Executive maintained an effective system of internal control for the year ended 31 March 2022 in accordance with Department of Finance (DoF) guidance.

The Housing Executive's Head of Internal Audit's Annual Audit Opinion for the 2021/22 financial year provides a formal opinion on the governance; risk management and control arrangements in place within the Housing Executive (see Section 3B for opinion).

The governance structure, as shown in the diagram below, reflects the relationship and partnership arrangements between the Housing Executive and its sponsoring Department; and between the Board, its Committees, the Chief Executive and the Executive Team.

Board and Committee Structure in 2021/22



The Board

A ten member Board oversees the strategic direction, performance and supervision of the Housing Executive. The Board supports the delivery of the Programme for Government targets, Ministerial priorities, the Department's

housing strategies, government reforms and promotion of the core values of the organisation. In line with best practice, the Board have established a Board Operating Framework and Standing Orders. These regulate the proceedings and business of the Housing Executive and its Committees and are periodically reviewed.

During 2021/22, the Board continued to evolve its governance architecture to provide greater capacity to focus on strategic issues, enhance capacity for scrutiny due to new issues and increased complexity of Housing Executive operations, and to further develop partnership arrangements with the Department for Communities.

Accordingly, new internal arrangements were implemented during 2021/22, with the formal establishment of one new committee (Resources and Performance), the continued evolution of an existing committee (Asset Management & Maintenance, formerly DLO Committee) and the establishment of a third committee in 'shadow' form during 2021/22 (Tenants and Customer Services).

The Board further strengthened its governance arrangements by nominating Pauline Leeson, an existing Board Member to assume the role of Senior Independent Director (SID), effective from 1 April 2022. The primary role of the SID is to act as a sounding board to the Chair, and assist, where appropriate, with issues such as whistleblowing, discipline and grievance cases.

The overall purpose of the new structure was to support the Board in strengthening further its strategic role to enable a greater focus on issues of fundamental importance to the current and future direction of the Housing Executive.

Each Committee operates under its own Terms of Reference, meets at least four times per year, and has two independent members to enhance the oversight it provides. The Chair of each committee brings to the attention of the Board any matters of strategic interest or delegated authority undertaken by the Committee. Board members have access to all materials relating to the committees, to ensure full disclosure and transparency.

An advisory review of the new committee structure has been completed by Internal Audit. The review concluded that the newly embedded Committee Structure is a key addition to the overall governance of Housing Executive and improves both the Board's ability to focus on strategic matters and the level of assurance provided to the Board regarding key operational processes.

Audit and Risk Assurance Committee (ARAC)

The ARAC operate in accordance with the DoF Audit & Risk Assurance Committee Handbook (NI 2018) as specified in DAO (DOF) 03/18. The

Committee is chaired by the Board Vice-Chair and supports the Accounting Officer and Board by reviewing the comprehensiveness and reliability of assurances on internal audit findings, governance, risk management and the integrity of financial statements and the annual report.

Asset Management and Maintenance Committee

The Asset Management and Maintenance Committee formally commenced operation in 2021/22 having operated in shadow form during 2020/21. Its primary function is to support the Board in carrying out its constructive challenge and oversight function on behalf of the Board in relation to the annual planned stock investment programme and any new asset-related strategies.

The committee also has responsibility for a range of matters including: approving (under delegated authority from the Board), significant asset related procurements up to values of £10million; agreeing and approving the Annual Improvement and Investment Plan; ensuring the monitoring of overall Organisational progress in respect of asset management initiatives, and monitoring performance against Key Performance Indicators and service delivery plans.

Resources and Performance Committee

The Resources and Performance Committee formally commenced operation in 2021/22 having operated in shadow form during 2020/21. Its primary function is to support the Board in carrying out its constructive challenge and oversight function on behalf of the Board in relation to the corporate and annual business plan and the annual budget.

The committee also has responsibility for a range of matters, including: approving strategic financial and resourcing plans to align with the achievement of corporate objectives; ensuring the monitoring of performance against the approved corporate and business plans; approving significant policy changes, financial or establishment changes that support delivery of corporate objectives; and approving land disposals above a value of £500k.

Tenant and Customer Services Committee (Shadow)

The Tenant and Customer Services Committee, was established in shadow form during 2021/22 and is scheduled to commence operation in 2022/23. Its primary function is to support the Board in carrying out its constructive challenge and oversight function on behalf of the Board in relation to relevant performance matters which impact tenants and customers, relevant key tenant and customer-related strategies, and ensure the monitoring of the end user experience in relation to tenant and customer satisfaction.

Board Task and Finish Groups

During 2021/22, the Board operated one Task and Finish Group as part of the development of its governance architecture and establishment of new committees. The Supporting People Progress & Scrutiny group operated during 2021/22 to provide the Board with enhanced assurance and formally concluded in December 2021.

Board and Committee Record of Attendance for 2021/22

Between April 2021 and March 2022, the Housing Executive Board met a total of nine times. Board membership and attendance is outlined in the below table.

	Members	Board	Audit & Risk Assurance Committee	Resources & Performance Committee	Asset Management & Maintenance Committee	Tenant & Customer Services Committee ¹	Supporting People Progress & Scrutiny Group ²
Board Members	Professor Peter Roberts	9/9					
	John McMullan	9/9	5/5			2/2	7/8
	Derek Wilson	7/9		6/6			
	Jim McCall	8/9	5/5			2/2	8/8
	Chris Welch	7/9			6/6		
	Pauline Leeson	8/9		5/6	5/6		
	Catherine Elattar	6/9			5/6		2/8
	Allan Bresland	7/9			4/6		
	Michael Ruane	7/9		6/6			
	Amanda Grehan	8/9		4/5		2/2	
Independent Committee Members	Sharon Hetherington		5/5				
	David Peacock		4/5				
	Una Davey				3/6		
	Niall Sheridan ³				4/4		
	Parvesh Paul Sood ³			3/4			
	Mark Lowry ³			4/4			

¹ The Tenant & Customer Services Committee held two meetings in shadow form during 2021/22

² SP Progress and Scrutiny Group concluded in December 2021

³ Appointment effective from 1 September 2021.

The Chief Executive and Executive Team attend Board and Committee meetings, along with other officers as appropriate. The Board's annual work programme usually incorporates regular visits to see projects underway at a local level, as well as two business away days to allow more detailed consideration of cross-organisational issues such as strategic priorities, best practice, governance topics and key policy matters. Independent Committee Members are also invited to attend Board away days and workshops to ensure a broad awareness of key issues.

Performance of the Housing Executive Board 2021/22

In line with best practice, the Board periodically undertakes an internal or external self-effectiveness evaluation. The Chair completes annual appraisals for all Board Members during May/June for submission to the Department. These appraisals also include the special responsibilities for the Board Committees each Member serves on, and individual training needs or collective workshops to enhance Board Members' knowledge and skills are arranged as necessary.

In respect of Committee performance, an annual report is produced for each committee and is presented to the Board, outlining the effectiveness of the Committee and the scope of work undertaken during the year. Independent Committee Members are also appraised by the Committee Chair, and each Committee also undertakes an annual self-effectiveness assessment.

During 2021/22 the Board commissioned an externally led review of its effectiveness. It is anticipated that the review will be completed during 2022/23.

Quality of information used by the Board

The Chair continues to emphasise the need for Board business to focus on strategic matters with appropriate reporting reflecting internal organisational structures, roles and responsibilities. This approach is reflected in the evolution of the governance architecture through the enhanced Committee structure.

The style and format of papers submitted to Board are periodically reviewed to give the Board assurance that the content is of sufficient quality to support effective, timely and informed decision making. Procedural improvements were introduced during 2021/22 including streamlined templates for Board and Committee papers. These will be further developed to ensure they meet the needs of Board and Committee Members.

Declaration of Interests and Conflicts of Interest

The Board Member conflicts of interest are dealt with in accordance with best practice and are recorded in the relevant minutes. Furthermore, an electronic register of interests is maintained and updated as necessary. Should a conflict arise due to declared interests, the member may be asked to withdraw from the meeting and not to take part in any discussion, or decision-making.

In this financial period, there were two instances identified of potential conflict of interest during meetings, both of which were managed in accordance with best practice. In both cases, it was agreed that there was a potential conflict, and in both instances, the members undertook to refrain from discussion of the items in question.

Board / Committee Members and the Senior Management Team are also required to declare any gifts or hospitality received or offered, and these are recorded and presented at each ARAC meeting.

The Housing Executive policy on the declaration and management of interests in place for all staff is set out in the Housing Executive's Resourcing Policy, Procedures, and the Code of Conduct for Housing Executive Officers, published on the Housing Executive website.

The Code of Conduct requires all permanent staff, seconded staff and Agency workers who currently carry out work in the Housing Executive, regardless of grade or employment type, to complete the Staff Declaration Register on an annual basis and to keep it under review if any subsequent potential conflict of interest should arise.

The Code of Conduct also governs the handling of outside employment for Housing Executive Officers. Section 9 on Outside Commitments states that Officers must not engage in any external business, any external employment, or any external appointment, without the prior written consent of their Designated Manager.

The Staff code of conduct (section 18), sets out advice to managers on staff Leaving Housing Executive employment. Employees are required to complete the Staff Declaration Register when applying for or approached about, employment with any Housing Association, social landlord, current Housing Executive contractor, supplier or service provider, or a contractor, supplier or service provider tendering for Housing Executive business (subject to certain specified conditions). The Designated Manager should then consider the declaration, identify any potential conflict and take any appropriate actions (e.g. conditions during notice, transfer, duty of confidentiality etc.).

Risk Management Overview

The Housing Executive is committed to the effective management of risk in order to achieve its corporate goals and objectives. A robust risk management framework is in place to co-ordinate risk management activities, principally comprising an overarching risk management policy and procedures, supported by a risk management strategy to integrate risk management across the organisation.

Managing Risk within the Housing Executive

The Board have overall responsibility for ensuring that risk management within the Housing Executive is effective. As Accounting Officer, along with the Executive Team I have responsibility for ensuring that an effective system of risk management is maintained to inform decisions on financial and operational planning, and to assist in achieving objectives and targets.

The Audit Risk and Assurance Committee (ARAC) and Board are regularly briefed on all risks identified and action plans are in place to reduce current risk scores where they are higher than deemed acceptable.

The Housing Executive adopts best practice of risk management, based on the 'three lines of defence' model outlined in HM Treasury Orange Book. A dedicated risk management function is supported by divisional risk champions in maintaining risk registers at corporate and divisional levels, identifying new and emerging risks, and managing any identified actions. This is done on an ongoing basis and regularly reported to the appropriate Board and management-level committees.

Risk is also a regular topic at management meetings to facilitate identification of new, emerging or changing risks so that appropriate action is taken. The Risk Management Team also works closely with the Internal Audit function to shape future audit plans and ensure learning from audit findings.

The Housing Executive has adopted the concept of risk appetite, articulated through its risk appetite statement. By developing a risk appetite, the Board are able to focus on those risks which present the greatest threat to the Housing Executive. This proportionate approach ensures that adequate oversight of significant risks is in place.

The Organisation's overall risk appetite is currently assessed as "measured". The measured appetite reflects our preference for safe delivery options that have a low degree of residual risk with a strong control framework in place and is cognisant of the Housing Executive's role as an Arm's Length Body and the need to ensure that public funds achieve value for money.

Corporate Risks

The Corporate Risk Register includes those strategic risks, which the Board and I, as Accounting Officer, consider could have significant impact should they materialise. This is kept under continuous review throughout the year and is updated to reflect the current operating environment.

Over the last year, the Housing Executive has continued to actively manage, monitor and review the Corporate Risk Register and considered the potential risks associated with significant external events, including the ongoing impact and risks associated with COVID-19, as well as those risks unique to the Housing Executive. All significant risks have been proactively managed and monitored during the reporting period in accordance with the strategic risk management framework.

The Corporate Risk Register currently identifies 12 corporate risks, both strategic risks relating to the organisation's context as the strategic housing authority for Northern Ireland, and Organisational risks common to other public sector bodies, such as health and safety, resourcing, finance, fraud and error, governance and technology. The Housing Executive-specific strategic risks are:

- **Homelessness:** Failure to provide a Homeless Service which addresses the problems identified.
- **Housing Supply:** Lack of housing supply restricting our ability to address housing need.
- **Income Collection:** Failure to collect rental income owed to the Housing Executive particularly in light of the effects of Welfare Reform, restricting our ability to invest in our stock.
- **Planned Maintenance:** Unable to meet our investment requirements and to deliver an effective and timely Planned Maintenance programme in line with the Housing Executive Asset Management Strategy.
- **Response Maintenance:** Failure to provide an effective response maintenance service that is reliable, timely and value for money.
- **Supporting People:** Insufficient budget / resource available to provide an effective Supporting People programme.

Fraud Risk & the National Fraud Initiative (NFI)

The Comptroller and Auditor General (C&AG) for Northern Ireland has been given statutory powers to conduct data matching exercises for the purposes of assisting in the prevention and detection of fraud.

The Housing Executive is a mandatory participant in this process which analyses data submitted by the range of participating public sector bodies. The Housing Executive submits a range of data sets which are matched against the data sets uploaded from, for example, all UK local authorities, some housing associations, student loans company, payroll, taxi licencing and deaths records.

Data matches from the 2020/21 NFI exercise were received in February 2021. The Housing Executive risk assessed and prioritised the matched and to date the majority of matches have been processed and closed. No fraud has been detected and a number of Housing Benefit overpayments are in the process of being recovered.

Fraud risk is continually assessed within each business area of the organisation and reported quarterly to the Audit and Risk Assurance Committee.

Ministerial Directions

During the Financial year 2021/2022, the Minister for Communities issued a Ministerial Direction. The Instruction to the Ministers officials was to develop a scheme that would make a payment of up to £500 to Supporting People and Homelessness sector staff. This was in recognition of their efforts to support some of the most vulnerable people in our community during the Pandemic. The Department wrote to the Housing Executive confirming the £500 payment and the Housing Executive was then asked to take forward the scheme to deliver the recognition payments to Supporting People and Homelessness staff.

Personal Data Breaches

During 2021/22 one personal data breach was notified to the Information Commissioner's Office (ICO). This breach related to the loss of personal information. The ICO has subsequently closed this case with no further action required.

3. Overview of Significant Reports/Issues

3a. External Reports Departmental Inspections

DfC Internal Audit department completed an External Quality Assessment of the Housing Executive Internal Audit service providing their final report in November 2021. The review team determined that the service conforms to 60 of the 61 applicable standards with partial compliance in the remaining 1 standard, providing an overall conclusion of 'Generally Conforms' to Public Sector Internal Audit Standards and Code of Ethics.

3b. Internal Reports

Head of Internal Audit Opinion

Throughout the 2021/22 year Internal Audit delivered an ARAC approved programme of work to enable the Head of Internal Audit to provide an annual opinion on the overall adequacy and effectiveness of the Housing Executives framework for risk management, control and governance.

The Head of Internal Audit, on the basis of work carried out in 2021/22 has provided an overall Satisfactory opinion regarding the adequacy and effectiveness of the Housing Executive's internal control environment.

This means that in the opinion of the Head of Internal Audit, overall there is [a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact the achievement of organisational objectives.

In addition to an overall Head of Internal Audit opinion in relation to the Housing Executive's control environment, the Head of Internal Audit provided a separate satisfactory assurance opinion on the system of internal control over Housing Benefit (HB) (See Housing Benefit Opinion section).

Internal Audit Reports

During the 12 months to 31 March 2022, Internal Audit progressed 32 internal audit assignments from the 2021/22 Internal Audit Plan. This includes 21 assurance assignments, 7 advisory assignments and 4 assignments in respect of the recommendations monitor process.

As detailed below 3 of the 21 assurance assignments were issued with a Limited assurance opinion the definition of which is 'There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved'.

- Affordable Warmth Scheme: Other Measures

The audit identified non-compliance with the technical inspection process, issues with the retention of pre inspection checklists and opportunities for management to improve the technical inspection process guide and booklet.

- Information Governance/Data Protection

The audit identified that the Information Asset Register has not been subject to regular review and update since 2018. Opportunities for improvement were also noted in relation to training and awareness, physical security of data, adherence to data minimisation principles and timely destruction of paper records.

- DLO Procurement

Internal Audit reviewed 50 DLO procurement transactions and identified findings within all the samples tested. The issues identified included non-compliance with quotation procedures, improper segregation of duties, detective controls not operating, supporting documents for procurement transactions not in agreement and a need for further training.

Head of Internal Audit Opinion (Housing Benefit)

During the 12 months to 31 March 2022, Internal Audit carried out 2 audit assignments on Housing Benefit and both reports were issued with a satisfactory opinion.

The Head of Internal Audit, on the basis of work carried out in 2021/22 and cumulative assurances derived from internal audit activity during the previous two years, provided an overall Satisfactory assurance opinion. In forming the overall opinion, the Head of Internal Audit has taken account of the Housing Executive's risk management, control and governance arrangements.

Where internal control weaknesses have been identified these have been reported to senior management and to the ARAC, together with the recommendations for improvement.

Monitoring of Recommendations

In order for the Housing Executive to derive maximum benefit from Internal Audit it is important that agreed audit recommendations are implemented. Internal Audit monitors the implementation of internal and external priority 1 and 2 recommendations through the recommendations monitor process. Progress on implementing Priority 1 and 2 recommendations is reported on a monthly basis to the Performance Review Committee and quarterly to the ARAC.

Internal Audit had an opening balance of 16 recommendations as at 1 April 2021. Over the past 12 months, Internal Audit has made 32 recommendations and 29

recommendations were implemented by management, leaving a closing balance of 1 Priority 1 recommendation and 18 Priority 2 recommendations.

At the request of ARAC Internal Audit implemented a process to monitor outstanding recommendations made by DfC Housing and Regulation branch and DfC Internal Audit. 23 DfC recommendations were added to the recommendations monitor, 17 recommendations have been implemented leaving 5 recommendations outstanding 1 Priority 1 recommendation and 4 priority 2 recommendations. The Housing Executive fully implemented 3 NIAO recommendations during 2021/22 and a further 3 recommendations were closed during the period April to September 2022. Internal Audit will continue to monitor the remaining 1 external NIAO recommendation throughout 2022/23.

Technical Inspection Unit (TIU) Reports

Since September 2021, TIU reported on 18 inspections finalised:

- 13 Compliant
- 2 Partially Compliant
- 3 Healthcheck (no opinion)

The Partially Compliant reports were as follows:

Special Scheme – No Fines (South Region)

Absence of Buildsafe reports throughout the progress of the works and these could not be provided when requested by TIU during the review.

No Monthly Review Meetings had been held.

ECM (Belfast Region)

A sample of TIU on-site inspections found a more expensive code was paid for fencing which did not reflect work on site, when a cheaper and more relevant code was available

There were 20 inspection reviews on the 2021/22 approved TIU plan. Details on their status is set out below:

- 18 issued as final reports; (included in figures above)
- 1 issued as draft report
- 1 to be carried forward to 2022/23

Update on Internal Investigations including potential Fraud Investigations reported in 2020/21 Annual Governance Statement

Of the cases reported in 2020/21, one case relating to a maintenance contractor still remains under investigation. This has resulted in ongoing civil proceedings. One case remains with the PSNI, two cases have been closed following staff members retiring under ill-health, a further two were closed when staff were disciplined and left the organisation and one was closed with the matter being dealt with through a civil process instead.

Internal Investigations 2021/22 (including Potential Fraud)

In 2020/21 we noted a significant HB fraud perpetrated by an employee of the Housing Executive. This matter is now with the PSNI and the member of staff has since left the organisation.

During 2021/22, two new cases were referred to the Corporate Investigation and Security Unit. One case is with the PSNI and a member of staff has been dismissed from the organisation, the second is under active investigation and is likely to result in a police referral.

Internal Investigations 2022/23 (including Potential Fraud)

During the period 01/04/2022 to 01/09/2022 there have been 10 new fraud cases reported. Five involved cyber-enable crime (phishing or social engineering) and all were unsuccessful attempts. All have been reported to the PSNI or Action Fraud and have been closed. There were four grant related frauds reported relating to the Affordable Warmth scheme. Three were attempts and are under active investigation one involves a case of potential double grant funding with another body. One case involves travel and subsistence payments to staff members and is under active investigation.

Tenancy Fraud Unit Investigations (TFU)

From 01 April 2021 – 31 March 2022, 116 tenancy fraud cases were referred to the TFU for investigation:

- 20 dwellings have been recovered;
- 1 fraudulent tenancy recovered;
- 8 fraudulent housing applications were withdrawn or cancelled;
- 1 false bedroom need removed; and
- 5 fraudulent succession\assignments denied;
- 1 fraudulent right to buy withdrawn;

From 01st April 2022 – 19th September 2022, 101 tenancy fraud cases were referred to the TFU for investigation:

- 11 dwellings have been recovered;
- 2 fraudulent tenancy recovered;
- 5 fraudulent housing applications were withdrawn or cancelled;
- 1 fraudulent Housing Selection Scheme Point Removed;
- 5 fraudulent succession\assignments\Joint Tenancy denied; and

The remaining cases are currently awaiting the outcome of their investigations.

Whistle-blowing Cases

During the 2021/22 year, 9 new whistle-blowing cases were referred to the Head of Corporate Investigation and Security. Of these, six have been closed, one of which the allegations were not substantiated and no further action is being taken, a further five of which had the allegations wholly or partially substantiated and have been closed with further action being taken either by an internal NIHE disciplinary investigation or by ongoing engagement with external statutory bodies. Of the remaining three cases, one relates to staffing matters, one relates to an allegation about an IT system procurement, and one relates to housing matters. A case in the early stages of investigation in 2020/21 was found to have evidence to substantiate the allegations and the case closed following referral to the Contract Claims Department and Regional Contract Management staff for further action.

The agreed whistleblowing protocol with the Department in relation to concerns raised about Supporting People Schemes has been utilised in one of the investigations referenced above and one of the cases referred to below.

During the 2022/23 year to date, 7 new whistleblowing cases have been referred to the Head of Corporate Investigation and Security. Of these three have been closed with no evidence found to substantiate the allegations, and a further two cases have been closed with the case being referred to another organisation. Two cases remain open and under active investigation.

4. Declaration of Significant Governance Issues for 2021/22

I can confirm that the significant governance issues raised in the Governance Statement for the year 2021/22 were highlighted in the appropriate risk registers, risk owners were allocated, and actions put in place to address them.

Progress in terms of managing these issues was monitored by the Performance Review Committee and through the risk reporting process, including appropriate reporting to the ARAC and the Board. It is important to note that many of these continue to be issues for the Housing Executive and therefore management actions are continuing.

As part of this year's Governance Statement and taking account of the views of internal and external assurance providers, I wish to declare there were no significant governance issues not already addressed in the statement.

5. Other Significant Issues

COVID-19

The pandemic continued to significantly impact upon the lives of our staff, tenants, customers and partners during 2021/22. As a customer-centred housing

organisation, the restrictions on working arrangements proved challenging in ensuring a strong connections with tenants and providing the highest possible standards of customer service.

The uncertainty throughout the second year of the pandemic continued to impact upon the provision of services to our tenants and customers. The impact on Housing Executive staff and their families has also been significant, and we have ensured that staff health and wellbeing is at the forefront of our response. In spite of these challenges, the Housing Executive continued to deliver essential public services, meet our core objectives and ensure that our tenants were kept safe, warm and dry in their homes.

With the improving public health position at the time of writing, we have recommenced our plans for a phased return to the workplace, based on core principles of meeting the needs of our customers; ensuring the health, safety and wellbeing of staff, and maximising the benefits of working together collaboratively in the workplace and flexibly and remotely. The return to pre pandemic service delivery will see further engagement enabling more in-house visits, increase customer access to our public counters, and staff.

Budgetary Position

The Housing Executive has submitted a draft budget to Board and to DfC based on our financial requirement to deliver our services safely in 2022/23. It outlines the financial challenges faced by landlord services and Regional Services. This year, more than ever, these financial challenges are very real and include the necessary continuation of support measures introduced in response to the COVID 19 pandemic.

Whilst the picture is currently more optimistic in relation to the recovery from the pandemic, we would highlight that the majority of these services will be required to continue beyond 31 March 2022. For example, exceptional pandemic demands mean we have additional circa 800 units of occupied temporary accommodation at present. This alongside other pandemic response measures will take time careful planning throughout 2022/23 and beyond to deal effectively and compassionately with a post pandemic situation.

Our focus for 2022/23 will therefore include the delivery of our essential baseline services whilst also ensuring that our COVID 19 response measures remain in place and continue to evolve as necessary in order to aid a smooth transition back to business as usual.

Provision of Homelessness services

Demand for temporary accommodation has more than trebled between 2018/19 & 2020/21 and has continued to increase further during 2021/22. Within the Housing Executive Budget Submission, a significant increase in the cost of homelessness is included due to the increased dependency and cost of temporary accommodation and the continuing impact of the pandemic on homelessness. It also includes the serious implications for our community should we not receive the funding to continue to deliver our services – 98% of which are statutory or Ministerial priority. We continue to work with DfC to ensure that we provide robust information to support our bid and to continue to raise awareness of the serious financial issues that we face.

Ukraine Scheme

In response to the humanitarian crisis in Ukraine from February 2022, the Housing Executive is part of a multi -agency approach to the UK Government response and engaged with The Executive Office at an early stage. The Housing Executive has established a team to address the commitment made by the Government relating to the intake of Ukraine refugees.

There is a range of significant risks, notably the potential impact on additional demand for temporary accommodation on an already strained homeless service. This is a fast moving situation and the Housing Executive will continue to work collaboratively in partnership across government to ensure that refugees are supported.

Construction materials cost and supply issues

During 2021/22, increased global demand for building materials coupled with reduced production since the outset of the pandemic led to shortages and delays in the availability of some building materials and increased prices as a result of the impact of supply and demand.

From the outset, the Housing Executive actively monitored the situation and potential implications for delivery of our strategic objectives, notably around delivery of maintenance priorities and Social Housing Development Programme (SHDP) targets. A range of measures was introduced during 2021/22 to mitigate the risk to delivery, in line with the Procurement Advice Note (PAN) issued by Department of Finance in August 2021. The materials market continues to be subject to volatility, affecting a range of products. Throughout 2021/22, the Housing Executive has actively monitored the situation and engaged with contractors to mitigate as far as possible any risk to service delivery.

Housing Executive Revitalisation

Work has continued at pace in partnership with the Department to meet the Minister's objectives to consider an Outline Business Case before the end of March with the

Housing Executive playing a key role in the process.

Following the Minister's announcement in November 2020 and the initiation of the Department's *Housing Executive Revitalisation* (HER) project, the extant approach (approved by the Department in 2017) of optimising the level of lettable stock available to help address rising housing need has been extended for a further three years (with a potential review after two years).

The Housing Executive has prepared, with Savills PLC, an updated 30 year projection of stock investment requirements to inform the Landlord Business Plan and the Outline Business Case for Phase 1 of the HER project. This projection has demonstrated a significant increase in funding requirements from the 2015 and 2018 projections, primarily due to the additional works that will be required to decarbonise the stock and address future building safety requirements.

It is anticipated that the HER project will develop and deliver a sustainable solution to the Housing Executive's funding requirements. If it does not the Housing Executive will revisit its previous work to review its Asset Management Strategy and bring forward a plan to address the consequences of a continued funding shortfall. There is no doubt that this will involve difficult investment decisions that will have a detrimental impact on the organisation's ability to sustain estates and achieve net zero carbon in its stock.

Programme Contract Management

The current year has proved extremely challenging for project delivery and in fulfilling the full contract programme due to well-documented issues. External factors such as increased inflation, availability of labour and materials and problems with local and global supply chains have had an impact on contract services.

The Housing Executive currently managed in excess of 140 contracts with an anticipated outturn of expenditure of circa 200 million for this year-end. With the external factors mentioned above which has resulted contractors going into administration, the Housing Executive have intensified its engagement with contractors to ensure any impact on our services as a result of these factors are minimal.

Planned Maintenance

Following the unsuccessful procurement exercise in 2018 to procure long-term planned maintenance contracts, the Housing Executive entered into small interim packages of work whilst we prepared a new offering to the market, taking into account lessons learnt from the previous exercise. The planned maintenance

tender was issued in March 2020 and it was our intention to have, subject to a successful tender exercise and any potential legal challenges, the planned maintenance contracts commencing in December 2020. However, due to the uncertainty in the market caused by the COVID-19 outbreak, it was decided that all tenders that were advertised would be suspended until further notice.

The tender was withdrawn from the market and the delayed start was used as an opportunity to improve upon already existing documents. This tender document was completed and submitted for tender in the Autumn of 2020 with tenders returned and ready for marking in the December of 2020. The evaluation process was completed and the award of the contract was approved at June Board. Award of all lots were completed without challenge and the contract commenced mobilization 01 September 2021. In the interim period, the Housing Executive had continued to use other batched tenders and frameworks available.

Response Maintenance

During the 2021/22 financial year a total of 4 response maintenance contracts were re-procured with effect from September. These contracts had originally been procured on a one plus one basis in the early stages of the pandemic. However, in line with Procurement Advice Note (PAN) 01/21 and Procurement Guidance Note (PGN) 01/20 the Board agreed an appropriate uplift for each of our contracts, across all contracts as a result of increased prices associated with pressures arising from both the pandemic and the implementation of EU-Exit. Following a review of the 7 remaining response maintenance contracts which are coming up to their second natural break in September 2022 (excluding DLO contracts), it was decided to commence re-procurement to ensure the Housing Executive were obtaining market prices and value for money. Tenders were issued in February 2022.

Building Safety

Following the tragedy at Grenfell in 2017, there have been a number of Fire Safety Reports published. These introduced a range of new considerations and safety measures with regards to Tower Blocks and High Rise buildings and may further extend to assessment of external facades (relative to fire spread) across Medium & Low Rise Blocks of Flats & Maisonettes.

The Ministry of Housing, Communities & Local Government (MHCLG) Consolidated Guidance document published “Advice for Building Owners of Multi-Storey, Multi-Occupied Residential Buildings” on 20 January 2020 amalgamated all MHCLG’s advice notes issued to date in relation to fire safety. This was superseded in January 2022. The Department for Levelling Up, Housing & Communities (DLUHC) and formerly MHCLG has now brought forward for England a new “risk-based approach”, which the Housing Executive are currently reviewing.

The Fire Safety Act 2021 was made law on 29 April 2021 and is being introduced to improve fire safety in buildings in England and Wales, but has yet to come into force. It clarifies that the responsible person or duty-holder for multi-occupied, residential buildings must manage and reduce the risk of fire for:

- the structure and external walls of the building, including cladding, balconies and windows; and
- entrance doors to individual flats that open into common parts.

A draft Building Safety Bill introduced in 20 July 2020 brings forward the recommendations from the “Review of Building Regulations and Fire Safety” by Dame Judith Hackitt to improve fire safety in high-rise residential buildings in the wake of the Grenfell Tower fire, in England and Wales. This is likely to get Royal Assent in Spring 2022 with a number of key requirements becoming law by April 2023 such as the registration of buildings.

The Housing Executive has been reactive to all guidance and regulatory reform in response to the Grenfell Tower fire and in line with the recommendations that all building owners should actively ensure the safety of residents and not wait for regulatory reform. As a consequence all Housing Executive High Risk Tower Blocks were reassessed from a fire safety perspective to ensure they meet the proposed required standards.

The Housing Executive has taken the following action on their High Rise Tower Blocks:

- Fire Risk Assessments (FRA) in Tower Blocks - a new “whole building” approach based on recent Ministry of Housing, Communities & Local Government (MHCLG) guidance has been adopted which includes internal inspections of flats, a check of the flat entrance doors internally and in respect of overhead door closers, internal fire doors, the domestic detection systems, general housekeeping and combustible storage on balconies.
- A full façade assessment research project with the University of Ulster (UU) /Fire-Sert will provide a detailed insight into the construction of the Tower Block facades, the combustibility value of the façade materials and how they would react in regards to external fire spread. It will also involve the installed Cladding Systems to the 4 Tower Blocks with regards to BS 9414 Assessments.
- The retrofitting of BS 9251 Sprinkler Installations in 27 Tower Blocks due to commence mid - late 2022.
- The establishment of a new organisational Building Safety Department and

the development of a Building Safety Case initially for two Tower Blocks including a Building Information Model (BIM), structural survey and a type 4 fire risk assessment.

ALB Partnership Agreement

The Housing Executive engaged extensively with the Department during 2021/22 on the development of a new partnership agreement, to replace the existing Management Statement and Financial Memorandum (MSFM) and Dossier of Controls (DoC). Significant progress was made during the year in developing the partnership approach, building on the mutual trust and confidence between the Housing executive and the Department. It is anticipated that the new partnership agreement will be introduced during 2022/23.

Welfare Reform and Housing Benefit Projects

The Finance, Audit and Assurance Division administer the Welfare Reform function on behalf of Regional Services. The Welfare Reform Project was officially closed in December 2020 as the vast majority of Welfare Reform changes had been successfully completed at that stage. The ongoing impacts of Welfare Reform in terms of Social Sector Size Criteria (SSSC) (also known as the 'bedroom tax'), Benefit Cap and Universal Credit have been incorporated into 'business as usual' processes within Housing Benefit and Housing Services teams. A new Housing Benefit Projects team has been established to oversee the remaining Welfare Reform changes and bring forward a number of new initiatives as follows:-

- Continuation of mitigation payments for those impacted by SSSC and Benefit Cap: Welfare Supplementary Payments (mitigation) were due to end in 2020; however, the Minister for Communities announced plans to extend the mitigations to the Bedroom Tax beyond 31 March 2020 and payments continued. On 8th February 2022, the Northern Ireland Assembly passed legislation to extend the provision of Welfare Supplementary Payments for those affected by Social Sector Size Criteria (Bedroom Tax) indefinitely and closed loopholes in the legislation which meant Social Sector tenants lose entitlement to Welfare Supplementary Payments when they moved without reducing their level of under-occupation. The new legislation also amended current SSSC policy so that those tenants who have previously lost Welfare Supplementary Payments can have had them reinstated (if they remain eligible).
- Move to UC: The natural transition of Housing Benefit claimants to Universal Credit (UC) continued throughout the year albeit at a slower pace than previously anticipated. The managed migration of legacy Housing Benefit caseload 'Move to UC' has been further delayed and will not commence until January 2023. The completion of this process is programmed for December

2024. The 'Move to UC' programme is not yet developed in Northern Ireland (or in UK as a whole); however, consideration of a partner led approach involving the Housing Executive as a trusted partner to support claimants/tenants to move to UC is seen an endorsement of the work undertaken by the Housing Executive during the ongoing 'transition to UC'.

- Low Income Rate Relief and Rates for Owner Occupiers: The Housing Executive has been working with the Department of Finance and Land & Property Services to establish a project to introduce a new low income Rates Relief system and to transfer the administration of Rates for Owner Occupiers. The project commenced in May 2021 and it will become operational in June 2022. The new Low Income Rates Relief (LIRR) system will also replace the current system for the rented sector and this part of the project went live on 01 April 2021. The transfer of Housing Benefit (Rates) and Low Income Rate Relief for Owner Occupiers represents a major undertaking for the organisation which will increase the Housing Benefit caseload by 42,000 claims.
- The Digital Transformation Programme: This programme incorporates a number of projects which will increase digital inclusion and improve customer awareness and accessibility to available financial support within Housing Benefit. These projects include:
 - Online access to Housing Benefit services and financial support schemes;
 - Move from surface mail to email for Housing Benefit customers;
 - Greater use of social media to communicate with customers; and
 - Enhancements to the Housing Executive's website.
- Further development of the Discretionary Housing Payments scheme: In June 2021 DfC commenced a review of the Discretionary Payment Scheme. At the outset, the policy intent of DHPs was updated and the main policy objective of DHPs is now to sustain tenancies and prevent and alleviate homelessness. In December 2021, a number of policy changes were introduced. This includes:-
 - The removal of the two year time limit;
 - The 13 week protection which was introduced during Covid-19 is now policy going forward;
 - Claimants moving from temporary accommodation and young people leaving care will have the full shortfall between contractual rent and Local Housing Allowance met for a period of 13 weeks. This will then be reviewed and further awards made in line with available budget without the need for a further DHP application;

- Claimants receiving UC housing costs who have had a bereavement within their household which resulted in their LHA rate being reduced will have the reduction covered in full by DHP for a period of 9 months (the first 3 months are currently covered by UC);
- All new awards will be paid to a minimum of the 50th percentile of LHA and if appropriate and applicable to the 75th percentile;
- Claimants receiving UC housing costs who have been impacted by the loss of the £20 uplift which was introduced as a temporary measure during COVID-19 can have their DHP award reviewed and increased in line with the new rules; and
- Any UC claimants in receipt of housing costs who have had a significant change in their income or circumstances can request a review of their DHP award.

Further work is still required and the Projects Team will continue to promote DHPs across the sector, as well as working collaboratively with DfC to ensure we are maximising support for our customers.

The DfC Review has now concluded, proposals include paying rent in advance, tenancy deposits and helping tenants with arrears; however, any changes would require a legislative change and an increase in the budget from DfC

Housing Benefit Fraud and Error

Housing Benefit overpayments arise from a combination of customer fraud and error, as well as official error.

The following note sets out the activities and outcomes of work undertaken under the HB Fraud and Error and HB Overpayment strategies. As part of the review of the delivery of Housing Benefit service, responsibility for Fraud and Error in respect of Housing Benefit transferred to the Department from 1 April 2017 and is managed by the Benefit Security Division (BSD formerly known as SIS) within the Department. Future reporting in respect of HB Fraud and Error will be reported by the Department who will provide a combined report covering all social security benefits.

Assessing the Level of Fraud and Error

Standards Assurance Unit has produced their estimates for calendar year 2021 and table below shows comparisons with 2020.

% of Annual Expenditure	Customer Fraud	Customer Error	Official Error	Total Error
Jan 2021- Dec 2021	2.2%	1.6%	0.4%	4.2%
Jan 2020 - Dec 2020	2.7%	2.1%	0.8%	5.6%

The monetary value of the customer fraud estimate of 2.2% comes to £11.3m while the total estimate of fraud and error of 4.2% amounts to £21.2m. of which £4.3m is underpaid HB due to customer error and official error. These results represent a decrease of £8.9m on the 2020 figures recorded as £30.1m. (Note HB expenditure has reduced from £529.8m for year 2020 to £506.4m in year 2021. The reduction is in line with the HB caseload decline with working-age claimants moving to Universal Credit.

The Housing Executive remains committed to minimising error and maximizing detection of fraud and will continue to work with the Department and carry out a range of Data Match and compliance exercises

Means of Addressing Fraud and Error (Real Time Information)

Undeclared earnings and pensions are acknowledged as being the largest sources of fraud and error. The Housing Executive receives information from HMRC via Verification of Earnings and Pension (VEP) Alerts when a claimant's earnings or occupational pension varies. The VEP Alerts are generated on a daily basis and the Housing Executive review approximately 500 cases each month which ensures that the correct level of Housing Benefit is being awarded and reduces the likelihood of HB overpayments occurring.

Invest to Save: Earned Income Review

The Department secured funding to carry out a range of "Invest to Save" initiatives across all social security benefits during 2021/22. The Housing Executive has carried out a review of over 14,400 claims where claimants have not declared a change to their earned income.

In preparation for the migration of Housing Benefit to Universal Credit, a number of categories of HB claims were identified to data cleanse to ensure that the information for all benefits and incomes on the claim was correct. The resultant Forward Savings when the Housing Benefit was amended are also included in the summary shown below.

Other Compliance counter-fraud activities are continuing, including data matching through Housing Benefit Matching Service, and a small number of Housing Executive Compliance cases not considered suitable for referral to BSD. The results of all Compliance activity are summarised below.

Apr 2021- Mar 2022	Claims Reviewed	Error/Cases Identified	% with Overpayment	Overpayments Raised	Forward Savings
VEP Alerts	6,663	1324	20%	£283,304	£1,395,522
Invest to Save Review of Earned Income Sample Cases	14,419	3297	23%	£389,211	£1,811,234
Data Cleanse/HBMS/NFI	1543	217	14%	£731,131	£197,994
Total Compliance	22,625	4838	21%	£1,403,646	£3,404,750

Partnership with Benefit Security Division

Since 1 April 2017, under new arrangements agreed with BSD (the Benefit Security Division within the Department), the Housing Executive are no longer responsible for reporting outcomes of allegations of Housing Benefit fraud that are received by the Housing Executive and referred to BSD for investigation. However, we will continue to monitor the numbers of cases referred to BSD.

Cases referred to Benefit Security Division BSD for Fraud Investigation	Cases sent to BSD	Cases returned as unsuitable for Fraud Investigation
Apr 2021- Mar 2022	123	0

As well as investigating the allegations of Housing Benefit fraud referred by the Housing Executive, BSD is responsible for investigating fraud across all other benefits. When, as a result of the BSD investigations an adjustment to Housing Benefit is required, the Housing Executive are sent a QB2A form to complete and return, detailing any overpayment. A number of these cases will also result in the claimant being prosecuted or receiving an Administrative Penalty.

Cases investigated by BSD resulting in a HB overpayment	Number of cases	Value of Overpayments raised	Prosecutions	Admin Penalties
Apr 2021- Mar 2022	207	£1,126,713	44	5

HB Overpayment Recovery

A KPI had been agreed with the Department in respect of the recovery of HB overpayments whereby the Housing Executive will recover £9.5m. At the end of March 2022, a total of £10.72 was recovered. The total raised for the period 1st April 2020 to March 2021 was £10.56m. Of the £10.56m in overpayments raised, £2.53m have come through the work carried out by counter fraud and error described above by the BSD and the Housing Executive.

Overpayments of Housing Benefit have reduced over the year by £1.86m, a decrease of 4.2%.

HB Overpayments	B/F from start of year (exc. court costs)	Value of Overpayments raised	Value of overpayments recovered	Written Off	Outstanding at end of period (exc. court costs)
Apr 2021 Mar 2022	£44.5m	£10.56m	£10.72m	£1.76m	£42.7m

The main causes for overpayments are attributed to claimants not reporting changes of circumstances, including changes to income and household. A number of initiatives are in place to minimise the occurrences of overpayments, including the automated

transfer of changes of circumstances via ATLAS files in respect of Tax Credits and Social Security Benefits. The Housing Executive has processed 4million ATLAS transactions between 1 April 2021 and 31 March 2022. The VEP alerts received from HMRC provides details of claimants that have had a significant change in their earned income or occupational pensions. The Housing Executive currently reviews approximately 600 of these alerts each month.

During 2021/22, the estimated level of cumulative overpayments decreased from £44.5m to £42.7m, a decrease of £1.86m. HB expenditure for 2021/22 is recorded as £500m with a total of £10.72m recovered during the same period. A large part of the reduction in overpayments stems from successful detection activity undertaken under the auspices of the Housing Executive's HB Fraud and Error Strategy. During 2021/22, approximately £2.53m was raised in overpayments arising from this counter-fraud activity, made up of £1.41m from activities carried out by the Housing Executive and £1.12m activities carried out by BSD.

A significant proportion of the outstanding debt, £11.9m (28%), can be categorised as old debt with debt being over 6 years old and no method of recovery available. The write-off criteria for HB overpayments are very restrictive with overpayments over the value of £300 only considered for write-off after 20 years.

6. Conclusion

I can confirm that actions are in place to manage any issues identified and that Housing Executive management are fully committed to ensuring that these are appropriately addressed without undue delay. Progress in relation to these will be reported to the ARAC and the Board throughout 2022/23.

Remuneration and Staff Report:

REMUNERATION REPORT

Remuneration policy

The Executive Team within the Housing Executive is remunerated in line with decisions taken nationally by the Joint Negotiating Committee for Chief Officers (for Directors) and Joint Negotiating Committee for Chief Executives (for the Chief Executive). Appointments to the Board are the responsibility of the Minister and are conducted in accordance with the Code of Practice of the Commissioner for Public Appointments.

Pay remits for senior Housing Executive staff are approved by the Department for Communities. The pay award for 2021/22 was approved in May 2022.

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. Twelve weeks' notice is required in relation to termination of contract. Separate procedures are in place for short term or temporary arrangements.

Directors' Emoluments – Audited Information

Included in the forthcoming tables are pay and pension details for all members of the Senior Management Team who were employed as staff for the Housing Executive during the Year Ended 31 March 2022. Pension benefits disclosed represents the value of pension benefits accrued during the year and is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.

REMUNERATION REPORT (continued)

Directors' Emoluments continued – Audited Information

		2022	2022	2022	2022	2022	2021	2021	2021	2021	2021
		Salary	Bonus Payments	Benefits In Kind	Pension Benefits *	Total	Salary	Bonus Payments	Benefits In Kind	Pension Benefits *	Total
		£'000	£'000	£	£'000	£'000	£'000	£'000	£	£'000	£'000
C. Bailie Chief Executive (retired 31 March 2021)	1 Sept 2015	-	-	-	-	-	140-145	-	-	18	155-160
G. Long Chief Executive (from 1 Apr 2021) Chief Executive Designate (from 1 Feb 2021)	1 February 2021	125-130	-	-	38	165 - 170	20-25 **125-130	-	-	6	25-30 **125-130

REMUNERATION REPORT (continued)

Directors' Emoluments continued – Audited Information

Name and Title	Date of Contract	2022 Salary	2022 Bonus Payments	2022 Benefits In Kind	2022 Pension Benefits*	2022 Total	2021 Salary	2021 Bonus Payments	2021 Benefits In Kind	2021 Pension Benefits *	2021 Total
		£'000	£'000	£	£'000	£'000	£'000	£'000	£	£'000	£'000
C. McQuillan Director of Housing Services	1 April 2017	90-95	-	-	-	90 - 95	85–90	-	-	50	140-145
S. McCauley Director of Regional Services	1 April 2012	90 - 95	-	-	20	110 - 115	90-95	-	-	53	140-145
P. Isherwood Director of Asset Management	1 June 2015	90 - 95	-	-	20	110 - 115	90-95	-	-	57	145-150

REMUNERATION REPORT (continued)

Directors' Emoluments continued – Audited Information

		2022 Salary	2022 Bonus Payments	2022 Benefits In Kind	2022 Pension Benefits*	2022 Total	2021 Salary	2021 Bonus Payments	2021 Benefits In Kind	2021 Pension Benefits*	2021 Total
		£'000	£'000	£	£'000	£'000	£'000	£'000	£	£'000	£'000
C. McFarland Director of Finance, Audit and Assurance	1 July 2016	95 - 100	-	-	(2)	95 - 100	95-100	-	-	50	145-150
D. Moore Director of Corporate Services	1 May 2019	90 - 95	-	-	21	110 - 115	85-90	-	-	49	135-140

* Pension Benefits disclosed for each director represents the value of pension benefits accrued during the year and is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase/decrease due to a transfer of pension rights.

** Full year equivalent salary

REMUNERATION REPORT (continued)

Directors' Emoluments continued – Audited Information

Total Remuneration

Total remuneration includes salary, non-consolidated performance-related pay, Benefits in Kind and severance payments (if applicable). It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Salary

'Salary' includes gross salary, overtime, recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex-gratia payments.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

Fair Pay Disclosures – Audited Information

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in its organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the Housing Executive in the financial year 2021/22 was £125k - £130k (2020/21: £135k – £140k). This was 4.80 times (2020/21: 5.20 times) the median remuneration of the workforce, which was £26,500 (2020/21: £26,400). The remuneration for the lowest paid staff member was £17.8k (2020/21: £15.9k).

No employee received remuneration in excess of the highest paid director in 2021/22 or 2020/21. Remuneration ranged from £18,000 to £128,000 (2020/21: £16,000 to £136,000). The increase in the pay multiple ratio between 2020/21 and 2021/22 is due to a lower percentage increase in the median remuneration of the workforce than the highest paid director. This is mainly due to the appointment of a new Chief Executive, following the retirement of the previous Chief Executive. The amount reported in the Fair

Pay disclosure for the highest paid director is calculated using the full-time equivalent of the salary paid at the 31 March 2022 on an annualised basis. This may differ from the reported amount in the directors' emoluments table.

2021/22	25th Percentile	Median	75th Percentile
Total remuneration (£)	20,400	26,500	31,200
Pay Ratio	6.2	4.8	4.1
2020/21	25th Percentile	Median	75th Percentile
Total remuneration (£)	20,400	26,400	31,000
Pay Ratio	6.7	5.2	4.4

For 2021/22, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

Percentage Change for:	2021/22
Average employee salary and allowances	2.1%
Highest paid director's salary and allowances	(5.7%)

The difference in highest paid director's salary and allowances is due to the difference in salary of the outgoing Chief Executive who retired in 2020/21, and the incoming Chief Executive who served a full year in 2021/22. No performance pay or bonuses have been paid to employees or directors in the current or prior year.

REMUNERATION REPORT (continued)

Directors' Pensions – Audited Information

	Total Accrued Pension at Pension Age as at 31 Mar 2022 & Related Lump Sum	Real Incr. (Decr) In Pension & Related Lump Sum At Pension Age	CETV at 31 Mar 2021 (or date of joining)	CETV at 31 Mar 2022 (or date of leaving)	Real Incr. (Decr) in CETV after adj.
	£'000	£'000	£'000	£'000	£'000
G. Long Chief Executive	0 – 5 *	2.5 – 5 *	4	30	12
S. McCauley Director of Regional Services	35 - 40 Plus 40 – 45 Lump Sum	0 – 2.5 Minus 0 – 2.5 Lump Sum	516	561	21

REMUNERATION REPORT (continued)

Directors' Pensions – Audited Information

	Total Accrued Pension at Pension Age as at 31 Mar 2022 & Related Lump Sum	Real Incr. (Decr) In Pension & Related Lump Sum At Pension Age	CETV at 31 Mar 2021 (or date of joining)	CETV at 31 Mar 2022 (or date of leaving)	Real Incr. (Decr) in CETV after adj.
	£'000	£'000	£'000	£'000	£'000
P. Isherwood Director of Asset Management	35 – 40 Plus 55 – 60 Lump Sum	0 – 2.5 Minus 0 – 2.5 Lump Sum	448	488	19
C. McQuillan Director of Housing Services	45 – 50 Plus 85 – 90 Lump Sum	0 – 2.5 Minus 0 – 2.5 Lump Sum	938	983	11
C. McFarland Director of Finance, Audit and Assurance	45 – 50 Plus 85 – 90 Lump Sum	0 – 2.5 Minus 2.5 – 5 Lump Sum	927	977	11

REMUNERATION REPORT (continued)

Directors' Pensions – Audited Information

	Total Accrued Pension at Pension Age as at 31 Mar 2022 & Related Lump Sum	Real Incr. (Decr) In Pension & Related Lump Sum At Pension Age	CETV at 31 Mar 2021 (or date of joining)	CETV at 31 Mar 2022 (or date of leaving)	Real Incr. (Decr) in CETV after adj.
	£'000	£'000	£'000	£'000	£'000
D. Moore Director of Corporate Services	30 – 35 *	0 – 2.5 *	389	427	18

* Due to the member joining the scheme after 1 April 2009, when the pension scheme was reformed and the entitlement to a lump sum payable on retirement was removed, there is no accrued lump sum or real increase in lump sum to be disclosed.

REMUNERATION REPORT (continued)

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 scheme was established by the Government in April 1950 to operate a pension scheme for the local councils and other similar bodies in Northern Ireland. The pension scheme is known as the Local Government Pension Scheme Northern Ireland (the Scheme) and is a defined benefit pension scheme. NILGOSC is the corporate body responsible for the administration of the Scheme and is a non-departmental public body, sponsored by the Department for Communities from May 2016.

From April 2015, the Scheme is a defined benefit career average revalued earnings (CARE) scheme, meaning that future pension benefits will be calculated on career average earnings rather than final salary. This was a change where previously, up until 31 March 2015, the Pension scheme provided benefits for each year of service on a 'Final Salary' basis with a significant change to the scheme in 2009. The major changes to the NILGOSC pension scheme are summarised below:

Prior to 1 April 2009

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.

1 April 2009 – 31 March 2015

Post April 2009, as part of a general review of public sector pension schemes, the Government introduced changes to the pension scheme. Benefits from this date accrued at the rate of 1/60th of pensionable salary for each year of service and the lump sum payment was removed. Further, instead of employees paying a standard contribution rate of 6%, which was applicable up to 1 April 2009 (5% for non-administrative employees prior to 1 January 2003, and 6% thereafter of their pensionable pay), different contribution rates were applied for different pay bands. The revised rates introduced were between 5.5% and 7.5% of pensionable pay. The Scheme's professionally qualified actuaries recommend the rates of employer's contribution to be paid.

From 1 April 2015

The CARE scheme was introduced on 1st April 2015. This operates using a defined benefit career average revalued earnings (CARE) scheme, which results in future pension benefits calculated on career average earnings rather than final salary. The 2015 change also results in contribution rates being calculated on actual pay received rather than full time equivalent pay which was the case in the 2009 Scheme. Contribution rates now range from 5.5% to 10.5%.

REMUNERATION REPORT (continued)

Northern Ireland Housing Executive Pension Arrangements (cont'd)

Employees may have accrued benefits under all of the above schemes variants depending on when they joined the scheme.

From April 2011, pensions payable are increased annually in line with changes in the Consumer Price Index (CPI). Prior to this date, pensions were increased in line with changes in the Retail Prices Index (RPI). The Scheme's professionally qualified actuaries recommend the rates of employer's contribution to be paid.

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.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

REMUNERATION REPORT (continued)

Northern Ireland Housing Executive Pension Arrangements (cont'd)

Pension scheme triennial valuations

Details regarding formal triennial valuations of the pension scheme are included in note 22.

The 2016 Scheme Valuation requires adjustment as a result of the 'McCloud remedy'. The Department of Finance also commissioned a consultation in relation to the Cost Cap element of Scheme Valuations, which closed on 25 June 2021. The Cost Cap mechanism is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. By taking into account the increased value of public service pensions, as a result of the 'McCloud remedy', scheme cost control valuation (Cost Cap) outcomes will show greater costs than otherwise would have been expected. On completion of the consultation process the 2016 Valuation will be completed and the final cost cap results will be determined.

A case for approval of a Legislative Consent Motion (LCM) has been laid in the Assembly to extend the Public Service Pensions and Judicial Offices Bill to Northern Ireland. An LCM allows the Assembly to consent to legislation for Northern Ireland being made by the UK Parliament for devolved matters. The UK Bill will legislate how the government will remove the discrimination identified in the McCloud judgment. The Bill also includes provisions that employees will not experience any detriment if the adjusted valuation costs breach the set cost cap ceiling but any breaches of the cost cap floor (positive employee impacts) in the completed valuations will be honoured.

REMUNERATION REPORT (continued)

Board Members' Emoluments – Audited Information

Name and Title	Date of Appointment	Expiry of Term of Office	2022 Salary £'000	2022 Benefits in Kind £ (to nearest £100)	2021 Salary £'000	2021 Benefits in Kind £ (to nearest £100)
Professor P. Roberts, * Chair	1 April 2019	4 Nov 2022	30 - 35	19,000	30 - 35	14,200
J McMullan Vice-Chairman	1 April 2019	31 March 2024	15 - 20	-	15 - 20	-
K. Millar	1 June 2015	Until 31 October 2020 (extended from 1 June 2020 for a period of 6 months, or until a replacement is appointed. This extension concluded on 31 October 2020)	-	-	0-5 ** 5 - 10	-

REMUNERATION REPORT (continued)

Board Members' Emoluments – Audited Information

Name and Title	Date of Appointment	Expiry of Term of Office	2022 Salary £'000	2022 Benefits in Kind £ (to nearest £100)	2021 Salary £'000	2021 Benefits in Kind £ (to nearest £100)
J. McCall	1 June 2020	31 May 2025	5 - 10	-	5 - 10	-
D. Wilson	1 June 2020	31 May 2025	5 - 10	-	5 - 10	-
C. Elattar	1 January 2020	3 years or until the date of the next Local Government election	5 - 10	-	5 - 10	-
C. Welch ***	1 August 2019	31 October 2025	5 - 10	1,100	5 - 10	500
A. Bresland	1 January 2020	3 years or until the date of the next Local Government election	5 - 10	-	5 - 10	-
M. Ruane	1 January 2020	3 years or until the date of the next Local Government election	5 - 10	-	5 - 10	-

REMUNERATION REPORT (continued)

Board Members' Emoluments – Audited Information

Name and Title	Date of Appointment	Expiry of Term of Office	2022 Salary £'000	2022 Benefits in Kind £ (to nearest £100)	2021 Salary £'000	2021 Benefits in Kind £ (to nearest £100)
A. Grehan	1 January 2020	3 years or until the date of the next Local Government election	5 - 10	-	5 - 10	
P. Leeson	1 November	31 October 2025	5 - 10	-	0 – 5 *** 5 - 10	-

Independent Committee members

Name and Title	Date of Appointment	Expiry of Term of Office	2022 Salary £'000	2021 Salary £'000
S. Hetherington ***	1 December 2017	31 Nov 2022	0 – 5	0 - 5
B. Graham ***	1 May 2014	Until 30 April 2020	-	0 – 5 ** 0 - 5

REMUNERATION REPORT (continued)

Name and Title	Date of Appointment	Expiry of Term of Office	2022 Salary £'000	2021 Salary £'000
D. Peacock ***	1 November 2020	31 October 2025	0 – 5	0 – 5 ** 0 - 5
U. Davey ***	1 November 2020	31 October 2025	0 – 5	0 – 5 ** 0 - 5
N. Sheridan ***	1 September 2021	31 August 2026	0 – 5 ** 0 - 5	-
M. Lowry ***	1 September 2021	31 August 2026	0 – 5 ** 0 - 5	-
P. Sood ***	1 September 2021	31 August 2026	0 – 5 ** 0 - 5	-

* Emoluments for Professor P. Roberts disclosed above reflect his position as Chair / Acting Chair for the Housing Executive during this period.

** Full year equivalent salary

*** Committee member of Audit and Risk Assurance Committee (ARAC), Asset Management and Maintenance Committee (formerly Direct Labour Organisation [DLO] Performance and Development Committee) or Resources & Performance Committee.

The Benefits in Kind relate to travel and accommodation costs paid by the Housing Executive and treated by HM Revenue & Customs as a taxable emolument, together with the income tax borne on behalf of the Board Members.

Staff Report

The following sections in the Staff Report are subject to audit:

Staff Numbers and Costs - Audited Information

	2022			2021	
	Permanent Staff £'000	Others £'000	Board Members £'000	Total £'000	Total £'000
(a) Staff costs comprise					
Wages and Salaries	79,437	-	109	79,546	78,214
Social Security Costs	8,094	-	5	8,099	7,934
Seconded-in Staff	-	208	-	208	197
Agency Costs	-	13,016	-	13,016	12,934
Total Staff costs					
excluding Pension Costs	87,531	13,224	114	100,869	99,279
Other Pension Costs				35,180	28,613
				<u>136,049</u>	<u>127,892</u>
Less staff costs capitalised - IT Software				(153)	-
				<u>135,896</u>	<u>127,892</u>

Social security costs include £388k (2020/21: £375k) of apprenticeship levy costs borne by the Housing Executive.

The costs of staff seconded to other public sector bodies and other organisations have been netted off the total Salaries Costs.

	2022 £'000	2021 £'000
Wages and Salaries	204	111
Social Security Costs	21	11
Other Pension Costs	39	20
	<u>264</u>	<u>142</u>

(b) Average number of persons employed

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

	2022			2021	
	Permanent Staff Number	Others Number	Board Members Number	Total Number	Total Number
Landlord Services	1,996	-	7	2,003	1,964
Regional Services	693	-	3	696	723
Agency Staff	-	534	-	534	521
Seconded In Staff	-	4	-	4	4
	<u>2,689</u>	<u>538</u>	<u>10</u>	<u>3,237</u>	<u>3,212</u>

Staff Report continued

Staff numbers and related costs (continued)

(b) Average number of persons employed continued

Staff numbers are distributed accordingly across the Landlord Services and Regional Services directorates. A recharge is reallocated for direct staff who work specifically in each of these directorates but whose work results in commissioned services elements being performed for the other directorate. Support Services staff are allocated to the Landlord Services and Regional Services directorates on the basis of the apportionment methodology (see accounting policy 1(v)).

(c) Employee Gender

At 31 March 2022 there were 2,853 staff employed within the Housing Executive (including Board Members). Below is a gender breakdown by Directorate:

	Male Number	Female Number	Total Number
Executive	3	3	6
Board Members	7	3	10
Landlord Services	1,188	892	2,080
Regional Services	333	424	757
	<u>1,531</u>	<u>1,322</u>	<u>2,853</u>

The gender disclosure above does not include agency staff or seconded in staff. As noted the gender disclosure numbers are based on staff employed as at 31 March. This disclosure will differ from staff numbers disclosed in part (b), which are based on average full time equivalent for the 2021/22 financial year.

(d) Staff Turnover

The Northern Ireland Housing Executive staff turnover percentage, based on the number of leavers divided by the average of staff in post over the period, for 2021/22 is 5.7% (2020/21: 4.3%). The turnover percentage for agency staff has been calculated as 40.7% (2020/21: 25.3%). The turnover figures have been calculated by the Housing Executive based on the Cabinet Office Guidance on calculations for turnover in the Civil Service.

Staff Report continued

Early Departure Costs - Audited Information

	2022		2021	
	Nos.	£'000	Nos.	£'000
The cost of early departure decisions taken this year and in previous years are shown in the table below:				
(a) Actuarial compensation paid by the Housing Executive for the early payment of pension benefits provided by NILGOSC to officers who retired early;	2	11	19	196
(b) Restructuring compensation paid and accrued by the Housing Executive for the early retirement of staff;	-	-	2	14
		<u>11</u>		<u>210</u>
Pension Liability				
(c) 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;	415	<u>864</u>	430	<u>885</u>

During the year ending 31 March 2022, residual voluntary early severance (VES) costs were incurred from staff leaving during the year who were previously approved under a completed VES scheme. The final residual costs of staff leaving under this scheme are included above.

All staff costs are shown on the face of the Statement of Comprehensive Net Expenditure Account in accordance with IAS 1, 'Presentation of Financial Statements.'

Payments in respect of added years granted to individual employees who 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 in the Statement of Financial Position.

Staff Report continued

Early Departure Costs - Audited Information

Reporting of Compensation and Exit Packages for all Staff 2021/22 - Audited Information

Exit Package Cost Band	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages by cost band
< £10,000	-	2	2
£10,000 - £25,000	-	-	-
£25,000 - £50,000	-	-	-
£50,000 - £100,000	-	-	-
£100,000 - £150,000	-	-	-

Total Number of Exit Packages

2021/22	<u>-</u>	<u>2</u>	<u>2</u>
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2020/21	<u>-</u>	<u>20</u>	<u>20</u>
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Total Cost £'000

2021/22	<u>-</u>	<u>11</u>	<u>11</u>
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2020/21	<u>-</u>	<u>210</u>	<u>210</u>
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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 30th April 2008 and amended in September 2011 and August 2012. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Employee involvement

Our Human Resources Team is based within the Corporate Services Directorate and provides people services for employees across the Housing Executive.

Employee Relations (including Policy)

A key area of work for our HR Advisory Team is supporting the organisation to maintain effective employee relations. We recognise that when employee relations are positive it can improve engagement, wellbeing and productivity.

Crucial to this is ensuring we have up to date policies and practices in line with legislation. Our core policies in this area include discipline, grievance, dignity at work and attendance management and all of these policies were refreshed during 2021/22. During the year we also continued our roll out Dignity at Work Training across the Housing Executive.

It is pleasing to report that we continue to have a relatively low number of formal employee relations cases across the organisation and the majority of our issues are resolved informally. We increased our use of alternative dispute resolution, specifically mediation, conflict resolution and behavioural coaching. We have been able to appoint additional Business Partners into our structure this year and the team continue to improve case management processes.

Trade Union Relationships

Key to effective employee relations is the relationship with our trade union colleagues in NIPSA and UNITE. We meet regularly, both formally and informally, to consult and negotiate on key people issues. The formal negotiating body is the Joint Consultative and Negotiating Committee (JCNC). Membership includes Directors, the Assistant Director of HR and full time Trade Union officials. The primary objective of the JCNC is to promote good employee relations through a process of engagement and communications.

Health & Well-Being (including Attendance Management)

The new HR Advisory structure places a strong emphasis on Health & Wellbeing. Our new Health & Wellbeing Team was established during 2021/22 and has responsibility for the implementation of the Housing Executive's new Health & Wellbeing Strategy for 21-26

A number of new developments were launched this year including a new Health & Wellbeing Hub and a StayWellHub (both on Gateway) with information and advice on health and wellbeing. We also introduced new Health & Wellbeing Bulletins and these have been used for health promotion. We continue to offer corporate gym memberships, a cycle to work scheme, healthy eating initiatives, flexible working patterns and childcare vouchers. The team also facilitated training, webinars and e-learning in a range of areas including cancer awareness, stress awareness, mental health awareness, healthy eating and financial wellbeing.

We ensure the provision of appropriate and proactive occupational health and counselling services that protect and promote the physical and psychological

wellbeing of our people. Our new occupational health contract commenced this year with increased options to refer employees for specialist support and treatment.

New Medical Case Conferences were established during the year to ensure that HR Business Partners regularly meet with our occupational health provider for medical advice on specific cases

During COVID-19 we ensured that occupational health consultations and counselling sessions continued to be held via telephone. Our Health Screening service was paused due to COVID-19 restrictions but was recently re-established as a new on line service.

Our employee assistance programme was also reviewed and other services in addition to counselling were added to support employees returning to work after period of long term illness and to focus on issues such as stress at work and resilience.

We continue to provide a range of initiatives to promote health and wellbeing including health promotion,

We are committed to promoting positive mental health in the workplace and 34 Mental Health First Aiders were re-trained this year in accordance with updated Public Health Authority Guidelines. This will enable these us to recognise the signs and symptoms of common mental health illnesses and guide colleagues towards the right support.

Attendance Management

Total absence for the year was 6.7%. Stress/mental health is the most common reason for absence. Chest and Respiratory has replaced musculoskeletal as the next most common reason, attributed to increased absence caused by COVID-19.

The HR Business Partnering Team supports line managers to promote good attendance and manage absence cases. They advise on absence triggers and support managers through the attendance management and review process. The team manage all occupational health referrals and advise on the implementation of recommendations to support employees to return to work after periods of absence. This includes ensuring reasonable adjustments are implemented and meetings are facilitated between employees and line managers. The attendance management team also ensure employees are aware of the support available and are at hand to provide assistance to employees who wish to avail of these services.

Employment, training and advancement of disabled persons

Both our Corporate Plan and People Strategy set the objective to have a workforce which is representative of our community. To support the achievement of this objective the Housing Executive developed a comprehensive Affirmative Action Plan covering the period 21-26 which details a number of objectives and actions to address areas of under-representation under three broad areas are:

- Advertising and outreach;
- Culture and working environment;
- Specific actions for protected characteristics.

Specific actions have been identified with respect to disability to build on the policies, procedures and practices which are already in place within the Housing Executive. Examples include

- Promoting our job vacancies with organisations such as Employers for Disability NI, continually reviewing our entrance requirements and proactively encouraging participation of disabled people in public life.
- Working towards the achievement of new disability employment standards
- Engaging with disabled employees and external stakeholders to identify possible barriers to recruitment and actions that may encourage increased applications.
- Engaging with Autism NI and other similar organisations to understand and implement actions that encourage applications and facilitate employment for neuro divergent candidates.
- Maximising opportunities such as JobStart and working with external organisations such as USEL, Action Mental Health and Orchardville to support programmes and placement opportunities for people with disabilities.
- Developing a new Reasonable Adjustment Policy and work with internal and external stakeholders (e.g. RNIB and Action Mental Health) to ensure that our HR policies actively consider and address the needs of disabled employees and applicants.

With respect to recruitment and selection, the Housing Executive completed a comprehensive review of Resourcing Policies during 2020/21 and improvements have been further embedded during 2021/22. These policies ensure that all appointments and promotions are based on merit through fair and open competition. Recruitment panels are trained to ensure decisions are objective and that reasonable adjustments are accommodated as appropriate.

Our Resourcing Team delivered a significantly increased programme of work this year and the total number of exercises more than doubled, increasing from 96 in 2020/21 up to **205** this year. The number of posts recruited has almost tripled this year from 76 up to **225** this year. Our Workforce Plan continues to be delivered in partnership with the Directorates and we are developing a new plan in collaboration with our colleagues across the service.

To maintain and promote a diverse and inclusive workforce, we ensure our policies and procedures support reasonable adjustments relating to disability. For example, our attendance management procedures ensure that we consider adjustments which will enable employees to remain in work or return to work following absence relating to a disability. During 2022/23 we plan to launch a new Reasonable Adjustment Policy to further embed the practices that are already in place.

With respect to disability, we 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.

Our Equality & Inclusion (E&I) unit also launched the organisations updated Disability Action Plan in June 2020 and presented the new plan to the Housing Executive’s Disability Forum.

3.6% of our employees consider themselves to have a disability under the DDA definition.

Equality Diversity & Inclusion

Equality, Diversity and Inclusion is central to the Housing Executive’s work and “fairness” has been a core value of the organisation since it was first formed 50 years ago. Our Corporate Plan and our People Strategy include clear objectives to have a workforce which is representative of our community. We are committed to building a diverse and inclusive workforce and our People Strategy includes a range of actions that will help us to achieve this. Our strategic people objective is:

We will ensure a highly valued, engaged, performance and customer orientated workforce, which is representative of our community, and an environment of dignity and respect and health and well-being, where all employees are enabled to reach their potential and be recognised for their individual contributions.

During the year the Equality, Diversity and Inclusion Unit (EDI Unit) was consolidated and began development of an extensive Affirmative Action plan to help us achieve this objective. This plan is viewed as a “living document” which is sensitive to change and will respond to the needs and demands of the community we serve and the changing internal environment of the organisation. We have evolved this plan in liaison with the Consultative Forum on Equality and will continue to consult and engage with representatives of the equality sector to ensure the plan is informed directly by this sector and delivered in liaison with the sector.

We have also set up an Equality Diversity and Inclusion Steering group made up of staff from across the organisation. This group will provide a sounding board for issues that impact on staff and customers and have the opportunity to introduce and develop new initiatives that will further equality across the organisation.

We recognise the importance that culture plays in creating an inclusive working environment and we reviewed our Dignity at Work Policy during 2020/21 and have rolled out a training and awareness programme to support this during the 2021/22 year. Values and behaviours are also critical to building an inclusive workforce therefore we ensure that these are regularly discussed as part of our performance management process.

We currently hold a Bronze Certificate from Diversity Mark Northern Ireland, in recognition of the organisations commitment to equality and diversity and its on-going work with regard to the introduction of a series of initiatives which will further embed the diversity culture within the organisation.

The impact of our employment policies on the composition of the workforce is monitored on an ongoing basis, employee composition and recruitment activity is also monitored to fulfil our statutory obligations in regard to annual monitoring and our Article 55 Review.

In addition to contributing to the People Strategy the EDI Unit is responsible for a number of other equality based functions. This includes:

- the implementation of the Housing Executive's Equality Scheme and relevant legislation,
- Fair Treatment reporting (Article 55),
- Monitoring housing waiting lists, allocations and grants services,
- providing Communication Support across the organisation and
- Maintaining a Safeguarding service.

During the year the Unit completed equality screening of 26 employment and housing services policies, produced two equality monitoring reports, provided consultation support on three major policy consultations, provided responses to 38 requests for equality information, managed 148 safeguarding cases and responded to 87 suicide risk reports. The Communication Support service provided linguistic and sensory disability support to over 5600 customers in 38 languages including sign language.

Engagement

We currently hold the Investors in People Silver Level Award and our reaccreditation process has recently completed. Our report shows improvements in a range of the areas and themes within the IIP framework. The survey response rate increased from 27% in 2018 to 33% in 2021. Our overall engagement score (the Investors in People Benchmark) has shown an increase of 50 points, rising from 603 in 2018 to 653 in 2021.

Our next reaccreditation with IIP will take place in March 2024, we will be completing a separate engagement survey in September 2022.

The IIP assessment provides us with a framework to evaluate our approaches to people management and development. Our report presents an analysis of current strengths and how the Housing Executive can build on these to grow organisational capability, aligning strategy, structure, processes and people. This in turn will help us to prioritise people and culture action plans and provide a methodology to track performance and improvement over time. The recommendations arising from the report will therefore be integrated into our people strategy action plan for the coming years.

Learning and Organisational Development (L&OD)

A key piece of work for the L&OD department included the finalising of our Affirmative Action Plan, this has now been completed and presented to the Equality Commission and we are currently in consultation with key stakeholder groups. We have also launched our EDI steering group who have been tasked with a full review of all areas of our business to understand and take action to improve diversity and inclusion in our organisation. We have delivered 'Dignity at Work' awareness training (653 sessions) and 1647 Diversity and Inclusion in the NI workplace has been delivered via virtual and e-learning delivery for management and staff across the organisation.

Our pilot leadership development programme (launched in November 2021) considered 4 key areas for development of our people, focusing on self-awareness, team leading, organisational acumen and community and customer focus. 13 of our senior managers are in the process of completing this programme reporting positive, applicable outcomes and significant improvement in knowledge sharing and collaboration at this level.

Our L&D Strategy has been significantly developed following a number of focus groups in February 2022. This has enabled a full understanding of the learning experience and needs of our people, and in conjunction with our Learning Needs Analysis review of business critical roles, has formed the basis of our Leadership and business skills development Business Case. We continue to support a wide range of professional qualifications via our Aid to Study scheme (Total: 88 in 2021/21), notably 24 x L4/5 Management Development Programmes, 11 x CIH Level 4 Certificates in Housing, 8 No. CIOB Level 6 Diploma in Building Safety Management, 12 x Finance related professional qualifications (Level 3 – 6), 16 x Construction related qualification (Level 2 – 5)

A number of L&D Programmes have continued during the last year to include our mentoring programme, Prince2, and Virtual Management; and access to a full range of E-Learning Modules in support of the work we do, the wellbeing of our people and a full on-boarding e-learning suite.

We launched our Housing Executive apprenticeship programme in February 2022 to coincide with Apprenticeship week and can now offer a full programme of learning, development and mentoring at this level for new apprentices who will join in Sept 2022 and Jan 2023.

The Project Management Office continues to provide a valued service to the organisation through strategic reporting on the organisations portfolio of products and facilitation of the NI integrated Assurance Process. The PMO provide specialist advice and guidance on programme and project management methodologies whilst supporting the PMSG in the selection, control and prioritisation of business change programmes. At 31 March 2022, they were providing project support to 21 business change projects within the organisation and supports PMSG and Programme Board management arrangements on a bi-monthly basis.

Off-Payroll Engagements

Off-payroll engagements to be disclosed refer to agency staff engaged to the Housing Executive, at a cost (including on-costs) of over £245 a day for greater than 6 months, The Northern Ireland Housing Executive does not currently have any Agency Workers engaged at a cost of over £245 a day for greater than 6 months.

There were no off-payroll engagements of board members and / or senior officials with significant financial responsibility during the financial year.

Health & Safety

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

Expenditure on Consultancy

The Housing Executive spent **£45k** (2020/21: £71k) on consultancy projects during the year.

The Housing Executive also spend **£13m** (2020/21: £12.9m) on the employment of temporary staff. These staff were largely engaged in the performance of statutory duties for Landlord Services and Regional Services activities to cover additional workloads and vacant posts.

Assembly Accountability and Audit Report

ASSEMBLY ACCOUNTABILITY REPORT

Statement of Losses and Special Payments - Audited Information

	2022		2021	
	Number	£'000	Number	£'000
Claims Waived (Amounts Written Off):				
Rent & Rates	2,205	945	1,727	707
Recoverable Charges - Damages	200	142	160	86
Recoverable Charges - Legal	192	82	160	66
Hostels	53	19	49	11
Travellers	1	-	2	-
Rent & Rates - Debt Relief Orders	60	147	96	308
Housing Benefits Overpayments	2,869	1,756	2,802	1,119
	5,580	3,091	4,996	2,297
Special Payments over £250,000	-	-	-	-
Ex Gratia Payments	99	133	57	94
Public Liability Claims	150	1,240	146	825
Contractual Claims	2	298	1	89
Other Write Offs and Cash losses - numerous	70	29	41	616
	5,901	4,790	5,241	3,921

Losses and Special Payments are included in Note 6 of the Financial Statements with the exception of Housing Benefit overpayments which are accounted for in Housing Benefit Expenditure in the Statement of Comprehensive Net Expenditure.

Fees and charges (Audited)

The Housing Executive does not have material income generated from fees and charges.

Remote Contingent Liabilities - Audited Information

The Housing Executive has no significant liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. Contingent liabilities are disclosed in Note 24 of the financial statements.

Notation of gifts

No notation of gifts over the limits prescribed in Managing Public Money Northern Ireland were made.



Grainia Long

Chief Executive

Date: **28 September 2022**

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

Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Housing Executive for the year ended 31 March 2022 under the Housing (Northern Ireland) Order 1981. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Northern Ireland Housing Executive's affairs as at 31 March 2022 and of its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Housing (Northern Ireland) Order 1981 and Department for Communities directions issued thereunder.

Qualified opinion on regularity

In my opinion, except for the estimated levels of fraud and error in housing benefit expenditure as described in the basis of opinion section, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

The total amount paid by the Northern Ireland Housing Executive in housing benefit is £505 million. The level of estimated fraud and error are overpayments of £16.9 million and underpayments, due to official error, of £0.9 million (as reported in Note 28 to the accounts). Housing benefit overpayments are irregular because the expenditure has not been applied to the purposes intended by the Northern Ireland Assembly. Fraudulent transactions are by their definition irregular since they are without proper authority. In addition, transactions containing both over and underpayments arising from official error are irregular because the Northern Ireland Housing Executive has not accurately calculated benefits in accordance with the regulations that specify entitlement criteria and the basis for calculating the amount of housing 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 where payments have not been applied to the purposes intended by the Northern Ireland Assembly; and
- overpayments and underpayments in such benefit expenditure which are not in conformity with the relevant authorities.

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) applicable law and and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Northern Ireland Housing Executive in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Northern Ireland Housing Executive's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Northern Ireland Housing Executive's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Northern Ireland Housing Executive is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Northern Ireland Housing Executive and Chief Executive with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that

report as having been audited, and my audit certificate. The Northern Ireland Housing Executive and Chief Executive are responsible for the other information in the Annual Report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department for Communities directions made under the Housing (Northern Ireland) Order 1981; and
- the information given in the Performance Report and Accountability 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 the light of the knowledge and understanding of the Northern Ireland Housing Executive and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. 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 parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or

- the Governance Statement does not reflect compliance with the Department of Finance’s guidance.

Responsibilities of the Northern Ireland Housing Executive and Chief Executive for the financial statements

As explained more fully in the Statement of Northern Ireland Housing Executive’s and Chief Executive’s Responsibilities, the Northern Ireland Housing Executive and Chief Executive are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Chief Executive, as Accounting Officer, determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the Northern Ireland Housing Executive’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Executive, as Accounting Officer, anticipates that the services provided by Northern Ireland Housing Executive will not continue to be provided in the future.

Auditor’s responsibilities for the audit of the financial statements

My responsibility is to examine, certify and report on the financial statements in accordance with the Housing (Northern Ireland) Order 1981.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Northern Ireland Housing Executive through discussion

with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Housing (Northern Ireland) Order 1981;

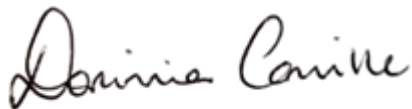
- making enquires of management and those charged with governance on the Northern Ireland Housing Executive's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Northern Ireland Housing Executive's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: expenditure recognition, including Housing Benefit, additional payments relating to the COVID-19 pandemic, expenditure due to price increases in materials and the posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate and undertaking procedures to allow me to rely on the estimate of the level of fraud and error in housing benefit expenditure provided by the Department for Communities;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;

- assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
- investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

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

My detailed observations on Housing Benefit are included in my report attached to these financial statements.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

5th October 2022

FINANCIAL STATEMENTS

Northern Ireland Housing Executive

Statement of Comprehensive Net Expenditure for the year ended 31 March 2022

	Note	2022 £'000	2021 £'000 RESTATED
Income			
Rental Income	4	303,421	296,917
EU Income	4	1,364	1,318
Other Income	4	58,015	51,972
Total Housing Benefit Income	7	<u>496,502</u>	<u>528,593</u>
Total Income		<u>859,302</u>	<u>878,800</u>
Expenditure			
Staff Costs	5	(135,896)	(127,892)
Other Expenditures	6	(550,611)	(447,845)
Total Housing Benefit Costs	7	(496,502)	(528,593)
Depreciation, Amortisation, Write Offs & Write Down	10(a)	<u>(29,785)</u>	<u>(35,638)</u>
Total Expenditure		<u>(1,212,794)</u>	<u>(1,139,968)</u>
Net Expenditure before Interest		(353,492)	(261,168)
Interest Receivable and Similar Income		406	895
Financing Charges	8	(14,078)	(16,179)
Pension Financing Charges	22(d)	(5,397)	(5,441)
Net Expenditure before taxation (C/Fwd)		<u>(372,561)</u>	<u>(281,893)</u>

Northern Ireland Housing Executive

Statement of Comprehensive Net Expenditure (Continued) for the year ended 31 March 2022

	Note	2022 £'000	2021 £'000 RESTATED
Net Expenditure before taxation (B/Fwd)		(372,561)	(281,893)
Tax on ordinary activities	9(a)	160	(248)
Net Expenditure after taxation		(372,401)	(282,141)
<u>Other Comprehensive Net Expenditure</u>			
Items that will not be reclassified to net operating costs:			
Net (loss)/gain on revaluation of Property, Plant & Equipment and Intangible Assets		121,671	70,565
Net (loss)/gain on revaluation of Pension Actuarial Gains & Losses	22(e)	94,719	12,605
Other Comprehensive Net Expenditure		216,390	83,170
Total Comprehensive Net Expenditure for the year ended 31 March 2022		(156,011)	(198,971)

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

The notes on pages 163 to 226 form part of the accounts.

Northern Ireland Housing Executive

Statement of Financial Position as at 31 March 2022

	Note	2022 £'000	2021 £'000
Non-current assets			
Property, Plant & Equipment - Operational	10(a)	2,679,713	2,598,818
Property, Plant & Equipment - Non Operational	10(b)	2,218	1,033
Intangible Assets	10(c)	1,489	1,548
Trade and other receivables	14 & 15	32,965	39,280
Total non-current assets		2,716,385	2,640,679
Current Assets			
Short Term Investments	11	250,000	174,000
Assets Classified as Held for Sale	12	6,032	4,239
Inventories	13	1,339	2,421
Trade and other receivables	14 & 15	69,979	71,313
Cash and cash equivalents	16	80,243	108,280
Total current assets		407,593	360,253
Total assets		3,123,978	3,000,932
Current Liabilities			
Trade and other payables	17	(245,306)	(233,613)
Provisions	21	(1,340)	(1,661)
Total current liabilities		(246,646)	(235,274)
Net Current Liabilities		160,947	124,979
Non-current assets less net current liabilities		2,877,332	2,765,658
Non-current liabilities			
Trade and other payables	17	(33,833)	(33,851)
Loans Outstanding	18	(120,733)	(136,737)
Provisions	21	(944)	(767)
Pension Liability	22(c)	(165,878)	(236,077)
Total Non-current liabilities		(321,388)	(407,432)
Assets less Liabilities (C/Fwd)		2,555,945	2,358,226

Northern Ireland Housing Executive

Statement of Financial Position (Continued) as at 31 March 2022

	2022 £'000	2021 £'000
Assets less Liabilities (B/Fwd)	2,555,945	2,358,226
Taxpayers' Equity		
Statement of Comprehensive Net Expenditure Reserve	1,293,613	1,197,517
Revaluation Reserve	1,262,332	1,160,709
	2,555,945	2,358,226

The financial statements on pages 157 to 226 were approved by the Board Members of the Northern Ireland Housing Executive and signed on their behalf by:



Professor Peter Roberts
Chair



Ms Grainia Long
Chief Executive

Date: 28 September 2022

The notes on pages 163 to 226 form part of the accounts.

Northern Ireland Housing Executive

Statement of Cash Flows for the year ended 31 March 2022

		2022	2021
	Note	£'000	£'000
Net Cash Outflow from Operating Activities	23(a)	(257,651)	(210,593)
Cashflow from Investing Activities	23(b)	(101,720)	(159,586)
Cashflow from Financing Activities	23(c)	353,730	349,075
		<hr/>	<hr/>
Increase/(Decrease) in Cash & Cash Equivalents in the period	23(d)	(5,641)	(21,104)
		<hr/>	<hr/>
Cash and Cash Equivalents at beginning of period	23(d)	60,288	81,392
		<hr/>	<hr/>
Cash and Cash Equivalents at end of period	23(d)	54,647	60,288
		<hr/>	<hr/>
Cash and Cash Equivalents are represented by:			
Cash and Cash Equivalents	16	80,243	108,280
Bank Overdraft	17	(25,596)	(47,992)
		<hr/>	<hr/>
Cash and Cash Equivalents at end of period	23(d)	54,647	60,288
		<hr/>	<hr/>

The notes on pages 163 to 226 form part of the accounts.

Northern Ireland Housing Executive
Statement of Changes in Taxpayers' Equity
for the year ended 31 March 2022

	SOCNE Reserve £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance at 31 March 2020	1,104,864	1,103,258	2,208,122
Changes in reserves 2020/21			
Comprehensive Net Expenditure for year	(269,536)	70,565	(198,971)
Grant from Sponsoring Department	349,075	-	349,075
Transfers between reserves	13,114	(13,114)	-
Balance at 31 March 2021	1,197,517	1,160,709	2,358,226
Changes in reserves 2021/22			
Comprehensive Net Expenditure for year	(277,682)	121,671	(156,011)
Grant from Sponsoring Department	353,730	-	353,730
Transfers between reserves	20,048	(20,048)	-
Balance at 31 March 2022	1,293,613	1,262,332	2,555,945

The notes on pages 163 to 226 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. 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. This means that expenditure and income are recognised 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. There were none to report for 2021/22.

- The Housing Executive has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts:
 - **IFRS 16** Leases replaces IAS 17 leases and is effective with EU adoption from 1 Jan 2019. In line with the requirements of the FReM, IFRS 16 will be implemented as interpreted and adopted by the public sector with effect from 1 April 2022.

The Housing Executive has assessed the impact that the implementation of IFRS 16 will have on the Comprehensive Net Expenditure for the financial year ending 31 March 2023 and on the Statement of Financial Position at that date. The figures relate to existing leases as at 31 March 2022. The standard is expected to increase total expenditure in 2022/23 by approximately £0.45 million. The recognition of Right of Use assets associated with existing Operating Leases is expected to increase the value of non-current assets by approximately £14million, while liabilities will increase by approximately £14million.

- **IFRS 17** Insurance Contracts will replace IFRS 4 Insurance Contracts and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, IFRS 17 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2025. It is not anticipated that this will have a significant impact on the Housing Executive's accounts.

- **IFRS 10, IFRS 11 & IFRS 12**, new and amended standards, were issued by the IASB and affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards were effective with EU adoption from 1 January 2014.

Accounting boundary IFRS is currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Northern Ireland Executive in December 2016. With effect from 2022/23, the accounting boundary for departments and its arms length bodies (ALBs) will change, with an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full with its consolidation boundary also changing as a result of the new Standards.

b) Income

Income is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of a third party. The Housing Executive recognised Income when it transfers control over service provided to a customer.

Rental Income

Rental Income, accounted for on an accruals basis and disclosed in the Statement of Comprehensive Net Expenditure, is the gross rent collectable less rents collectable on voids (vacated dwellings) and abatements for related properties. Rental Income is based on the consideration specified in the rental agreement, allowing for any increase approved annually by DfC. All arrears and advances are reported in the receivables and payables due within one year and after one year.

Rates Income

Rates Income Received, which is shown in Other Income within the Statement of Comprehensive Net Expenditure, refers to rates collectable on Housing Stock and garages. Rates income is recognised on an accruals basis.

Service charges - income from sold flats

Service charge income from sold flats is recognised on an accruals basis as it falls due. Service charges are due from residents of old flats, which were previously owned by the Housing Executive. The service charges on all schemes are set on the basis of budgeted spend.

c) Insurance

It is the Housing Executive's policy to self insure and expense immediately against Public Liability Claims below £500k for any one incident (limit of indemnity £20m), damage to Housing Stock (with the exception of multi storey flats and hostels) and Professional Indemnity Insurance.

d) Housing Benefit

Means tested Housing Benefit is administered by the Housing Executive on behalf of the Department. All claimant payments and the majority of the administrative costs are funded by the Department.

Funding recovered from the Department is not treated as a grant but is included as income in the Statement of Comprehensive Net Expenditure.

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 Department 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) Intangible Assets

IAS 38, "Intangible Assets", covers accounting for the recognition, measurement and amortisation of Intangible assets, in particular 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 its 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 each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method of amortisation as appropriate. Any adjustments are treated as changes in accounting estimates. The amortisation expense on computer software is recognised in the Statement of Comprehensive Net Expenditure within Depreciation, Write Offs and Write Down.

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

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 terms used are:

Computer Software	4-10 years
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f) 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), in accordance with guidance issued by the Department of Communities & Local Government in England titled 'Stock valuation for resource accounting 2016: guidance for valuers'.

To determine the open market value, the "Beacon approach" to valuation is adopted for valuing the housing stock. Under the Beacon approach, 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. A full valuation was carried out by Land & Property Services at 31 March 2019, where valuers carried out an internal inspection of each sample dwelling. The next full valuation is due to be carried out at 31 March 2024.

Between 31 March 2020 and 31 March 2023, the housing stock will be subject to an annual 'desk-top' revaluation by Land & Property Services to reflect changes in stock numbers and market values. The valuation process will be based on the beacon approach adopted in year one of the five year valuation cycle with the revised open market value being adjusted by the adjustment factors. The adjustment factors will be updated in intervening years in accordance with changes to market conditions. This follows the guidance issued by the Department of Communities & Local Government.

To obtain Existing Use Value for Social Housing, the market value for each property archetype is adjusted by a factor which reflects the valuation for the properties if they were to be sold with sitting tenants enjoying tenant's rights. This method of valuation is carried out using guidance issued by the Department of Communities & Local Government in England titled 'Stock Valuation for Resource Accounting 2016 : Guidance for Valuers'. The Adjustment Factor measures the difference between private open market rented and socially rented property at a regional level. During 2020/21, the University of Ulster calculated adjustment factors reflecting the private/public sector yield relationship.

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.

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 Nil value as its value is considered to be reflected within the social house values. Where there is a reclassification of such land to development use, a revised 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-Housing Association (see note 10(a)). The Housing Executive on behalf of the Department recoups the market value of these by deducting from the grant paid to Housing Associations.

Other Property

Commercial Properties, Hostels, Offices and Stores, and Travellers' Sites are valued in accordance with the FReM. They are revalued and relifed every five years by external professional valuers and in the intervening years appropriate indices are applied. Commercial Properties, Offices and 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.

g) Depreciation

It is the Housing Executive's 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	10 year life
Motor Vehicles	10 year life
Office Furniture	7 year life
Specialised Equipment	5 year life
Furniture and Fittings – Hostels	7 year life
Computer Hardware	3 – 10 year life

h) Short Term Investments

Interest-bearing fixed term deposits held with financial institutions or other public sector bodies are included as Short Term Investments where they have a maturity of more than three months (or 94 days), but not exceeding one year, from the settlement date. Short Term Investments are held at fair value.

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. Housing Stock classified as held for sale is based on actual post year end house sales in April and other house sales which are anticipated to complete post year-end.

j) Inventories

The valuation of inventory held by the Housing Executive's 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. Interest-bearing fixed term deposits held with financial institutions or other public sector bodies are included as

cash equivalents only where they have a short maturity, not exceeding three months (or 94 days) from the settlement date.

1) Financial Instruments

Financial Assets

Financial Assets are classified as subsequently measured at:

- Amortised cost – where the contractual terms give rise to principal and interest payments on specified dates and the assets are held solely to collect these contractual cash flows;
- Fair value through other comprehensive income – where the contractual terms give rise to principal and interest payments on specified dates and the assets are held within a business model involving both selling the assets and collecting contractual cash flows; or
- Fair value through profit or loss – for all other financial assets.

Annual credits to the Statement of Comprehensive Net Expenditure for interest receivable are based on the gross 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 Account as the amount receivable in the loan agreement.

Investments in money market funds are held at fair value through profit or loss and dividends received from these funds are credited to “Interest Receivable and Similar Income” in the Statement of Comprehensive Net Expenditure. Any gain or loss on an asset measured at fair value through profit or loss is recognised in the Statement of Comprehensive Net Expenditure.

Expected credit losses on financial assets are considered at the year-end date in accordance with IFRS 9. For loans and investments, the loss allowance is equal to 12-month expected credit losses with only default events occurring in the next 12 months being considered, unless credit risk has increased significantly in which case the loss allowance is equal to lifetime expected credit losses. For lease receivables and trade receivables, the loss allowance is always equal to lifetime expected credit losses. No loss allowances are made in respect of balances receivable from central government.

In respect of financial assets held at amortised cost, such as fixed term deposits held with financial institutions, any material impairment loss is accounted for by a charge to the Statement of Comprehensive Net Expenditure and a credit to the loss allowance within the investment/receivable balance. Financial assets are shown on the balance sheet net of their impairment loss allowances.

Financial Liabilities

Financial liabilities are classified as subsequently measured at amortised cost, unless one of the IFRS 9 exceptions applies.

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.

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 Department, is disclosed in Note 20.

m) Government Grants

Capital and Revenue Grants & Grant-In-Aid from the Department for Communities

A Non Departmental Public Body (NDPB) must treat general 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 the NDPBs.

Any general revenue and capital grants received from the Housing Executive's sponsoring body, the Department, 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 general grants from the Department to support its operational activities and to enable it to administer the functions of Supporting People, Private Sector Grants, Affordable Warmth, Boiler Replacement Scheme and Social Housing Development Programme.

Capital and Revenue grants

Capital and Revenue grants received for specific operational assets and revenue purposes, are accounted for in line with IAS 20.

Capital Grants receivable for specific operational assets are recognised in the Statement of Comprehensive Net Expenditure immediately unless there are conditions stipulated by the Grant Paying body on their use which, if not met, would mean the grant is repayable. In such cases, the income will be deferred and released when the obligations are met. Where the capital grant has no conditions attached to it, the income is recognised immediately.

Grants receivable for revenue purposes are also 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, including grants paid for COVID-19 related expenditure, 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. Any unspent grant paid to a housing association under the Social Housing Development

Programme is recouped by the Housing Executive who in turn pay it to the Department. This is accounted for as a reduction in Social Housing Development Programme in Note 6. Further, grant unspent as part of the Supporting People programme, is recoverable from providers, where separate arrangements have not been made to fund other supporting people services.

n) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date. The leases the Housing Executive currently holds are all regarded as operating leases and the rentals are charged to the Statement of Comprehensive Net Expenditure on a straight line basis over the lease term.

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.

Housing Executive as a lessor

Finance leases

Where the Housing Executive acts as lessor in a finance lease arrangement, the relevant asset is written out of Property, Plant & Equipment as a disposal.

At the commencement of the lease, an assessment is made against the requirements of IAS 17. In the majority of cases, the carrying amount of the asset in Property, Plant & Equipment is written off to the Statement of Comprehensive Net Expenditure. This is then offset by the net investment in the lease, which results in a gain or loss on disposal. A lease asset is matched in the Statement of Financial Position within Trade & Other Receivables, split between due within and due after more than one year.

At the end of the lease, if the asset is to be sold, the carrying amount of the asset is accounted for in the first instance as a capital addition and thereafter immediately disposed of.

Operating leases

Where the Housing Executive acts as lessor in an operating lease arrangement, rental income from operating leases is accounted for on a straight-line basis over the period of the lease. Lease incentives provided are recognised over the lease term on a straight-line basis.

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.
- Interest on Service Cost – this is accounted for in Employee Costs and the Net Interest Cost within the Statement of Comprehensive Net Expenditure.

- Administration Expenses – an allowance for administration expenses and insurance premiums is included in the pension expense as part of the current service cost 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.
- Net Interest Cost – reflects the change during the period in the net defined benefit liability/(asset). The Net Interest Cost 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 and due to experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred). 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

Prior to 2020/21, the Housing Executive did not have Crown exemption and was liable to corporation tax on certain sources of income (interest receivable, chargeable gains on sale of Housing Stock and net rental income in the landlord activities) earned in any year. The Corporation Tax charge was recognised and shown on the face of the Statement of Comprehensive Expenditure.

In March 2021, it was announced, as part of the Government's Budget 2021, that the Housing Executive is now exempt from Corporation Tax with effect from 1 April 2020. More details can be found in Note 9.

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.

Provisions not required and written back during the year are disclosed separately in Note 21 with the exception of the provisions for Public Liability Claims, for which this information is not available. The amount disclosed as provided in the year in respect of these items includes the impact of any provisions not required from the prior year-end, since the amount of this impact cannot be readily ascertained in order to be disclosed separately.

r) Contingent Liabilities

A contingent liability is disclosed in Note 24 if an obligation cannot be accurately estimated or if an outflow of economic benefit to settle the obligation is more than remote.

Remote contingent liabilities, as required under Managing Public Money Northern Ireland if applicable, are disclosed in the Assembly Accountability Report.

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 26 in accordance with IAS 24.

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

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

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

t) Estimation Techniques

The Housing Executive makes estimates and assumptions concerning the future, which by definition, will seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets /liabilities for the next financial year are discussed below:

(1) Provisions

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Statement of Financial Position date, taking into account the risks and uncertainties surrounding the obligation. Please see Note 21 for further details of the carrying amounts.

(2) Pension Liability

An asset or liability in respect of the NILGOSC scheme is recognized on the Statement of Financial Position in accordance with the accounting policy o). The present value of a defined benefit obligation is dependent upon a number of factors that are determined on an actuarial basis. The Housing Executive determines the appropriate discount rate to be used at the end of each year. Please see Note 22 for further details of the carrying amounts.

(3) Assessing the need for and measurement of impairment losses

Impairment losses on receivables, particularly Housing Benefit receivable and Tenant Arrears, is dependent upon the Housing Executive deriving the best estimate of probable losses inherent in the portfolio. Such estimate requires consideration of historical loss experience, adjusted for current conditions, and judgments about the probable effects of relevant observable data. Please see Note 15 for further details of the impairment losses.

(4) Useful lives of Property, Plant and Equipment and Intangible assets

The estimation technique employed in determining the useful lives of Intangible assets and Property, Plant and Equipment is enclosed in accounting policy f) and g) respectively. Please see Note 10 for further details of the carrying amounts.

(5) Valuation of Housing Stock

The estimation technique employed in selection of the beacon property and calculation of the adjustment factor is carried out using Guidance issued by the Department of Communities & Local Government in Great Britain titled 'Stock Valuation for Resource Accounting 2010 : Guidance for Valuers'. More information is enclosed in accounting policy f). Please see note 10 for further details of the carrying amount.

(6) Accruals and Prepayments for Social Housing Development Programme

Grants are paid by the Housing Executive to Housing Associations to fund social housing development schemes. A model has been developed to allow the Housing Executive to recognise the cost of these grants in line with the average pattern in which the Housing Associations incur the expenditure being covered by the funding. The objective is that the Housing Executive recognises the grant costs only to the

extent that the development being funded has been completed. At the year-end, a prepayment or accrual is recognised for every scheme where the grant funding paid to the Housing Association either exceeds or falls short of the development costs incurred. However, the model used to estimate the development costs incurred at year-end is based on average expenditure patterns from historical experience and applies judgments to provide a reasonable approximation of expenditure across all the schemes.

u) Apportionment Methodology – used for annex

Accommodation and Support Service Department costs borne by the Housing Executive are apportioned to Landlord Services and Regional Services in order to establish the full cost of service delivery for each entity. Costs are apportioned as follows:

- Accommodation – apportioned on the basis of building utilisation
- IT Programme Costs – based on system specific utilisation where identifiable, otherwise apportioned on basis of Full Time Equivalent (FTE)
- All other Support Service functions – apportioned on the basis of FTE

The same basis as described above is used to apportion support service department costs within Trade and Other Receivables and Trade and Other Payables in the Statement of Financial Position.

v) Commissioned Services

Commissioned Services are those services that Landlord Services delivers on behalf of Regional Services, and vice-versa. The quantum of staffing resources applied to the delivery of Commissioned Services was confirmed by various local managers across the organisation using staff activity templates. In each instance the full cost of a Commissioned Service is quantified and a charge levied to reflect the full cost of service delivery.

Commissioned Services delivered by Landlord Services on behalf of Regional Services are:

- Homelessness and Waiting List Management
- Housing Benefit
- Travellers
- Corporate Procurement
- Together Building United Communities programme
- Transformation

Commissioned Services delivered by Regional Services on behalf of Landlord Services are:

- House / Land Sales
- Research
- Adaptations
- Equality
- Land & Housing Analytics
- Sustainable Development

Note 2

Changes in Accounting Policy / Estimate

There was one change in accounting policy, details which are below. There were no material changes in accounting estimates which require separate disclosure in the accounts.

Change in Accounting Policy – Re-categorisation of Home Loss and Disturbance payments as Capital Expenditure

Home Loss and Disturbance payments are payable to home owners, landlords or tenants when instructed to vacate or sell their property to enable regeneration / redevelopment of the area.

Up to 31 March 2021, Home loss and Disturbance payments were accounted for within the Statement of Comprehensive Net Expenditure under Other Expenditures - Public Sector Expenditure. However, as per International Accounting Standard 16, costs to be recognised within Property, Plant and Equipment include all costs necessary to bring the asset to working condition for its intended use. Upon review, it was agreed that Home Loss and Disturbance costs are a necessary cost to be incurred to ensure the proposed regeneration / redevelopment of the area occurs.

The effect on the financial statements for this change in accounting policy is as follows:

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

	At 31 March 2021 (without adopting new policy)	Impact of adopting the new policy	At 31 March 2021 (after adopting new policy)
	£'000	£'000	£'000
Statement of Comprehensive Net Expenditure			
Other Expenditure			
Public Sector Expenditure	2,248	(352)	1,896
Impairment	1,011	116	1,127
Depreciation Amortisation, Write Offs & Write Down	35,402	236	35,638
Revaluation – SOCNE			

Note 2 Changes in Accounting Policy / Estimate (continued)

	At 31 March 2021 (without adopting new policy)	Impact of adopting the new policy	At 31 March 2021 (after adopting new policy)
Net Expenditure after taxation	(282,141)	-	(282,141)
Statement of Financial Position			
Property, Plant & Equipment – Operational			
Housing Stock	2,598,818	-	2,598,818
Additions	7,701	236	7,937
Revaluation - SOCNE	(375)	(236)	(611)
Property, Plant & Equipment – Non-Operational			
Redevelopment Land	243	-	243
Expenditure in year	1,177	116	1,293
Impairment	(1,011)	(116)	(1,127)

Note 2 Changes in Accounting Policy / Estimate (continued)

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

	At 31 March 2022 (without adopting new policy)	Impact of adopting the new policy	At 31 March 2022 (after adopting new policy)
	£'000	£'000	£'000
Statement of Comprehensive Net Expenditure			
Other Expenditure			
Public Sector Expenditure	2,743	(710)	2,033
Impairment	526	49	575
Depreciation Amortisation, Write Offs & Write Down			
Revaluation – SOCNE	69	661	730
Net Expenditure after taxation	(372,401)	-	(372,401)
Statement of Financial Position			
Property, Plant & Equipment – Operational			
Housing Stock	2,679,714	-	2,679,714
Additions	15,643	661	16,304
Revaluation - SOCNE	(69)	(661)	(730)
Property, Plant & Equipment – Non-Operational			
Redevelopment Land	1,243	-	1,243
Expenditure in year	562	49	611
Impairment	(526)	(49)	(575)

Notes to the Accounts

Note

3(a) 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 and structure of internal reporting arrangements as evaluated regularly by the 'Chief Operating Decision Maker.' IFRS 8 defines an operating segment as a component of an entity that engages in business activities from which it may earn revenues and incur expenses and whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. 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 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.

A directive to reclassify the Housing Executive between Landlord Services (Quasi Public Body) and Regional Services (NDPB), became operational from 1 April 2014. Prior to 1 April 2014, the Housing Executive was classified as a Public Corporation. As a result, from this date, there are separate budgetary control and reporting requirements for Landlord Services and Regional Services, with the Board monitoring performance for each of these services individually. Regional Services also meet additional budgetary requirements for both the Department for Communities' 'DEL non-cash' and 'AME (Annually Managed Expenditure - non voted)' budgets.

Notes to the Accounts

Note

3(a) Analysis of Net Expenditure by Segment (continued)

Operating segments are therefore readily identified for both Landlord Services and Regional Services 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 for the Housing Executive:

Landlord Services

- **Loan Charges** - this relates to the principal and interest loan repayments in connection with loans raised by the Housing Executive or transferred to the Housing Executive upon its creation.
- **Dwelling Related Costs** - this relates to capital improvements (primarily Disability Adaptation extensions and Decent Homes improvements such as replacement kitchens), revenue maintenance & upkeep of the Housing Executive's housing units and associated grounds maintenance costs.
- **Miscellaneous Expenditure** - the majority of costs reported in this category relates to payment of rates for housing stock. Other expenditure areas included are public liability claims, write-offs and special payments, expenditure incurred for the upkeep of hostels and contributions to outside agencies.
- **Employee and Administration Expenses** - this includes salary costs, travel & subsistence, Office expenses and IT programme costs for Landlord Services.
- **Commissioned Services Net Income** - this represents charging for services performed by Landlord Services on behalf of Regional Services and vice versa (see accounting policy note (v) for more detail).
- **Corporation Tax** - relates to Corporation Tax charged on tradable activities.
- **Rental & Miscellaneous Income** - includes all Rental Income on the Housing Executive's homes, commercial property, hostels and land.
- **Capital Receipts** - relates to proceeds received from sale of housing stock and land.
- **Other** - the 'other' category is comprised of capital expenditure on IT and Office Accommodation and expenditure relating to the purchase of land and vested housing stock. For income it relates mainly to rates income collected.

Notes to the Accounts

Note

3(a) Analysis of Net Expenditure by Segment (continued)

Regional Services

- **Supporting People** - Regional Services manages this Government Scheme which is aimed at providing housing based assistance to allow eligible individuals to obtain the benefits of independent living;
 - **Employee and Administration Expenses** - this includes salary costs, travel & subsistence, Office expenses and IT programme costs for Regional Services.
 - **Commissioned Services Net Expenditure** - this represents charging for services performed by Landlord Services on behalf of Regional Services and vice versa (see accounting policy note (v) for more detail).
 - **Private Sector Grants & Energy Efficiency** - this scheme provides means tested grants to private home owners to fund repairs, improvements and adaptations and thereby improve the overall stock of housing within the region;
 - **Misc Public & Private Programme** - the expenditure covers payments in respect of managing the Homeless service.
 - **Social Housing Development Programme** - sometimes described as the 'New Build' programme, this is mainly concerned with the grant support provided to Housing Associations for building of social housing;
 - **Rental & Miscellaneous Income** - includes Rental Income on Travellers sites and Income received from the sale of Special Purchase of Evacuated Dwellings (SPED) properties.
 - **Other** - the 'other' category is the purchase of Special Purchase Evacuated Dwellings (SPED) properties, capital improvements within traveller's sites and AME expenditure lines which are demand led e.g. pension revaluations.
- Information on Capital and Revenue spend is provided to the Board monthly. No information is provided in respect of assets and liabilities regularly to the Board for Landlord Services and Regional Services. This information is therefore not disclosed in Note 3 separately.

Notes to the Accounts

Note

3(b) Analysis of Net Expenditure by Segment (continued)

The following table summarises the outturn spend for each of the operating segments for Landlord Services and Regional Services.

Segment	2022			2021		
	Capital £'000	Revenue £'000	Net Expenditure £'000	Capital £'000	Revenue £'000	Net Expenditure £'000
Landlord Services						
Total Net expenditure reported for Operating Segments:						
Loan Charges	-	35,487	35,487	-	43,239	43,239
Dwelling Related Costs	36,400	160,242	196,641	19,625	110,671	130,296
Misc. Expenditure	-	50,444	50,444	-	48,986	48,986
Employee and Admin Expenses	-	93,695	93,695	-	89,110	89,110
Commissioned Services Expenditure	-	3,923	3,923	-	3,637	3,637
Corporation Tax	-	(160)	(160)	-	248	248
Other	2,043	-	2,043	911	-	911
	<u>38,443</u>	<u>343,631</u>	<u>382,074</u>	<u>20,536</u>	<u>295,891</u>	<u>316,427</u>
Less Rental & Miscellaneous income	-	(352,825)	(352,825)	-	(343,221)	(343,221)
Less Commissioned Services Income		(12,629)	(12,629)	-	(11,974)	(11,974)
Less Capital Receipts	(25,236)	-	(25,236)	(14,396)	-	(14,396)
Total Expenditure	13,207	(21,824)	(8,617)	6,140	(59,304)	(53,164)
Regional Services						
Total Net expenditure reported for Operating Segments:						
Supporting People	-	75,653	75,653	-	85,145	85,145
Employee and Admin Expenses	-	32,178	32,178	-	30,794	30,794
Commissioned Services Expenditure	-	12,629	12,629	-	11,974	11,974
Private Sector Grants, & Energy Efficiency	24,240	-	24,240	19,656	-	19,656
Misc. Public / Private Prog Homelessness	-	3,907	3,907	-	3,982	3,982
	-	24,695	24,695	-	20,143	20,143
Social Housing Development Programme	171,796	-	171,796	136,166	-	136,166
Other	1,116	6,390	7,507	1,504	4,849	6,353
	<u>197,152</u>	<u>155,454</u>	<u>352,606</u>	<u>157,326</u>	<u>156,887</u>	<u>314,213</u>
Less Rental & Miscellaneous income	(893)	(2,220)	(3,113)	(143)	(1,785)	(1,928)
Less Commissioned Services Income	-	(3,923)	(3,923)	-	(3,637)	(3,637)
Total Expenditure	196,259	149,310	345,570	157,183	151,465	308,648

Included in reportable segments above are:

- 1) 'Other' segment within Regional Services (Revenue) - £575k relating to impairment of non-operational property as disclosed in Note 10 (b).
- 2) 'Loan Charges' segment within Landlord Services (Revenue) - £14.61m relating to interest payable on loans outstanding from the Government Loans Fund and Former Local Authorities.
- 3) Regional Services 'Other' includes Annual Managed Expenditure (AME) lines

Notes to the Accounts

Note

3(b) Analysis of Net Expenditure by Segment (continued)

<u>Reconciliation to Statutory Accounts</u>	2022 £'000	2021 £'000
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The table on the previous page reflects information provided monthly to the Board on outturn against budget.

A reconciliation is provided below to reconcile the outturn to the Financial Statements.

Total Net expenditure reported for Operating Segments:

Landlord Services	(8,617)	(53,164)
Regional Services	345,570	308,648
	<u>336,953</u>	<u>255,484</u>

Adjustments in the Budgeted Outturn and not in the Statement of Comprehensive Net Expenditure:

Redevelopment Land Additions	(611)	(1,177)
Assets held under Construction	(9)	(8,385)
Other Non Operational Assets	(79)	-
Operational Assets Additions	(17,040)	-
Receipts (net of expenses) for Sale of Land & Property	25,236	14,396
Loans Principal Repayments	(21,410)	(27,061)
Other adjustments	221	(220)
	<u>(13,692)</u>	<u>(22,447)</u>

Adjustments in the Statement of Comprehensive Net Expenditure and not through Budgeted Outturn for Landlord Services:

Depreciation, Amortisation, Write Offs & Write Down	29,687	35,313
Provisions for Liabilities and Charges movement	461	(898)
IAS 19 Pension Adjustment - Landlord Services	19,235	14,287
Other adjustments	(243)	402
	<u>49,140</u>	<u>49,104</u>

Total net expenditure per the Statement of Comprehensive Net Expenditure

<u>372,401</u>	<u>282,141</u>
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Notes to the Accounts

Note

4 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.

	2022 £'000	2021 £'000
Rental Income		
Dwellings & Garages	304,758	299,480
Commercial Properties	2,243	2,252
Lands	68	36
Travellers, Hostels and Req. Properties	1,019	958
Miscellaneous	166	225
	<u>308,254</u>	<u>302,951</u>
Less: Abatements		
Dwellings & Garages	(864)	(757)
Commercial Properties	(231)	(482)
	<u>(1,095)</u>	<u>(1,239)</u>
Less: Voids		
Dwellings & Garages	(3,391)	(4,301)
Redevelopment	(3)	(1)
Commercial Properties	(184)	(244)
Hostels	(114)	(197)
Traveller Sites	(46)	(52)
	<u>(3,738)</u>	<u>(4,795)</u>
Total Rental Income (C/Fwd)	<u><u>303,421</u></u>	<u><u>296,917</u></u>

Notes to the Accounts

Note	2022 £'000	2021 £'000
4 Income (Continued)		
Total Rental Income (B/Fwd)	303,421	296,917
EU Income	1,364	1,318
Other Operating Income		
Income from Housing Associations	(2)	(4)
Revenue grants	56	46
Capital Grant	-	126
Rates Income from properties	26 39,643	39,470
Income from Land & Property Services:		
Rates Collection	26 4,477	4,460
Rates Relief Income	26 3,091	2,156
Lone Pensioner Allowance	26 157	162
Legal Expenses Recovered	72	(4)
Other Recoverable Charges	916	241
Ground Rents Receivable	20	20
SPED Income	907	150
Income from Hostels & Homelessness	5,185	2,934
Income for Asylum Seekers	-	1
Income from sold flats	2,403	1,908
Income recoverable on maintenance contracts	956	188
Income recoverable on Group Repair	91	-
Miscellaneous Income	43	118
	58,015	51,972
Total Income (excluding Housing Benefit Income)	362,800	350,207

Notes to the Accounts

Note	2022				2021
	Permanent Staff £'000	Others £'000	Board Members £'000	Total £'000	Total £'000
5 Staff costs					
Staff costs comprise					
Wages and Salaries	79,437	-	109	79,546	78,214
Social Security Costs	8,094	-	5	8,099	7,934
Seconded-in Staff	-	208	-	208	197
Agency Costs	-	13,016	-	13,016	12,934
Total Staff costs excluding Pension Costs	87,531	13,224	114	100,869	99,279
Other Pension Costs				35,180	28,613
				136,049	127,892
Less staff costs capitalised - IT Software				(153)	-
				135,896	127,892

Social security costs include £388k (2020/21: £375k) of apprenticeship levy costs borne by the Housing Executive

The costs of the staff seconded to other public sector bodies and other organisations have been netted off the Total Salaries Costs and are noted below.

	2022 £'000	2021 £'000
Wages and Salaries	204	111
Social Security Costs	21	11
Other Pension Costs	39	20
	264	142

Further details on the staff costs can be found in the Staff Report within the Remuneration and Staff Report.

Notes to the Accounts

Note	Note	2022 £'000	2021 £'000 RESTATED
6	Other Expenditure		
	Direct Employees Costs	769	607
	Transport Related Costs	1,286	888
	Premises Related Costs		
	Leasing Costs	1,550	1,470
	Other Premises Related Costs	8,906	5,977
	Supplies, Services, Write - Offs & Other Costs	21,309	21,631
	External Audit		
	Auditor's Remuneration	179	172
	National Fraud Initiative	-	16
	Bank Charges	283	290
	Dwelling Related Costs	(a) 182,730	123,810
	Public Sector Expenditure	2,033	1,896
	Rates Relief Expenditure	3,091	2,156
	Lone Pensioner Allowance (LPA)	157	162
	Private Sector Expenditure	(b) 32,000	24,828
	Private Sector Grants	(c) 25,254	20,447
	Rates paid on properties	40,331	40,215
	Supporting People	76,133	84,910
	Public Liability Charges	2,276	99
	Social Housing Development Programme	(d) 171,796	136,166
	Impairment	10 575	1,127
	Restructuring Costs	11	210
		570,669	467,077
	Less:		
	Recharges - salaries & overheads	(e) (20,058)	(19,232)
		<u>550,611</u>	<u>447,845</u>

Notes to the Accounts

Note 6 Other Expenditure (Continued)

- (a) The major element of Dwelling Related Costs is the maintenance of the Housing Executive's housing stock including grounds and general maintenance costs. For 2021/22, Dwelling Relating Costs are analysed as follows:

	2022 £'000	2021 £'000
Planned Maintenance	121,165	77,182
Response Maintenance	61,565	46,628
	<u>182,730</u>	<u>123,810</u>

- (b) Private Sector Expenditure is analysed as follows:

	2022 £'000	2021 £'000
Special Purchase of Evacuated Dwellings (SPED)	887	195
Allowance for gain in Fair Value on SPED	(37)	1
Homelessness	28,366	21,434
Hostels	646	694
Refugee programmes	1,628	1,711
Other	510	793
	<u>32,000</u>	<u>24,828</u>

£96k has been netted of SPED costs, relating to profit on sale of SPED stock sold during the 2021/22 year.

- (c) Private Sector Grants is analysed as follows:

	2022 £'000	2021 £'000
Affordable Warmth Grants	12,632	6,676
Disabled Facilities Grants	8,718	9,266
Boiler Replacement Grants	1,298	1,214
Other Grants	2,452	2,332
Group Repairs	(46)	129
Grant Administration Costs	200	830
	<u>25,254</u>	<u>20,447</u>

Notes to the Accounts

Note 6 Other Expenditure (Continued)

- (d) Social Housing Development Programme includes payments to Housing Associations for the following:

	2022 £'000	2021 £'000
HAG* - New Build	122,878	81,290
HAG - ESP	1,278	897
HAG - Off the Shelf	9,019	15,799
HAG - Rehabilitation	4,110	3,412
HAG - Re-Improvement	140	114
HAG - Offset Recoup	-	(180)
HAG - Covid 19	2,731	3,503
HAG - Covid 19 Inflationary Uplift	4,904	-
HAG - Adaptations	3,186	3,353
HAG - Covid 19 Adaptations	12	14
HAG - Voluntary Purchase Grant	3,599	1,612
HAG - Advance Land Purchase	(940)	6,042
Housing for all Incentives	3,976	3,907
HAG - Housing For All	16,903	16,403
Recoupment of SHDP grant	(332)	-
Grant recouped & paid to Department	332	-
	<u>171,796</u>	<u>136,166</u>

* HAG - Housing Association Grant

£332k (2020/21: £Nil) was recouped from Housing Associations to be repaid to the Department.

- (e) Recharges describes Salary and Administration costs incurred by the organisation that are then transferred to specific programme activities/functions (detailed below) in order to allow us to report the full cost of delivering same.

	2022 £'000	2021 £'000
Direct Labour Organisation	(16,021)	(16,139)
Homelessness	(1,352)	(440)
Rates Relief & Lone Pensioner Allowance	(740)	(739)
Other Programme Cost delivery	(1,945)	(1,914)
	<u>(20,058)</u>	<u>(19,232)</u>

Given the statutory reporting requirement to show salary costs in Note 5 in gross terms (ie without deduction Recharges) it is necessary to reduce programme activity costs by the value of the Recharge in order to avoid reporting an overstatement (double count). This is achieved by the insertion of Recharges at the bottom of Note 6.

- (f) Provision for liabilities and charges movements are included in the following lines:

	2022 £'000	2021 £'000
Non Operational Assets	(413)	413
Public Liability Charges	1,550	(73)
Dwelling Related Costs	(7)	(27)
Rental Income	18	66
Supplies, Services & Other Costs	(72)	110
Public Sector Expenditure	-	68
	<u>1,076</u>	<u>557</u>

Notes to the Accounts

Note

7 Housing Benefit Expenditure

Under the Social Security Administration (NI) Act 1992, the Housing Executive has responsibility for administering Housing Benefit on behalf of the Department. 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 the Department upon recovery by the Housing Executive. Such overpayments are also accounted for in the Department's accounts.

Housing Benefit payments in the year are as follows:

	2022 £'000	2021 £'000
Housing Benefit - Public & Private	504,620	536,833
Housing Benefit - Overpayment recoveries	(10,101)	(9,560)
Net Funding from the Department	494,519	527,273
Transfer of Housing Benefit overpayment movement to overpayment debtor account	1,919	2,279
Increase in HB Overpayment Provision	64	(959)
Total Housing Benefit Costs / Income	496,502	528,593

8 Financing Charges

	2022 £'000	2021 £'000
Loan Interest Charges	14,078	16,179
	14,078	16,179

Loan Interest charges are paid to the Department of Finance for historic loans from the Government Loans fund. Further details can be found in Note 18.

Notes to the Accounts

Note	2022 £'000	2021 £'000
9 Taxation		
(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	-	-
Adjustments to the tax charge in respect of previous periods	(140)	248
Interest & penalties	(20)	-
	<u>(160)</u>	<u>248</u>

Prior to 1 April 2020, Tradable activities, which are subject to Corporation Tax, included Rental Income, Disposal of Capital Assets and Interest Receivable.

(b) Factors affecting the tax charge

	2022 £'000	2021 £'000
Interest Receivable - current year	-	-
Chargeable / Net Rental Income	-	-
Chargeable Gains	-	-
	<u>-</u>	<u>-</u>
Net Rental Income & Interest Receivable multiplied by the effective rate of Corporation Tax in the UK for the current year	-	-
Adjustments to the tax charge in respect of previous periods	(140)	248
Interest & penalties	(20)	-
Current tax charge	<u>(160)</u>	<u>248</u>

As part of the UK Government's Budget announcement in March 2021, it was confirmed with effect from 1st April 2020, the Northern Ireland Housing Executive was granted exemption from paying Corporation Tax. The measure is intended to ensure consistency of tax treatment for the provision of state funded housing across the whole of the UK. The Housing Executive did not previously have Crown exemption status in relation to Corporation Tax. As a result of the exemption, there is no Corporation Tax charge due on current year Income from 2020/21 onwards.

An overcharge of £160k is recognised in respect of previous financial years. There is currently an overpayment of Corporation Tax paid at the year end of £15.8 million and the Housing Executive is currently liaising with HM Revenue & Customs to recover the overpaid tax (see note 14).

(c) Deferred tax

No provision for deferred tax has been made as at 31 March 2022 and for previous financial years.

Notes to the Accounts

Note

10 (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 31 March 2021	2,470,075	49,962	18,118	40,610	15,973	3,193	13,227	2,611,158
Additions	16,304	-	4	38	-	-	337	16,683
Reclassification Uplift	-	911	-	-	-	-	-	911
Disposals	(11,440)	(692)	-	-	-	-	(53)	(12,185)
Demolitions	-	-	-	-	-	-	-	-
Write off Adapt to Leased Offices	-	-	-	(38)	-	-	-	(38)
Transfer from Housing Stock	-	-	-	-	-	-	-	-
Transfer to Housing Stock	-	-	-	-	-	-	-	-
Transfer from Non-Operational Assets	-	-	-	-	-	-	-	-
Transfer to Non-Operational Assets	(963)	-	(26)	-	-	-	-	(989)
Transfer to / from Land	(285)	285	-	-	-	-	-	-
Transfer to Non Current Assets Held for Sale	(3,798)	(2,150)	-	-	-	-	-	(5,948)
Transfer from Non Current Assets Held for Sale	-	1,560	-	-	-	-	-	1,560
Impairment	-	-	-	-	-	-	-	-
Write down in valuation	(730)	-	-	-	-	-	-	(730)
Revaluation Adjustments	78,024	5,796	-	-	738	147	261	84,966
At 31 March 2022	2,547,187	55,672	18,096	40,610	16,711	3,340	13,772	2,695,388

Notes to the Accounts

Note

10 (a) Property, Plant & Equipment (continued) Operational (Continued)

	Housing Stock £'000	Land £'000	Commercial Property £'000	Office Premises £'000	Hostels £'000	Travellers Sites £'000	Other Assets £'000	Total £'000
Depreciation								
At 31 March 2021	-	-	(574)	(1,099)	(585)	(89)	(9,993)	(12,340)
Charged in year	(35,562)	-	(573)	(1,100)	(615)	(94)	(811)	(38,755)
Written back on Revaluation	35,562	-	-	-	-	-	-	35,562
Backlog Depreciation	-	-	-	-	(30)	(5)	(161)	(196)
Disposals	-	-	-	-	-	-	53	53
Depreciation on transfer to Housing Stock	-	-	-	-	-	-	-	-
Depreciation on transfer to Non Operational Assets	-	-	1	-	-	-	-	1
Written back on Impairment	-	-	-	-	-	-	-	-
At 31 March 2022	-	-	(1,146)	(2,199)	(1,230)	(188)	(10,912)	(15,675)
Carrying amount at 31 March 2021	2,470,075	49,962	17,544	39,511	15,388	3,104	3,234	2,598,818
Carrying amount at 31 March 2022	2,547,187	55,672	16,950	38,411	15,481	3,152	2,860	2,679,713
Asset financing:								
Owned	2,547,187	55,672	16,950	38,411	15,481	3,152	2,860	2,679,713
Finance Leased	-	-	-	-	-	-	-	-
Carrying amount at 31 March 2022	2,547,187	55,672	16,950	38,411	15,481	3,152	2,860	2,679,713

Notes to the Accounts

Note

10 (a) Property, Plant & Equipment

Operational

Cost or Valuation

At 31 March 2020

	Housing Stock £'000 Restated	Land £'000	Commercial Property £'000	Office Premises £'000	Hostels £'000	Travellers Sites £'000	Other Assets £'000	Total £'000 Restated
	2,440,896	49,631	18,113	40,945	15,973	3,193	13,160	2,581,911
Additions	7,937	-	5	-	-	-	404	8,346
Reclassification Uplift	-	989	-	-	-	-	-	989
Disposals	(7,185)	(3,397)	-	-	-	-	(424)	(11,006)
Demolitions	-	-	-	-	-	-	-	-
Write off Adapt to Leased Offices	-	-	-	(45)	-	-	-	(45)
Transfer from Housing Stock	-	-	-	-	-	-	-	-
Transfer to Housing Stock	-	-	-	-	-	-	-	-
Transfer from Non-Operational Assets	220	-	-	-	-	-	-	220
Transfer to Non-Operational Assets	-	-	-	(290)	-	-	-	(290)
Transfer to Land from Commercial Property	-	-	-	-	-	-	-	-
Transfer to Non Current Assets Held for Sale	(2,136)	(1,710)	-	-	-	-	-	(3,846)
Transfer from Non Current Assets Held for Sale	314	30	-	-	-	-	-	344
Impairment	-	-	-	-	-	-	-	-
Write down in valuation	(611)	34	-	-	-	-	-	(577)
Revaluation Adjustments	30,640	4,385	-	-	-	-	87	35,112
At 31 March 2021	2,470,075	49,962	18,118	40,610	15,973	3,193	13,227	2,611,158

Notes to the Accounts

Note

10 (a) Property, Plant & Equipment (continued) Operational (Continued)

	Housing Stock £'000 RESTATED	Land £'000	Commercial Property £'000	Office Premises £'000	Hostels £'000	Travellers Sites £'000	Other Assets £'000	Total £'000 RESTATED
Depreciation								
At 31 March 2020	-	-	-	-	-	-	(9,622)	(9,622)
Charged in year	(34,513)	-	(574)	(1,099)	(585)	(89)	(750)	(37,610)
Written back on Revaluation	34,513	-	-	-	-	-	-	34,513
Backlog Depreciation	-	-	-	-	-	-	(45)	(45)
Disposals	-	-	-	-	-	-	424	424
Depreciation on transfer to Housing Stock	-	-	-	-	-	-	-	-
Depreciation on transfer to Non Operational Assets	-	-	-	-	-	-	-	-
Written back on Impairment	-	-	-	-	-	-	-	-
At 31 March 2021	-	-	(574)	(1,099)	(585)	(89)	(9,993)	(12,340)
Carrying amount at 31 March 2020	2,440,896	49,631	18,113	40,945	15,973	3,193	3,538	2,572,289
Carrying amount at 31 March 2021	2,470,075	49,962	17,544	39,511	15,388	3,104	3,234	2,598,818
Asset financing:								
Owned	2,470,075	49,962	17,544	39,511	15,388	3,104	3,234	2,598,818
Finance Leased	-	-	-	-	-	-	-	-
Carrying amount at 31 March 2021	2,470,075	49,962	17,544	39,511	15,388	3,104	3,234	2,598,818

Notes to the Accounts

Note

10 (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 England titled 'Stock valuation for resource accounting 2016: guidance for valuers'. Land and Other Buildings includes Land, Commercial Properties, Offices, Hostels and Travellers' Sites.

Details of the valuation methodology, using the beacon approach can be found in accounting policy (f).

Land

Land was revalued at 31 March 2022 on the basis of open market value by McKibbin Commercial Property Consultants. The valuation is in accordance with the Royal Institution of Chartered Surveyors appraisal and valuation manual. This land is revalued every year through physical inspection.

During the current financial year, a number of sites which were previously identified as amenity have been reclassified as Undeveloped Land and revalued at £0.91m on the basis that the sites may have development potential. Land classified as amenity land has no value and is reflected within the social house values.

Other Buildings

Offices, Commercial Properties, Travellers' Sites and Hostels were revalued and relifed by professional valuers of Land and Property Services. Offices and Commercial Properties were revalued at 31 March 2020 at open market value based on Existing Use. Hostels and Travellers' Sites were revalued at 31 March 2020 using Depreciated Replacement Cost as they are considered specialised assets. Indices provided by Land and Property Services have been used to revalue these properties at 31 March 2022.

The building element of all of the above properties has been depreciated over the remaining useful life as directed by the valuer. Included within the Net Book Value of Offices is £11k 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

10 (a) Property, Plant & Equipment (continued)

Valuation Methodology

Valuation uncertainty

After the COVID-19 pandemic was declared in March 2020, market activity was impacted in many sectors leading to significant economic uncertainty. As a result, valuations received from valuers for the property assets (including all land, buildings and sites) for the 2019/20 financial year-end were reported on the basis of 'material valuation uncertainty' as per the RICS global standards.

From this period, the valuers have continued to monitor property market movements and whilst the impact of the pandemic continues to be felt in certain sectors, transactional analysis across residential and land sectors would indicate sufficient activity and an adequate quantum of market evidence on which to base an opinion of value. As a result 'material valuation uncertainty' did not apply to the valuations for the Housing Stock and Land categories, provided by external valuers, for the 2020/21 financial year end.

Whilst at this stage there is no evidence of impairment as at 2021/22 year-end, the future impact of COVID-19 on some of the other property categories cannot yet be accurately assessed. The valuers have advised that, for certain classifications of assets, across certain locations, an increased level of subjectivity remains in terms of informing opinions of value due to a continued lack of transactional activity. The valuations provided therefore for the property asset categories, offices and commercial properties, remain subject to material uncertainty considerations.

However, the valuers note it is unlikely that material uncertainty would be reported against valuations provided for the specialised asset categories valued under by way of depreciated replacement cost, specifically hostels and travellers sites.

Notes to the Accounts

Note

10 (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 Net Book Value (NBV)	At 31 March 2022 £'000	At 31 March 2021 £'000
Motor Vehicles	1,362	1,615
Plant and Machinery	100	134
Estate Management Equipment	271	107
Office Furniture	311	427
Office Equipment	4	2
Hostels Furniture & Fittings	-	-
Computer Hardware	636	765
Community Centre	176	184
	<u>2,860</u>	<u>3,234</u>

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

	At 31 March 2022 £'000	At 31 March 2021 £'000
Depreciation adjustment for Backlog Depreciation	38,950	37,655
Amortisation - IT Software	576	475
Revaluation Adjustments - Housing Stock	730	611
Revaluation Adjustments - Other Assets	-	-
Revaluation Adjustments - Land	83	(34)
Writeback/writedown in Assets Held for Sale	-	1
Losses on Sale of Surplus Land	190	282
(Profit)/Loss on Sale of Land held for sale (HFS)	-	-
(Profit)/Loss on Sale of Housing Stock	(9,012)	(4,634)
(Profit)/Loss on Sale of Housing Stock HFS	(1,763)	(512)
(Profit)/Loss on Sale of Other Assets	(7)	(72)
Losses on Demolished Property	-	-
Write off Adaptations to Leased Offices	38	45
Loss on Disposal - Housing Association	-	1,821
	<u>29,785</u>	<u>35,638</u>

Notes to the Accounts

Note

10(b)

Non Operational Assets

	Assets held under Construction £'000	Redevelopment Land £'000	Commercial Properties £'000	Offices £'000	Travellers Sites £'000	Hostels £'000	Total £'000
	RESTATED						RESTATED
At 31 March 2020	-	77	245	90	220	220	852
Expenditure in year	-	1,293	-	-	-	-	1,293
Transfer of Property (to)/from Operational Assets	-	-	-	290	-	(220)	70
Transfer to Assets Held for Sale	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Revaluation Adjustment	-	-	-	5	(50)	-	(55)
Revaluation - SOCNE	-	-	-	-	-	-	-
Impairment	-	(1,127)	-	-	-	-	(1,127)
At 31 March 2021	-	243	240	330	220	-	1,033
Expenditure in year	9	611	79	-	-	-	699
Transfer of Property (to)/from Operational Assets	-	964	25	-	-	-	989
Transfer to Assets Held for Sale	-	-	-	-	-	-	-
Revaluation Adjustment	-	-	(63)	-	135	-	72
Revaluation - SOCNE	-	-	-	-	-	-	-
Impairment	-	(575)	-	-	-	-	(575)
At 31 March 2022	9	1,243	281	330	355	-	2,218

Non Operational Assets comprises Assets under Construction, Redevelopment Land, Commercial Properties, Offices and Travellers Sites.

Assets under Construction

The Housing Executive is currently engaged in the provision of developing and delivering a sustainable future-proofed social housing re-provision scheme. Together with the Department, the Housing Executive is exploring the viability of combining energy efficiency measures with Modern Methods of Construction (MMC). This scheme is at the early stages of development with only professional fees being incurred to date.

Redevelopment Land

£537k of the impairment write down in Redevelopment land relates to properties purchased to facilitate two Building Sustainable Communities Schemes. During 2021/22, as part of these schemes, four additional properties were purchased and forty nine properties were transferred from Housing Stock. Demolition occurred during the year for one of the schemes, with demolition to occur for the remaining scheme during 2022/23.

The brownfield sites were valued at market value by external professional valuers at 31 March 2022.

The remaining £38k of the impairment write down in the value of Redevelopment Land results from residual land acquisition and development costs for land previously vested, which has previously been transferred to operational land for ongoing transfer to Housing Association. These sites, previously transferred, were then usually transferred to Housing Associations at nil value. This transfer is accounted for as a Loss on Disposal to Housing Associations and is included in Depreciation, Amortisation, Write-offs and Write-downs in note 10(a).

The Housing Executive, on behalf of the Department, recoups the market value of the redevelopment sites vested by deducting this value off the Social Housing Development Grant paid to Housing Associations.

Other Non Operational Assets

Commercial Properties, Offices and Travellers Sites included within Non-Operational Assets, reflect buildings and land sites which are currently not in use by the Housing Executive.

Notes to the Accounts

Note

10 (c) Intangible Assets	IT Software £'000
Cost or valuation	
At 1 April 2021	9,423
Additions	358
Reclassification Uplift	-
Disposals	-
Revaluation Adjustments	160
At 31 March 2022	<u>9,941</u>
Amortisation	
At 1 April 2021	(7,875)
Charged in year	(492)
Backlog Amortisation	(85)
Disposals	-
At 31 March 2022	<u>(8,452)</u>
Carrying amount at 31 March 2021	<u>1,548</u>
Carrying amount at 31 March 2022	<u>1,489</u>
Asset Financing:	
Owned	1,489
Carrying amount at 31 March 2022	<u>1,489</u>
Cost or valuation	
At 1 April 2020	9,204
Additions	213
Reclassification Uplift	-
Disposals	-
Revaluation Adjustments	6
At 31 March 2021	<u>9,423</u>
Amortisation	
At 1 April 2020	(7,400)
Charged in year	(472)
Backlog Amortisation	(3)
Disposals	-
At 31 March 2021	<u>(7,875)</u>
Carrying amount at 31 March 2020	<u>1,804</u>
Carrying amount at 31 March 2021	<u>1,548</u>
Asset Financing:	
Owned	1,489
Carrying amount at 31 March 2021	<u>1,548</u>

Notes to the Accounts

Note

	2022 £'000	2021 £'000
11 Short Term Investments		
Fixed Term Deposits (greater than 3 months)	250,000	174,000
	<u>250,000</u>	<u>174,000</u>

12 Assets classified as held for sale

	Land £'000	Housing Stock £'000	Total £'000
At 1 April 2021	2,103	2,136	4,239
Transfer from Operational Assets	2,150	3,797	5,947
Transfer to Operational Assets	(1,560)	-	(1,560)
Disposals	(75)	(2,436)	(2,511)
Revaluation Decrease	(83)	-	(83)
At 31 March 2022	<u>2,535</u>	<u>3,497</u>	<u>6,032</u>

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.

£2.54m 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 uncertainty in market conditions it is unclear 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. The revaluation decrease of £83k, representing the increase in value of fees for certain land sites classified as Land Held for Sale in previous years, is accounted for in the Statement of Comprehensive Net Expenditure.

£3.5m of Housing Stock which has been reclassified as held for sale is based on actual post year end house sales in April and other house sales which are anticipated to complete post year-end.

	2022 £'000	2021 £'000
13 Inventories		
Consumable Stores	1,129	1,399
SPED (Net of the Allowances at Note 15)	210	1,022
Total	<u>1,339</u>	<u>2,421</u>

Note

14 Trade and Other Receivables

Amounts falling due within one year:

	2022 £'000	2021 £'000
Trade Receivables (Net of the Allowances at Note 15)	18,968	19,640
Other receivables	83	104
Corporation Tax	15,795	15,635
VAT	3,819	3,495
Prepayments and accrued income	31,314	32,439
	69,979	71,313

Amounts falling due after more than one year:

Trade Receivables (Net of the Allowances at Note 15)	17,154	18,286
Prepayments and accrued income	15,811	20,994
	32,965	39,280
Total	102,944	110,593

15 Allowances for Trade receivables and Losses

	Tenants Debt £'000	Housing Benefit Over- payments £'000	Other Debts £'000	Special Purchase Evacuated Dwellings £'000	Total £'000
Opening Balance					
At 31 March 2020	8,912	26,004	1,508	65	36,489
Movement in allowance in year	1,802	(773)	(459)	1	571
Movement in long term debt discount	73	(185)	-	-	(112)
At 31 March 2021	10,787	25,046	1,049	66	36,948
Movement in allowance in year	(121)	886	(284)	(37)	444
Movement in long term debt discount	(147)	(822)	-	-	(969)
At 31 March 2022	10,519	25,110	765	29	36,423

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 using a discount rate of 1.9%.

Notes to the Accounts

Note

16 Cash & Cash Equivalents

	2022	2021
	£'000	£'000
Balance at 1 April	108,280	111,707
Net Change in Cash & Cash Equivalent Balances	(28,037)	(3,427)
Balance at 31 March	<u>80,243</u>	<u>108,280</u>

The following balances at 31 March were held at:

	2022	2021
	£'000	£'000
Commercial Banks and Cash in Hand	514	418
Investments in Money Market Funds	69,729	88,862
Short Term Deposits (less than 3 months)	10,000	19,000
Balance at 31 March	<u>80,243</u>	<u>108,280</u>

17 Trade and Other Payables

	2022	2021
	£'000	£'000
Amounts falling due within one year:		
Bank Overdraft	(25,596)	(47,992)
Trade Payables	(6,361)	(6,151)
Taxation and social security	(1,829)	(1,836)
Other Payables	(7,598)	(8,166)
Property, Plant & Equipment accruals	(3,213)	(1,415)
Accruals and deferred income	(184,705)	(146,643)
Loan Repayments	(16,004)	(21,410)
	<u>(245,306)</u>	<u>(233,613)</u>
Amounts falling due after more than one year:		
Other Payables	(12,591)	(13,688)
Accruals and deferred income	(21,242)	(20,163)
	<u>(33,833)</u>	<u>(33,851)</u>
Total	<u>(279,139)</u>	<u>(267,464)</u>

Notes to the Accounts

Note	2022 £'000	2021 £'000
18 Loans Outstanding		
At 31 March 2021	(158,147)	(185,207)
Loan Principal repayment	21,410	27,060
At 31 March 2022	(136,737)	(158,147)
Loans from the Government Loans Fund & Former Local Authorities maturing: Due within one year		
Due within one year (disclosed in note 17)	(16,004)	(21,410)
Due greater than one year		
Later than one year and not later than five years	(46,911)	(51,385)
Later than five years	(73,822)	(85,352)
	(120,733)	(136,737)
Total loans outstanding	(136,737)	(158,147)

- (a) All Government Loans are repayable by Annuity and Local Authority Loans are repayable using an average Loans Pool rate.
- (b) Interest rates on the Government Loans are those current at time of borrowing.
- (c) The Government Loans are repayable to the Department of Finance (previously referred to as the Department of Finance and Personnel prior to 9 May 2016).

19 Commitments under leases

Operating Leases - Premises / Motor Vehicles

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

	2022 £'000	2021 £'000
Obligations under operating leases comprise:		
Property / Motor Vehicles		
Not later than one year	(3,254)	(2,782)
Later than one year and not later than five years	(1,583)	(2,942)
Later than five years	(1,687)	(58)
	(6,524)	(5,782)

There was an adjustment to the 2021 operating lease obligation of £3,637k. This was in relation to a lease commitment for homeless temporary accommodation which had not been taken into consideration in prior year accounts.

Notes to the Accounts

Note

20 Financial Instruments

The Government FReM requires financial statements to comply with the accounting standards on Financial Instruments, namely IAS 32, IFRS 7 and IFRS 9. 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, and are unlikely to occur within the Housing Executive's financial statements.

(a) Significance of Financial Instruments for Financial Position and Performance

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

	Long Term		Short Term	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Financial assets at amortised cost	17,155	18,285	299,179	232,291
Financial assets at fair value through profit or loss	-	-	69,729	88,862
Total Financial Assets	17,155	18,285	368,908	321,153

	Long Term		Short Term	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Financial Liabilities at amortised cost	154,566	170,588	245,667	233,614

The table above includes long term debtors, trade payables and receivables and cash balances held for working capital purposes.

Notes to the Accounts

Note

20 Financial Instruments (continued)

(b) Financial Instruments Gains and Losses

The gains and losses recognised in the Statement of Comprehensive Net Expenditure for the year ended 31 March 2022 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	-	14,608
Interest payable and similar charges	-	14,608
Financial Assets		
	Assets at Amortised Cost £'000	Assets at Fair Value through Profit or Loss £'000
Impairment Loss - Interest payable and similar charges	(489)	-
Interest and Investment Income	347	59

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

In relation to financial assets, IFRS 9 stipulates that where the contractual terms give rise to principal and interest payments on specified dates and the assets are held solely to collect those contractual cash flows, such assets are to be carried on the Statement of Financial Position at amortised cost less any impairment losses. In accordance with IFRS 9, the financial liabilities held by the Housing Executive are also held at amortised cost. This includes the Housing Executive's Government loans and Local Authority loans. 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:

Notes to the Accounts

Note

20 Financial Instruments (continued)

Assumptions:

- 1) For loans from the Consolidated Loans Fund and other loans payable, the real discount rate of 1.9%, as set by HM Treasury, has been applied to provide fair value;
- 2) No early repayment or impairment is recognised; and
- 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.

The fair values calculated are as follows:

	2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value Restated
	£'000	£'000	£'000	£'000
Financial Liabilities				
Consolidated Loans Fund	132,982	200,979	153,914	211,392
Non Consolidated Loans Fund	3,755	4,616	4,233	4,690
Total Debt	136,737	205,595	158,147	216,082
Loans and receivables				
Total Investments - Long term Debtors	18,529	17,155	20,628	18,286

Long term trade debtors are stated at amortised cost using the effective interest rate of 1.9%. 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 1.9%. This is a method used to calculate the carrying value and the fair value.

Notes to the Accounts

Note

20 Financial Instruments (continued)

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, less any recognised impairment losses.

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, local authorities and Money Market Funds (MMFs), 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 used by the Housing Executive and deposits are placed only with banks holding robust credit ratings. Nonetheless, due to the risk of bank collapse, default or bail-in, the Housing Executive no longer holds the majority of its cash reserves in a small number of banks, instead achieving greater diversification and reduced exposure to any one bank through investment in MMFs with strong creditworthiness and by holding the majority of its cash reserves on deposit with local authorities or other UK government entities. UK government bodies are regarded as having lower credit risk than banks or other financial entities. The allowance for trade receivables 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

20 Financial Instruments (continued)

Liquidity Risk

Regional Services expenditure is fully funded by the Department and subject to strict budgetary control, with funding being drawn down from the Department on a monthly basis to meet cash requirements. Landlord Services expenditure is largely financed by rental income generated from the Housing Executive's housing stock, which provides a regular and reliable income stream. Cash projections and daily monitoring of the liquidity position of the organisation are undertaken to ensure that funds are available to meet expenditure requirements as they fall due. Moreover, the Housing Executive maintains some of its cash reserves in Money Market Funds which provide same-day access to cash as it is required, and no funds are invested for periods of greater than six months.

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 have maintained the low level of interest receivable on short term cash investments held with banks. However, slightly higher interest rates have been achieved by increasing the range of counterparties in which the Housing Executive holds its cash reserves to include a number of different banks, MMFs and UK government bodies.

Foreign Currency Risk

The Housing Executive has only limited exposure to foreign currency risk, relating to funding received in Euros from the Special EU Programmes Body. The foreign currency risk is not deemed to be significant enough to warrant direct management. During 2021/22 the foreign currency losses incurred amounted to **£35k** (2020/21: Restated £31k).

Fair Value

The fair value of loans outstanding after one year at 31 March 2022 for the Government Loans Funds is **£173m** (2021: £177m) and the estimated fair value of Local Authority Loans is **£3.9m** (2021: £4.0m). The figures have been restated to reflect updated calculations.

Notes to the Accounts

Note

21 Provision for Liabilities and Charges

2021/22	Redevelopment Area Purchases £'000	Repayment of Lease Income £'000	Contractual Claims £'000	Public Liability Claims £'000	Managing Asbestos £'000	Legal Claims £'000	Total £'000
Opening Balance - At 31 March 2021	(547)	(287)	(60)	(1,160)	(7)	(367)	(2,428)
Provided in the year	-	(18)	-	(1,550)	-	-	(1,568)
Provisions not required written back	413	-	-	-	7	72	492
Provisions utilised in the year	-	235	-	985	-	-	1,220
At 31 March 2022	(134)	(70)	(60)	(1,725)	-	(295)	(2,284)
Amount due for settlement:							
Within 12 months	(134)	-	(60)	(851)	-	(295)	(1,340)
After 12 months	-	(70)	-	(874)	-	-	(944)
At 31 March 2022	(134)	(70)	(60)	(1,725)	-	(295)	(2,284)

- (a) An amount of £134k has been provided for in respect of amounts due to compensate previous owners in areas vested for redevelopment (Urban Renewal Areas). No provision is required 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.
- (b) An amount of £70k has been provided for in relation to ground rent received from land sites previously sold by the Housing Executive. This amount may be repayable by the Housing Executive should certain conditions be met by the purchaser, as outlined in the sale
- (c) An amount of £60k has been provided for in respect of 1 contractual claim issued against
- (d) Public Liability Claims see Note 24 (Contingent Liabilities).

Notes to the Accounts

Note

21 Provision for Liabilities and Charges (continued)

- (e) The Housing Executive has now concluded the process of performing surveys on a sample of its housing stock and other properties, based on an archetypal beacon approach, to identify the presence of asbestos and the risk it presents. As a result, there is therefore no requirement to recognise a provision at 31 March 2022 for covering estimated costs of properties for managing asbestos.
- (f) An amount of £295k (2020: £367k) has been provided for in respect of legal cases issued against the Housing Executive.

2020/21	Redevelopment Area Purchases £'000	Repayment of Lease Income £'000	Contractual Claims £'000	Public Liability Claims £'000	Managing Asbestos £'000	Legal Claims £'000	Total £'000
Opening Balance - At 31 March 2020	(134)	(221)	(164)	(2,058)	(19)	(189)	(2,785)
Provided in the year	(413)	(66)	-	-	-	(261)	(740)
Provisions not required written back	-	-	15	73	12	83	183
Provisions utilised in the year	-	-	89	825	-	-	914
At 31 March 2021	(547)	(287)	(60)	(1,160)	(7)	(367)	(2,428)
Amount due for settlement:							
Within 12 months	(547)	-	(60)	(680)	(7)	(367)	(1,661)
After 12 months	-	(287)	-	(480)	-	-	(767)
At 31 March 2021	(547)	(287)	(60)	(1,160)	(7)	(367)	(2,428)

Notes to the Accounts

Note

22 (a) Pensions

The Housing Executive participates in the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) pension scheme for the majority of its employees. The Chairman and Board Members are not members of the NILGOSC Scheme. The scheme was established by the Government in April 1950 to operate a pension scheme for the local councils and other similar bodies in Northern Ireland. The pension scheme is known as the Local Government Pension Scheme Northern Ireland (the Scheme) and is a defined benefit pension scheme. NILGOSC is the corporate body responsible for the administration of the Scheme and is a non-departmental public body, sponsored by the Department for Communities. There were changes to the scheme in 2015. The 2015 Scheme is fundamentally different from the previous final salary based schemes. It is a defined benefit career average revalued earnings (CARE) scheme, meaning that future pension benefits will be calculated on career average earnings rather than final salary.

Up until 31 March 2015, the Pension scheme provided benefits for each year of service on a 'Final Salary' basis with a significant change to the scheme in 2009. 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. Post April 2009, as part of a general review of public sector pension schemes, the Government introduced changes to the pension scheme. Benefits from this date accrue at the rate of 1/60th of pensionable salary for each year of service. The lump sum payment was removed. Also instead of employees paying a standard contribution rate of 6%, which was applicable up to 1 April 2009 (5% for non-administrative employees prior to 1 January 2003, and 6% thereafter of their pensionable pay), different contribution rates were applied for different pay bands. The new rates were between 5.5% and 7.5% of pensionable pay. The Scheme's professionally qualified actuaries recommend the rates of employer's contribution to be paid.

From 1 April 2015, a change to the scheme was introduced. The scheme now operates using a defined benefit career average revalued earnings (CARE) scheme, which results in future pension benefits calculated on career average earnings rather than final salary. The 2015 change also results in contribution rates being calculated on actual pay received rather than full time equivalent pay which was the case in the 2009 Scheme. Contribution rates now range from 5.5% to 10.5%.

Employees may have accrued benefits under all of the above schemes variants depending on when they joined the scheme.

From April 2011, pensions payable are increased annually in line with changes in the Consumer Price Index (CPI). Prior to April 2011, pensions were increased in line with changes in the Retail Prices Index (RPI). The Scheme's professionally qualified actuaries recommend the rates of employer's contribution to be paid.

Notes to the Accounts

Note

22 (a) Pensions (continued)

The last formal actuarial valuation of the fund was carried out as at 31 March 2019, the results of which were released during the 2019/20 financial year. The next formal valuation will be due as at 31 March 2022. In calculating the Housing Executive's assets and liabilities the appointed actuaries have rolled forward the values calculated at the latest valuation (March 2019). 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.

- (b) The following actuarial assumptions were agreed following receipt of advice from the actuary and following discussions within NIHE with the aim of ensuring the most appropriate assumptions were adopted.

	31 March 2022	31 March 2021
Actuarial Assumptions used at:		
Rate of Inflation (RPI)	3.60%	3.20%
Rate of Inflation (CPI)	3.20%	2.80%
Rate of Increase in Salaries	4.70%	4.30%
Rate of Increase in Pensions	3.20%	2.80%
Discount Rate	2.80%	2.20%

Breakdown of Life Expectancies

	31 March 2022	31 March 2021
Life expectancy for mortality tables used to determine benefit obligations at:		
Male member aged 65 (current life expectancy)	22.0	21.9
Female member aged 65 (current life expectancy)	25.2	25.2
Male member aged 45 (life expectancy at age 65)	23.4	23.3
Female member aged 45 (life expectancy at age 65)	26.6	26.5

Notes to the Accounts

Note

22 (b) Pensions (continued)

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 Standard SAPS S2N tables (Year of Birth) with CMI 2018 core projections including a period smoothing parameter of 7.5, with an initial addition of zero and a long-term improvement rate of 1.5% per annum 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 assumptions will continue to be monitored in the light of general trends in mortality experience.

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 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.

	Current Assumptions	Discount Rate	Salary Increase	Inflation	Life Expectancy
	£'000	-0.25% pa	+0.25%pa	+0.25%pa	+1 year
Liabilities	1,249,546	1,301,866	1,259,842	1,292,565	1,291,231
Assets	1,083,669	1,083,669	1,083,669	1,083,669	1,083,669
Total Scheme shortfall	165,877	218,197	176,173	208,896	207,562
Funding Level	87%	83%	86%	84%	84%
Increase in Liabilities	-	52,320	10,296	43,019	41,685

Notes to the Accounts

Note

22 (c) Pensions (continued)

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 2022	Assets at 31 March 2021
	£'000	£'000
Equities	464,684	475,698
Bonds	424,055	368,614
Property	108,587	91,639
Cash	49,046	54,571
Other	37,296	39,127
	1,083,668	1,029,649

The above asset values as at 31 March 2022 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 2022	31 March 2021
	£'000	£'000
Fair Value of Employer Assets	1,083,668	1,029,649
Present value of Funded Liabilities	(1,240,022)	(1,255,330)
Net Underfunding in Funded Plans	(156,354)	(225,681)
Present value of Unfunded Liabilities	(9,524)	(10,394)
Unrecognised Actuarial (Gain) / Loss	-	-
Unrecognised Transition (Asset) / Liability	-	-
Net Liability	(165,878)	(236,075)
Amounts in the Statement of Financial Position		
Liabilities	(165,878)	(236,075)
Assets	-	-
Net Asset / (Liability)	(165,878)	(236,075)
Funding Level	87%	81%

Notes to the Accounts

Note

22 Pensions (continued)

(d) Notes to the Statement of Comprehensive Net Expenditure

	Year End 31 March 2022		Year End 31 March 2021	
	£'000	% of Payroll	£'000	% of Payroll
Amount Charged to Employee Costs				
Current Service Cost	(33,106)	(43.0%)	(26,427)	(35.0%)
Past Service Cost	-	-	-	-
Administration Expenses	(377)	(0.5%)	(377)	(0.5%)
Insurance premiums for risk benefits	(1,510)	(2.0%)	(1,510)	(2.0%)
Curtailment and Settlements **	-	-	(137)	(0.18%)
Decrease in Irrecoverable Surplus	-	-	-	-
Total Operating Charge (A)	(34,993)	(45.5%)	(28,451)	(37.7%)

	Year End 31 March 2022		Year End 31 March 2021	
	£'000	% of Payroll	£'000	% of Payroll
Amount (Debited)/Credited to Other Financing costs				
Interest Income on Scheme Assets	22,470	29.2%	20,000	26.5%
Interest on Pension Scheme Liabilities	(27,867)	(36.2%)	(25,441)	(33.7%)
Net Return (B)	(5,397)	(7.0%)	(5,441)	(7.2%)

Net Revenue Account Cost (A) - (B)	(40,390)	(52.5%)	(33,892)	(44.9%)
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** Included within curtailment and settlements cost is the actuarial cost for employees who have been approved to leave early as part of the early departures scheme.

Notes to the Statement of Changes in Taxpayers Equity

	31 Mar 2022 £'000	31 Mar 2021 £'000
Actuarial Gains / (Losses) on Plan Assets	47,318	147,162
Actuarial (Losses) / Gains on Obligation	47,401	(134,557)
Actuarial (Loss) / Gain Recognised in Statement of Changes in Taxpayers Equity	94,719	12,605

Notes to the Accounts

Note

22 (d) Pensions (continued)

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

Reconciliation of Defined Benefit Obligation	Year End 31	Year End
	March 2022	31 March 2021
	£'000	£'000
Opening Defined Benefit Obligation	(1,265,726)	(1,108,080)
Current Service Cost	(33,106)	(26,427)
Past Service Cost	-	-
Interest Expense	(27,867)	(25,441)
Members Contributions	(4,971)	(4,849)
Unfunded Benefits Paid by Employer	864	885
Benefit Payments from Plan	33,857	32,880
Plan Curtailment	-	(137)
<i>Actuarial movements:</i>		
Effect of changes in demographic assumptions	-	-
Effect of change in financial assumptions	47,401	(134,557)
Effect of experience adjustments	-	-
Closing Defined Benefit Obligation	(1,249,548)	(1,265,726)

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

Reconciliation of Fair Value of Employer Assets	Year End 31	Year End
	March 2022	31 March 2021
	£'000	£'000
Opening Fair Value of Employer Assets	1,029,649	877,490
Employer Contributions	15,006	14,915
Members Contributions	4,971	4,849
Interest Income	22,470	20,000
Contributions in respect of Unfunded Benefits	864	885
Unfunded Benefits Paid	(864)	(885)
Benefits Paid from Plan	(33,857)	(32,880)
Administrative expenses paid from plan assets	(377)	(377)
Insurance premiums for risk benefits	(1,510)	(1,510)
<i>Actuarial movements:</i>		
Return on Plan Assets	47,318	147,162
Closing Fair Value of Employer Assets	1,083,670	1,029,649
Net Pension Liability	(165,878)	(236,077)

Notes to the Accounts

Note

22 (d) Pensions (continued)

The liabilities show the underlying commitment that the Housing Executive has in the long term to pay retirement benefits. The total pension liability is £1,250m (2021: £1,266m) and results in a net overall deficit balance of £166m (2020: £236m) 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 employer contributions over the remaining working life of employees as assessed by the scheme actuary. Employer contribution rates were 19.5% for 2021/22 (2020/21: 20%). Deficit recovery contributions were not due in 2021/22.

- (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 or loss is normally the difference between the actual and expected return on assets, and, for liabilities, the gain/loss normally arises from the change in financial assumptions. These actuarial gains or 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				
	2022	2021	2020	2019	2018
	£'000	£'000	£'000	£'000	£'000
Fair Value of Employer Assets	1,083,670	1,029,649	877,490	1,007,193	928,382
Present Value of Defined Benefit Liability	(1,249,548)	(1,265,726)	(1,108,080)	(1,109,700)	(1,063,807)
Net Pension Deficit	(165,878)	(236,077)	(230,590)	(102,507)	(135,425)
Experience Gains/(Losses) on Assets	47,318	147,162	(55,550)	64,354	31,016
Experience Gains on Liabilities	-	-	1,738	-	-
Actuarial Gains/(Losses) on Employer Assets	47,318	147,162	(55,550)	64,354	31,016
Actuarial (Losses)/Gains on Obligation	47,401	(134,557)	34,693	(17,496)	883
Rebalancing due to Valuation Actuarial (Losses)/Gains recognised in Statement of changes in Taxpayers' Equity	-	-	(85,126)	-	-
	94,719	12,605	(105,983)	46,858	31,899

Notes to the Accounts

Note	2022 £'000	2021 £'000
23 Notes to the Statement of Cash Flows		
23(a) Reconciliation of Net Expenditure before interest to Operating Cash Flows		
Net Expenditure before Interest	(353,492)	(261,168)
Taxation paid	-	(9,000)
Depreciation of Property, Plant & Equipment	38,950	37,655
Amortisation of Software	576	475
Impairment	575	1,127
(Increase)/Decrease in Inventories	1,081	(943)
(Increase)/Decrease in Receivables	7,624	(26,804)
Increase in Payables and Provisions	56,776	50,557
(Profit)/Loss on Disposals, Write Offs & Revaluation Movements	(9,741)	(2,492)
Net Cash Outflow from Operating Activities	(257,651)	(210,593)
23(b) Cashflow from Investing Activities	2022	2021
	£'000	£'000
Payments to Acquire Non-Current Assets		
Land and Buildings	(15,667)	(7,910)
Other Operational Assets	(202)	(356)
IT Hardware and Software	(277)	(631)
Non Operational Assets	(68)	(1,260)
Total Expenditure	(16,214)	(10,157)
Income from Sale of Non-Current Assets and Grants		
House Sales (Inc. Land & Buildings)	25,498	14,013
Offices and depots	-	-
Plant & Equipment	7	72
Total Income and Grants	25,505	14,085
Repayment of Loans		
Repayment of Loan Debt	(21,410)	(27,061)
Short Term Investments		
Investment in Fixed Term Deposits (greater than three months)	(76,000)	(121,000)
Financing Charges		
Loan Interest charges	(14,126)	(16,319)
Interest Receivable	525	866
Net Cash Outflow from Investing Activities	(101,720)	(159,586)

Notes to the Accounts

Notes to the Statement of Cash Flows

Note	2022 £'000	2021 £'000
23(c) Cashflow from Financing Activities		
Grant from Sponsoring Department	353,730	349,075
	<u>353,730</u>	<u>349,075</u>

23(d) Analysis of Change in Cash and Cash Equivalents

	At 1 April 2021 £'000	Cash Flows £'000	Other Changes £'000	At 31 March 2022 £'000
Cash at Bank and in Hand	108,280	(28,037)	-	80,243
Overdrafts	<u>(47,992)</u>	<u>22,396</u>	<u>-</u>	<u>(25,596)</u>
Total	<u>60,288</u>	<u>(5,641)</u>	<u>-</u>	<u>54,647</u>

	At 1 April 2020 £'000	Cash Flows £'000	Other Changes £'000	At 31 March 2021 £'000
Cash at Bank and in Hand	111,707	(3,427)	-	108,280
Overdrafts	<u>(30,315)</u>	<u>(17,677)</u>	<u>-</u>	<u>(47,992)</u>
Total	<u>81,392</u>	<u>(21,104)</u>	<u>-</u>	<u>60,288</u>

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

	2022 £'000	2021 £'000
Net increase/(decrease) in Cash & Cash Equivalents in Period	(5,641)	(21,104)
Cash & Cash Equivalents at 1 April 2021	<u>60,288</u>	<u>81,392</u>
Cash & Cash Equivalents at 31 March 2022	<u>54,647</u>	<u>60,288</u>

Notes to the Accounts

Note

24 Contingent Liabilities and Assets

Liabilities

Holiday Pay Liability

On 17th June 2019, the Court of Appeal ruled in respect of Northern Ireland Industrial Tribunal's November 2018 decision on cases taken against the Police Service for Northern Ireland (PSNI) on backdated Holiday Pay. It determined that claims for holiday pay due on overtime can be taken back to 1998. The PSNI noted it will lodge an appeal to the Supreme Court against this judgment. It is now expected that the case will be listed for hearing in the Supreme Court with a possible scheduled date of December 2022. This could then result in a decision which either reduces the period of liability or confirms the full period back to 1998. This remains an extremely rare and complex case with a significant number of issues to still be resolved, including further legal advice with regards to the Judgment; the scope; timescales; outcome of the appeal and engagement with Trade Unions. The legal issues arising from this judgment and the further appeal lodged by the PSNI will need further consideration by the Housing Executive. In recognition of negotiations which had taken place with Trade Unions prior to the Court of Appeal decision, holiday pay due on overtime relating to the period from 2013/14 up to 2020/21 has been previously accounted for in the Statement of Comprehensive Net Expenditure. Amounts due for 2021/22 have been recognised in the Statement of Comprehensive Net Expenditure for this year. Payments for the relating to the financial years from 2018/19 to 2020/21 have subsequently been paid with the remaining liability included within Accruals and Deferred Income and disclosed in Note 17 Trade and Other Payables. However, due to the lack of accessible data and inherent uncertainties in the Supreme Court's final decision, a reliable estimate cannot be provided at this stage for the liability relating to the financial years prior to 2013/14 and a contingent liability remains in respect of these financial years.

Cavity Wall Insulation

A research report on the condition of Cavity Wall Insulation (CWI) in the Housing Executive's dwellings was published in May 2019. The report noted that there was a considerable level of non-compliance (63%) with current industry installation standards. In particular, from the sample of 825 properties selected and surveyed, it was found that in 1% of cases this was having a significant detrimental impact on the internal structure and that urgent remedial work was required. It is difficult to quantify the costs for this as it will vary on a case-by-case basis. The Housing Executive published a CWI Action Plan for its stock in March 2022 in response to the BBA's findings and recommendations. The Action Plan acknowledges that a CWI remediation/replacement programme will be required but also notes that the funding required is not available at this time. Consequently until such time as the necessary funding becomes available the Housing Executive will be addressing instances where the CWI is having a detrimental impact of the structure of a property via response maintenance or a planned scheme as appropriate. Such properties are currently being identified and a small annual programme is being prepared.

Contractual Claims

At 31 March 2022, a contractual claim has been issued against the Housing Executive where the amount is unable to be quantified. There are also 2 further claims which cannot be disclosed for commercially sensitive reasons.

Notes to the Accounts

Note

24 Contingent Liabilities and Assets continued

Contingent Liabilities continued

Public Liability Claims

At 31 March 2022, there is a contingent liability of £5.3m (2021: £4.2m) for public liability claims, representing claims notified and not finalised and where it is considered a payment is probable.

Redevelopment Area Purchases

At 31 March 2022, a contingent liability of £0.7m (2021: £0.7m) exists for a small number of outstanding claims which have not been received for redevelopment land previously vested and owned by the Housing Executive.

Price Uplifts – Dwelling related costs

Rapidly increasing rates of inflation over the last two years have had a significant impact on construction companies incurring increased costs, particularly for essential materials and skilled labour. As the Housing Executive has legal responsibility to ensure its properties are well maintained, negotiations are currently taking place with contractors discussing appropriate uplifts to applicable contract rates to ensure service continuity. At the year-end, discussions are at an early stage for planned maintenance schemes and as a result any proposed liability is not able to be quantified at present. There may also be further implications for liabilities relating to response maintenance schemes regarding the price uplifts accounted for in the accounts.

Pension liability - Goodwin judgement

As detailed in Note 23, the Housing Executive has recognised a Pension liability of £165.9m (2021: £236.1m) for the NILGOSC defined benefit scheme. In June 2020, an Employment Tribunal ruled, that the Teachers' Pension Regulations 2010 (as amended) directly discriminated on grounds of sexual orientation in relation to the provision of adult survivor pensions and thereby result in a breach of the non-discrimination rule in section 61(1) to the Equality Act 2010. The provisions found that survivor's benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation. Although there is a similar differential treatment under the regulations governing the LGPS(NI), it is more limited in scope. The differential applies only where the marriage or civil partnership is entered into after the member has left the scheme (either as a pensioner or becoming a deferred member). As a result any future remedy, regardless of its retrospective scope, is therefore considered likely to be immaterial. The actuary for the scheme currently estimates the Goodwin judgement could add around 0.2% to the defined benefit obligation for a typical employer (and no higher than 0.5%), however the impact will vary depending on the membership profile. The Housing Executive's defined benefit obligation disclosed in Note 23(d) at 31 March 2022 is £1,110m.

25 Commitments

The Housing Executive has to plan its Capital and Revenue in advance of work proceeding. At 31 March 2022 the Housing Executive has entered into contracts which will incur expenditure of £165.1m (2020/21: £164.9m) in future years. Of this, capital commitments represent £134.4m (2020/21: £129.6m) and revenue commitments represent £30.7m (2020/21: £35.4m). Capital commitments include private sector grant & energy efficiency grant approvals up to 31 March 2022 of £23.9m (2020/21: £22.3m) which have been committed by the Housing Executive, but not yet paid.

Notes to the Accounts

Note

26 Related Party Transactions

The Housing Executive is a Non Departmental Public Body (for accounting purposes) sponsored by the Department, who is regarded as a related party. The Statement of Changes in Taxpayers' Equity details the funding received from the Department. During the year, the Housing Executive has had various material transactions with the Department with respect to Housing Benefit. Note 7 provides a breakdown of that expenditure.

Further certain Social Housing Development Programme grants were also recouped from Housing Associations during the year and repaid to the Department, as disclosed in Note 6(f). Additionally, the Housing Executive paid rent, rates and service charges of £534k to the Department in respect of one office building, and also reimbursed the Department for the salary costs of four members of staff who were seconded to the Housing Executive during the year.

The Housing Executive also paid rent, rates and service charges of £1,601k to the Department of Finance in respect of two office buildings. 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 the Department of Finance (see Note 18).

The Housing Executive collects rates for its own properties, which are payable to Land & Property Services (LPS), for which it receives an allowance. Rates paid during 2021/22 to LPS amounted to £40m. An allowance of £4m is received from LPS which resulted in Rates collected during 2021/22 of £44m. Notes 6 and 4 show the expenditure incurred and income received in respect of Rates collected.

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 £3.1m and £157k respectively.

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

27 Third Party Assets

The Housing Executive did not hold any Third Party Assets as at 31 March 2022 (2021: £Nil).

28 Fraud and Error

The Housing Executive administers Housing Benefit on behalf of the Department. Estimates of the levels of fraud and error in Housing Benefit for tenants are reported by the Professional Services Unit (PSU) within the Department for Communities. The PSU produces estimates of official error, customer error and customer fraud using the statistical analysis of data collected through Standards Assurance Unit Financial Accuracy (official error) and Benefit Review (customer fraud/error) sampling exercises. To enable the Unit to provide an estimate of total fraud and error, the results from Financial Accuracy Monitoring, are combined with results from Benefits.

For the Calendar year 1 January 2021 to 31 December 2021, these reports highlighted an estimated amount of £16.9m overpaid (customer fraud £11.3m customer error £4.7m and official error of £0.9m) and £4.3m underpaid (customer error £3.4m and official error £0.9m) through fraud and error in Housing Benefit for tenants. This represents approximately 4.2% of the related expenditure for the calendar year.

Notes to the Accounts

Note

28 Fraud and Error (continued)

Use of Confidence Intervals

The Department reviews a sample of claims (using a sampling approach as it would be impractical to assess every case) and require a level of statistical certainty to underpin the estimates. This level of certainty is quantified with confidence intervals or tolerances. This means the Department can be 95% sure that the true value of fraud and error lies within these tolerances/confidence intervals.

The table below shows the monetary value of error (MVE) and the MVE as a percentage of expenditure. The associated 'range' or 'lower' and 'upper' confidence intervals are also provided. The percentage figures are calculated using the calendar year HB expenditure of £506.4m.

	Monetary value of error £m		21-22 Lower confidence interval (£m)		21-22 Upper confidence interval (£m)		Monetary value of error as a percentage of HB expenditure		Upper confidence interval as a percentage of HB expenditure	
	21-22	20-21	21-22	20-21	21-22	20-21	21-22	20-21	21-22	20-21
Overpayments										
Customer - fraud	11.3	14.5	5.8	0	17.4	32.8	2.2	2.7	3.4	6.2
Customer - error	4.7	6.0	1.3	0	9.2	17.6	0.9	1.1	1.8	3.3
Official error	0.9	3.1	0.1	0.8	2.0	6.8	0.2	0.6	0.4	1.3
Total	16.9	23.6	7.2	0.8	28.6	57.2	3.3	4.5	5.6	5.4
Underpayments										
Customer underpayments	3.4	5.3	1.3	0	6.1	14.6	0.7	1.0	1.2	2.8
Official Underpayments	0.9	1.2	0.3	0.5	1.7	2.0	0.2	0.2	0.3	0.4
Total	4.3	6.5	1.6	0.5	7.8	16.6	0.9	1.2	1.5	3.1

Information on activities undertaken to reduce the level of fraud and error is set out in Governance Statement.

Further information on the methodology used in estimating fraud and error can be found in the Department for Communities 2021-22 Resource Accounts (Note 23 - Payment Accuracy).

29 Events after the Reporting Date

There have been no significant events since the year end which would affect these accounts.

Authorisation Date

The financial statements were authorised for issue on 5 October 2022 by the Chairman and Chief Executive of the Housing Executive.

Northern Ireland Housing Executive

Annex: Statement of Comprehensive Net Expenditure - split by service for the year ended 31 March 2022 - Unaudited

	Landlord 2022 £'000	Regional 2022 £'000	Total 2022 £'000	Landlord 2021 £'000	Regional 2021 £'000	Total 2021 £'000
Income						
Rental Income	303,397	24	303,421	296,894	23	296,917
EU Income	1,047	317	1,364	1,093	225	1,318
Other Income	48,452	9,564	58,015	47,146	4,826	51,972
Total Housing Benefit Income	-	496,502	496,502	-	528,593	528,593
Capital Grant Income	68	963	1,031	137	1,821	1,958
Commissioned Services Income	12,629	3,923	16,553	11,974	3,637	15,611
	365,593	511,292	876,886	357,244	539,125	896,369
Expenditure						
Staff Costs	107,361	28,535	135,896	100,913	26,979	127,892
Other Expenditures	234,180	316,432	550,611	171,941	275,904	447,845
Total Housing Benefit Costs	-	496,502	496,502	-	528,593	528,593
Depreciation, Amortisation, Write Offs & Write Down	29,687	98	29,785	35,549	89	35,638
Commissioned Services Charge	3,923	12,629	16,553	3,637	11,974	15,611
Capital Grant Charge	963	68	1,031	-	137	137
Capital Grant in Kind	-	-	-	-	1,821	1,821
	376,114	854,264	1,230,378	312,040	845,497	1,157,537
Net Expenditure before Interest (c/fwd)	(10,521)	(342,971)	(353,492)	45,204	(306,372)	(261,168)

Northern Ireland Housing Executive

Annex: Statement of Comprehensive Net Expenditure - split by service (cont'd) for the year ended 31 March 2022 - Unaudited

	Landlord 2022 £'000	Regional 2022 £'000	Total 2022 £'000	Landlord 2021 £'000	Regional 2021 £'000	Total 2021 £'000
Net Expenditure before Interest (b/fwd)	(10,521)	(342,971)	(353,492)	45,204	(306,372)	(261,168)
Interest Receivable	363	43	406	722	173	895
Financing Charges	(14,078)	-	(14,078)	(16,179)	-	(16,179)
Pension Financing Charges	(4,215)	(1,182)	(5,397)	(4,283)	(1,158)	(5,441)
Net Expenditure before taxation	(28,450)	(344,110)	(372,561)	25,464	(307,357)	(281,893)
Tax on ordinary activities	160	-	160	(248)	-	(248)
Net Expenditure after taxation	(28,290)	(344,110)	(372,401)	25,216	(307,357)	(282,141)

Northern Ireland Housing Executive
Statement of Financial Position split by service - Unaudited
as at 31 March 2022

	Landlord Services	Regional Services	Total	Landlord Services	Regional Services	Total
	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets						
Property, Plant & Equipment						
- Operational	2,676,560	3,154	2,679,714	2,595,714	3,104	2,598,818
Property, Plant & Equipment						
- Non Operational	621	1,597	2,218	570	463	1,033
Intangible Assets	1,489	-	1,489	1,548	-	1,548
Trade and other receivables	4,562	28,403	32,965	4,598	34,682	39,280
Total non-current assets	2,683,232	33,154	2,716,386	2,602,430	38,249	2,640,679
Current Assets						
Short Term Investments	250,000	-	250,000	174,000	-	174,000
Assets Classified as Held for Sale	6,032	-	6,032	4,239	-	4,239
Inventories	1,129	210	1,339	1,399	1,022	2,421
Trade and other receivables	35,795	34,184	69,979	34,871	36,442	71,313
Cash and cash equivalents	80,243	1,640	81,883	108,280	2,586	110,866
Intercompany balance	11,105	-	11,105	6,094	-	6,094
Total current assets	384,304	36,034	420,338	328,883	40,050	368,933
Total assets	3,067,536	69,188	3,136,724	2,931,313	78,299	3,009,612
Current Liabilities						
Trade and other payables	(124,133)	(122,813)	(246,946)	(125,204)	(110,995)	(236,199)
Provisions	(1,100)	(241)	(1,341)	(1,040)	(621)	(1,661)
Intercompany balance	-	(11,105)	(11,105)	-	(6,094)	(6,094)
Total current liabilities	(125,233)	(134,159)	(259,392)	(126,244)	(117,710)	(243,954)
Net Current Liabilities	259,071	(98,125)	160,946	202,639	(77,660)	124,979
Non-current assets less net current liabilities	2,942,303	(64,971)	2,877,332	2,805,069	(39,411)	2,765,658
Non-current liabilities						
Trade & other payables	-	(33,833)	(33,833)	-	(33,851)	(33,851)
Loans Outstanding	(120,732)	-	(120,732)	(136,737)	-	(136,737)
Provisions	(944)	-	(944)	(767)	-	(767)
Pension Liability	(129,536)	(36,342)	(165,878)	(185,818)	(50,259)	(236,077)
Total Non-current liabilities	(251,212)	(70,175)	(321,387)	(323,322)	(84,110)	(407,432)
Assets less Liabilities (C/Fwd)	2,691,091	(135,146)	2,555,945	2,481,747	(123,521)	2,358,226

Northern Ireland Housing Executive
Statement of Financial Position split by service (Continued) - Unaudited
as at 31 March 2022

	Landlord Services	Regional Services	Total	Landlord Services	Regional Services	Total
	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Assets less						
Liabilities (B/Fwd)	2,691,091	(135,146)	2,555,945	2,481,747	(123,521)	2,358,226
Taxpayers' Equity						
Statement of Comprehensive Net Expenditure Reserve	1,429,952	(136,339)	1,293,613	1,321,949	(124,432)	1,197,517
Revaluation Reserve	1,261,139	1,193	1,262,332	1,159,798	911	1,160,709
	2,691,091	(135,146)	2,555,945	2,481,747	(123,521)	2,358,226

Report of the Comptroller and Auditor General to the Northern Ireland Assembly.

Housing Benefit Expenditure

Introduction

1. The Northern Ireland Housing Executive (the Housing Executive) is comprised of a Quasi-Public Corporation and a Non Departmental Public Body (NDPB)¹ and is sponsored by the Department for Communities (the Department). The Housing Executive is the regional housing authority for Northern Ireland with a wide range of housing responsibilities including acting as landlord for just under 85,000 dwellings.
2. 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 for the purposes intended by the Northern Ireland Assembly (the Assembly) and the financial transactions conform to the authorities which govern them.

Explanation for Qualified Audit Opinion

3. This report reviews the results of my 2021-22 audit of the Housing Executive and sets out the reasons why I consider I do not have enough evidence to provide an unqualified regularity audit opinion.
4. The Housing Executive spent £504.6 million on housing benefit in 2021-22. The fraud and error, deemed to be irregular, within this expenditure has been estimated to be £17.8 million. As these levels are significant I have qualified my audit opinion on regularity. The Housing Executive's accounts have received similar qualified audit opinions in previous years.
5. Housing Benefit is a means-tested benefit to help people on low income pay rent. NIHE administers this benefit on behalf of the Department for Communities (DfC) which funds customer payments and the majority of administrative costs. Eligibility depends on several factors including: income and capital; household size; age; circumstances and rent levels. Housing benefit is no longer open to new claimants of working age unless they reside in temporary/homeless or exempt supported accommodation. (Non-Working age claimants can continue to avail of Housing Benefit). In the main working

¹ From 1 April 2014, following a review by the Office for National Statistics, the accounting classification of the Housing Executive changed. As a result the Housing Executive comprises two accounting regimes - Landlord Services and functions have been re-classified as a Quasi-Public Corporation (which is similar to the previous designation for the entire organisation) while Regional Services and functions are now categorised as an NDPB. The main impact of the accounting reclassification is that the NDPB is, for accounting and budgeting purposes, more closely integrated with the sponsor department.

age citizens must apply to obtain Universal Credit (UC). As UC rolls out further, expenditure on Housing Benefit will continue to decrease as existing claimants gradually move on to it. Further details on UC can be found in the Annual Report and Accounts of the Department for Communities 2021-22.

Arrangements for monitoring and reporting of fraud and error

6. The Department's Standards Assurance Unit (SAU) regularly monitors and provides estimates of the level of fraud and error within ongoing Housing Benefit claims. Fraud and error arises in different ways:
 - **Customer fraud**, which arises when customers deliberately seek to mislead the Housing Executive;
 - **Customer error**, which arises when customers make inadvertent mistakes with no fraudulent intent; and
 - **Official error**, which arises when Housing Benefit, is paid incorrectly due to inaction, delay or a mistake by NIHE.

7. The criteria that are used to determine the entitlement to Housing Benefit, and the method to be used to calculate the amount due to be paid, is set out in legislation. Where fraud or error has resulted in an over or underpayment of benefit to an individual, who is either not entitled to Housing Benefit, or is paid at a rate which differs from that specified in the legislation, these payments have not been made in line with the governing legislation. Overpayments of Housing Benefit as a result of customer fraud, customer error or official error, and underpayments as a result of official error, are considered to be irregular. Underpayments due to customer error are not considered irregular as customers can decide not to claim benefits.

Results of the SAU's testing in 2021-22

8. The SAU reports the results of its testing on a calendar year basis to facilitate the timetable for the production of the financial statements. I consider there are no underlying factors which mean the error rate for the 2021 calendar year cannot be applied to the financial year 2021-22.

9. SAU reviews are normally based on a sample of benefit claims and are therefore subject to a level of statistical sampling uncertainty which is expressed as confidence intervals within which the true value of fraud or error lies. My staff examine the work undertaken by SAU and I am content that the results produced by them, remain a reasonable estimate of the total fraud and error in the Housing Benefit system.

10. Note 28 to the accounts (entitled 'Fraud and Error') details the estimated levels of fraud and error, based on the SAU's work, in 2021 (see Table 1). This shows that the total amount of estimated irregular payments in 2021-22 was £17.8 million comprising:

- Overpayments due to customer fraud or error and official error of £16.9 million (3.4 per cent of Housing Benefit payments); and
- Underpayments due to official error of £0.9 million (0.2 per cent of Housing Benefit payments expenditure).

Table 1

	2017	2018	2019	2020	2021
Overpayments due to:	£m	£m	£m	£m	£m
Calendar year spend	623.2	616.4	562.1	529.8	506.4
Customer Fraud	15.7	17.5	15.4	14.5	11.3
Customer Error	4.8	3.7	6.4	6.0	4.7
Official Error	2.3	1.2	1.5	3.1	0.9
Total overpayments	22.8	22.4	23.3	23.6	16.9
	%	%	%	%	%
% of overpayments	3.7	3.6	4.1	4.5	3.4
	£m	£m	£m	£m	£m
Total underpayments due to Official Error	3.6	2.4	0.9	1.2	0.9
	%	%	%	%	%
% of underpayments	0.6	0.4	0.2	0.2	0.2

11. The table above shows that the total estimated level of overpayments has decreased from £23.6 million to £16.9 million this year. NIHE told me that this is due to ongoing efforts to better target claimants who may have a change in their circumstances and also as a result of continuous monitoring and improvement in the levels of accuracy in the assessment of Housing Benefit.
12. The largest element of Housing Benefit overpayments is customer fraud which has decreased from £14.5 million to £11.3 million. NIHE told me the main reason for overpayments in customer fraud is customers failing to report relevant changes of circumstances including;
 - changes to their earned income;
 - changes within their household; and
 - changes in savings/capital.
13. The table above shows that the both the monetary value of fraud and error and as a percentage of HB spend is continuing to decrease. NIHE also told me that this is because of claimants moving from HB to Universal Credit but also due to the range of measures it has put in place over the last few years to uncover frauds and errors and to prevent them from occurring in the first place. These measures are set out in the Governance Statement part of the Annual Report.

Qualification of regularity opinion due to estimated level of fraud and error in housing benefit payments

14. In reaching the decision to qualify my audit opinion, I recognise that there is an inherent risk of fraud and error in the administration of a complex benefit system which makes it difficult for NIHE to reduce the estimated rate of fraud and error further from its current level.
15. Nevertheless, the estimated levels of fraud and error in Housing Benefit expenditure remain material at £17.8 million and I consider this to be irregular as this expenditure has not been applied in accordance with the purposes intended by the Northern Ireland Assembly. Therefore, I have again qualified my regularity audit opinion for 2021-22 in this area.



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5th October 2022

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Housing
Executive

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